

Plans and consumers in the new world of Exchanges



Sarah Thomas



Exchanges: Opportunities to Drive A Value Agenda

1. Choice architecture – “Nudge” consumers towards best value options
2. Benefit design
 - Foster value-based designs that steer people to better options
 - Integrate patient activation tools
3. Network design
 - use quality and cost measures for tiering
4. Health plans as “market makers”
 - Health plans can be change agents, supporting (with data) and driving (with payment) improvements in care delivery

Federal Quality Requirements for Exchanges

- **Plan management**
 - **Qualification of health plans**
 - Accreditation
 - Network adequacy
 - Marketing requirements
 - **Data collection and analysis for quality**
 - Rating plans on quality
 - Quality improvement strategies
- **HHS partnering with states to design and operate Exchange functions**

Timeline for Exchange Implementation

	2011	2012	2013	2014
Key dates			January 1 – States must demonstrate readiness	January 1 - Exchanges operational; subsidies available
Federal government	<ul style="list-style-type: none"> • Provide early innovator, establishment grants • Release guidance and regulations 	<ul style="list-style-type: none"> • Continue to release regulations 		
States	<ul style="list-style-type: none"> • Develop strategic plan • Pass legislation enabling Exchange • Develop operational plan • Select IT/Website infrastructure vendor 	<ul style="list-style-type: none"> • Implement operational plan • Select audit firm; vendors for outreach, marketing, navigators, call centers, financial systems 	<ul style="list-style-type: none"> • Complete IT/Website infrastructure • Select qualified health plans • Launch outreach campaign • Begin offering insurance 	

Who Are the Exchange Enrollees?

(Source: Kaiser Family Foundation)

- The projected 2019 Exchange population is relatively older, less educated, lower income, and more racially diverse than current privately-insured populations
- Most enrollees transition from being previously uninsured; many currently experience access barriers
- They report worse health but have fewer diagnosed chronic conditions than current privately insured populations
- Per capita health spending might look similar to health spending among Americans insured through an employer
- Much lower income than the projected non-Exchange non-group population

Quality Measures: A National Starter Set

- Use the same quality standards nationally
- Start with a feasible set of measures; can add over time
- Select measures using defined principles
 - Aligned with national health improvement goals, Medicaid, Medicare and commercial strategies
 - Widely used by health plans and national quality reporting initiatives
 - The same measures for all types of health plans – HMOs and PPOs
 - Phase in more outcomes measures over time
 - Require auditing to ensure reliability, validity of results
- Require CAHPS, a proven method of gathering patient experience; may need new items

CONSUMERS AND QUALITY

FINDINGS FROM NCQA WORK

Three ingredients for developing report cards for consumers

- Determine how to rate plans – which measures and how much to weight each
- Integrate health plan rating into decision support tool
- Conduct consumer testing with real quality data

Options for displaying ratings

- Ranking
- Visual clues
 - Star rating
 - Grades
- Symbols or statements (above average, below average)

Examples of decision support tools

- **Basic – Report card displaying comparative information on the benefits of different plans offered**
- **Advanced – Personal worksheet that allows consumers to identify and compare specific features of available plan options**
- **Sophisticated – Computer-based interactive application on internet portal**

Design Principles - Context

- **Clearly define quality**
- **Explain how quality information is meaningful in selection of a high value plan**
- **Provide a framework to help consumers understand the larger concept of quality**
- **Make data source available to instill trust**

Design Principles - Content

- Give short definitions, example of health insurance concept when presented
- Use web functions (filtering) to let consumers customize the process
- Keep quality information at high level and provide optional links for consumers to follow for more specifics
- Ensure easy access to customer support services (i.e., call center, email, instant chat)

Design Principles - Presentation

- Display of quality information must be clear, simple and free of clutter
- Provide guidance on how to read and understand graphs and tables to allow for easy comparison between plan performance
- Data displays should summarize and interpret data for consumers
- Clearly point to a high value health plan for consumer

Design Principles – Ease of Use

- Consumers must comfortably and quickly navigate through quality content
- Less information is more valuable, as consumers are traditionally presented too much
- Avoid medical jargon and keep language simple for all health literacy levels
- Educate and train customer support (navigators, agents, brokers) on quality, ratings and decision-support

FINDINGS FROM CONSUMER REPORTS

Key Findings

- Consumers care about cost.
- But they don't seek the lowest cost plan, they want the best value plan they can afford.
- Notion of value is sophisticated:
 - scope of services covered
 - share of the cost paid by plan
 - *sometimes* the quality of providers

FINDINGS FROM JUDY HIBBARD RESEARCH

Goal of Project

- Consumers tend to think that when it comes to medical care, more is better.
- Some consumers may equate higher cost with higher quality care.
- She explores communication strategies that overcome these beliefs.

Findings

- A significant minority of consumers view cost as a proxy for quality and/or avoid low cost providers.
- How cost is portrayed makes a difference in how it is interpreted and used. Use of dollar signs (\$\$) is least effective.
- When a strong quality signal is paired with cost information, consumers are more likely to choose the high value option. They also report higher confidence in their choice.

Findings (continued)

- Consumers need help interpreting data—particularly when it comes to resource use.
- When labels that interpret data are used, consumers are more likely to choose high value providers. (e.g. Careful with your Health Care Dollars; Appropriate MRI Use; High Value Hospital).
- It helps consumers to “call out” high value providers in the data display.