Empowering the Consumer: The Ultimate Health Care Stakeholder
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Empowering the Consumer: Choices in Coverage

- Drug Formularies
- Deductibles
- Tools
- Summary of Benefits
- Convenience
- Coverage
Estimated Source of Insurance Coverage, 2014

Among 269 million people under age 65


Enrollee Choice of Marketplace Issuers in 35 States in 2014 and 2015

Consumers can choose from an average of 40 health plans in 2015, up from 30 in 2014

More than 7 in 10 enrollees could choose from 3 or more issuers in 2014

More than 9 in 10 enrollees can choose from 3 or more issuers in 2015

Source: HHS, Office of Assistant Secretary for Planning and Evaluation, Research Brief: Health Plan Choice and Premiums in the 2015 Health Insurance Marketplace 2015
Changing environment for decision-making in health care

1) Availability of health information
   – 1 in 3 consumers go online to figure out a medical condition (online diagnosis)

2) Many consumers want to be in control of their health

Changing environment for decision-making in health care

3) Shift of costs to consumers
   – High deductibles, "consumer-driven" plans

4) Increase in "noise" through advertising
   – 91% of Americans have seen ads for Rx drugs

5) Declining trust in health care institutions

More information & choice = need for decision support
What do consumers want in coverage?

• Value
• Quality information
  – Physician level and procedure specific
• Out of pocket costs
  – No surprises

Challenges in choosing health coverage: Literacy

• 12% of U.S. adults have proficient health literacy - such as being able to use a table to calculate employee’s share of health insurance cost for a year
• Adults over 65 had lower average health literacy
• Limited health literacy affects all racial and ethnic groups
• Compared to privately insured adults, both publicly insured and uninsured adults had lower health literacy skills
• Adults living below the poverty line had lower health literacy

Source: U.S. Dept of Education, National Center for Education Statistics
Challenges in choosing health coverage: Literacy

For ACA enrollees:

- 37% of enrollees did not know amount of their deductible
- Over 60% were NOT confident in their understanding of basic health insurance terms (premium, deductible, copayment, coinsurance, maximum out of pocket spending, covered services, excluded services, provider network)
- People with lower incomes less likely to understand key elements; the people who need coverage the most, often times, understand it the least

Source: Health Reform Monitoring Survey, 2013

Challenges in choosing health coverage: Transparency

- Need information up front, before choosing a plan
- Drug formulary - clear information on what is covered, searchable database
- Health Care Provider information – directories, performance measures
- Cost – easy access to prices on common procedures
Picking a Plan: Three Questions

1) What does the plan cover?
2) What will it cost?
3) Which providers are in the plan’s network?

Thank you!