

# HOW DO CONSUMERS CHOOSE HEALTH PLANS? IMPLICATIONS FOR EXCHANGES

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# Logic for competition in health insurance markets

- Offer a menu of plan choices, benefit designs and pricing
- Consumers choose the health plan in their best interest
- Plans compete on cost and quality

# What matters to consumers?

- Benefit generosity
  - Especially to sicker patients
  - Adverse selection
- Access to providers
- Cost-sharing and expectations about spending
- Quality

# Evidence of difficulties in other settings

- Fail to choose a plan
- Choose poorly
  - Choose an unambiguously worse plan than another available option
  - Fail to choose cost-minimizing plan
- Fail to switch plans, even when other options appear to be better

# Consumer experience in the Connector

- Commonwealth Choice program
  - Unsubsidized
  - Gold, silver, bronze, young adult plans
  - Offered via web-based portal
  - Targeted towards enrollees at 300% FPL or higher
- Early experiences with plan enrollment and outcomes
- Additional important limitations

# Sources of information on plans

	% Reporting Use
The Internet	82%
Connector phone line	18%
Friend/Family member	13%
Print materials	10%
Employer	5%
Broker/Agent	5%

Majority of enrollees (66%) used one source of information

# Plan choice process

- One-third (32%) had help narrowing choices

- Sources of help:

Friend/Family 64%

Employer 16%

Connector phone line 14%

Broker/Agent 11%

Physician 3%

# Unmet need for help with plan choice

- 28% of respondents who didn't have help narrowing plan choices wished they had
  - 18% of respondents overall
- Those with least experience have greatest need



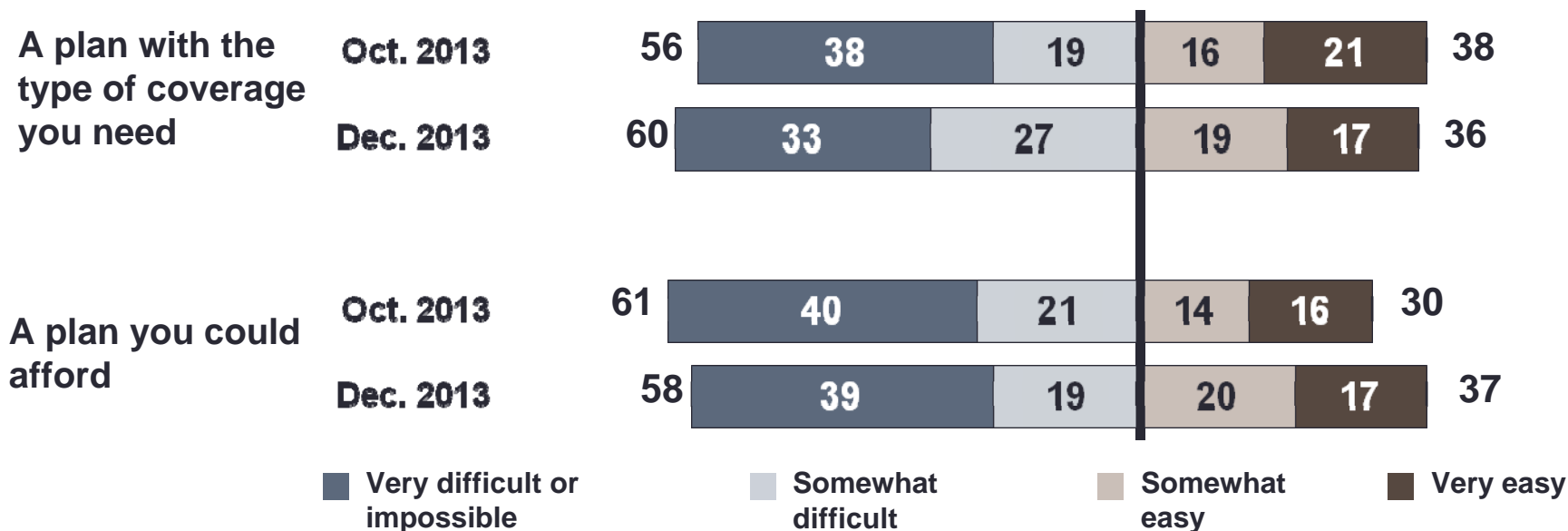
# Outcomes associated with wishing for help narrowing plan choices

	All	Wishing had help	All others
Think choice would've been easier with fewer plans	28%	32%	21%
Unsatisfied with affordability of plans	57%	81%	54%*
Unsatisfied with plan coverage	28%	42%	24%*
OOP costs higher than expected	45%	59%	45%+
Find plan hard to understand	23%	42%	20%*

+p<0.10; \*p<0.05

# Some similar experiences today

How easy or difficult was it to find...?



**Adults ages 19–64 who are uninsured or have individual coverage and went to marketplace**

Note: Bars may not sum to 100 percent because of “don’t know” responses or refusal to respond; segments may not sum to subtotals because of rounding.

Source: The Commonwealth Fund Affordable Care Act Tracking Surveys, Oct. 2013 and Dec. 2013.  
<http://www.commonwealthfund.org/Surveys/2014/Second-Affordable-Care-Act-Tracking-Survey.aspx>

# Implications for Exchanges today

- Emerging evidence of consumer groups with difficulty “shopping” in an exchange
- Associated with negative experiences in plans
- ACA subsidies are more complicated
- Decision-support will be important

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