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# Health Insurance Shopping: Gateway to Quality and Value?

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# Health Insurance Shopping

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- Consumers Union's studies provide nuanced insights into the barriers facing consumers when they shop for coverage
- Shopping for coverage is an important gateway to quality information:
  - Provider quality
  - Plan quality
  - Value determinations

# Three CU studies revealed how consumers shop for coverage

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<b>Study Examined:</b>	<b>When:</b>	<b>Locations: Mid-sized cities in...</b>
Pages 1-4 of new health insurance disclosure	Sept-Oct 2010	IA, NH, CA, OH
"Coverage Facts Label" (pages 5-6)	May 2011	MO, NY
Actuarial Value Concepts	May 2011	CO, MD

*Participants were evenly divided between men/women; uninsured/insured (non-group). A variety of education levels, ages (26-64), and race/ethnic background, and prior familiarity with health insurance.*

# When shopping, consumers want a good “value”

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Universal concerns:

- What's covered?
- How much is it going to cost me?

Sometimes:

- Is my doctor in the plan?
- Does this plan have good quality providers?

Consumers don't want the lowest cost plan, they want the best value plan they can afford.

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# Things to note

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- ❑ Coverage concerns trump quality concerns
- ❑ Provider quality trumps plan quality measures
- ❑ Consumers look to provider quality information not necessarily to optimize care, but to avoid the risks associated with below-average care

# Unfortunately, consumers can't calculate value

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Consumers really struggle with cost-sharing terms (coinsurance, OOP limits, etc).

- Jargon unfamiliar
- underlying concept is difficult
- They can't "roll up" the various cost-sharing features to get to a bottom line
- Maybe missing a "mental map" as to how insurance works

Bottom line for this meeting: gathering information about this top priority (coverage) may take all their shopping energy

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# Effectively Disseminating Information

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- We don't know how to do this – acknowledge this evidence gap and do more testing!
- Part of the answer:
  - Info comes from a trusted source a/o "people like me"
  - Info is "just in time"
  - Use plain language and consumer testing to overcome barriers due to jargon

# Who helps consumers shop for coverage?

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- ❑ Lack of confidence means consumers consult with others, but they may not be experts: Mom, neighbor, maybe a broker
- ❑ If available, consumers often rely on free, expert assistance as happens now with Medicare and CHIP. Role of navigators in 2014 must be considered.

# Barriers to Consumer Decision-making – how much time do you have?

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## Identifying Good Value Coverage:

- Insurance products are extremely complex
- Consumers DREAD shopping for coverage
- Most sources of insurance information are not trusted
- Consumers can't figure out how much coverage a plan offers

# Barriers to Consumer Decision-making – continued

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## Identifying Quality Providers:

- Not part of the shopping exercise for many consumers
- Figuring out which providers are in the plan is difficult
- Quality measures are unfamiliar – can they be trusted? Is it relevant to my case? Would my neighbor be a better resource?

# The elusive link between health plans and provider quality

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If health plans have no real control over provider quality, where does that leave us?

- MA Atty Gen found that commercial health plans do not pay for care based on value or quality. Instead, prices reflect the relative market leverage of health insurers and health providers.

If payers (Medicaid, Medicare, private plans, etc) are not aligned with respect to reimbursing for quality, where does that leave us?