

Health Insurance Literacy: An Exploratory Study of Potential Health Insurance Marketplace Users and Their Need for Assistance West Virginia, 2012

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Detailed Summary of Key Findings and Recommendations

This exploratory study best reflects individuals with incomes <400% FPL seen within healthcare settings that serve the uninsured (including free clinics, primary care centers, WIC clinics, critical access hospitals, and university based practices) in a primarily rural state.

Study Population Demographics:

Of 171 persons interviewed, key demographics included:

- A. Insurance Status: 64.3% were Uninsured, 9.4% Medicaid Recipients, and 26.3% Insured.
- B. Age and Gender: 75% of interviewees were female and 78% were between the ages of 30 and 64. Individuals younger than 18 or older than 65 were excluded from analysis. Insured and Uninsured were similar in age and gender distributions.
- C. Race and Ethnicity: Race and Ethnicity reflected that of the state population.
- D. Income: 92% of all interviewees reported household incomes under 400% FPL. A majority (68%) reported household incomes of $\leq 133\%$ FPL with the uninsured more likely to report lower household incomes than the insured (40% of insured, 76% of uninsured $\leq 133\%$ FPL). Twenty-four percent (24%) reported incomes of 134-399% FPL (31% of Insured; 24% of uninsured). None of the Uninsured population reported incomes over 400% FPL.
- E. Education: 69% of all interviewees completed high school or less education. Those with higher education levels were more likely to be insured. Of the uninsured, 26% reported some form of education beyond high school (vocational training, college, or post graduate).
- F. Employment: Medicaid and Uninsured persons were far more likely to be unemployed than insured individuals (56% and 52% respectively vs. 13% of Insured). Of the Uninsured, 35% reported some form of employment.

- G. Distribution of Insurance Status within Interview Settings: Free clinics were the setting in which the highest percent of uninsured individuals were accessed (100% of patients). This is consistent with eligibility for service in these settings. Primary care centers, WIC clinics and university affiliated clinics also provided access to a high proportion of currently uninsured (52%, 48%, and 47% of individuals accessed here respectively). Only 13% of those interviewed in critical access hospitals were uninsured.

Detailed Summary of Findings and Observations

A. Value placed on health insurance;

1. Insured and uninsured persons interviewed highly value having health insurance. If the uninsured could afford it, the vast majority state they would enroll in a plan (>90%).

B. Insured: Problems with Current Health Insurance

1. Among the insured, no more than a third of respondents reported any one specific issue to be a problem with their current health insurance.
2. The insured reported the top three problems they had with their current health insurance as the following: “Hard to pay for”, “Getting coverage for providers or services I need”, and “Knowing how to change my policy if circumstances change”. Completing paperwork was the issue they noted least commonly to be a problem.

C. Uninsured: Barriers to Getting Health Insurance; Most Important Policy Features in Choosing Health Insurance

1. Barriers to getting health insurance

- a. Cost is the primary barrier to getting health insurance reported by the uninsured (78% rate this as a “Big Problem”).
- b. Lower level barriers reported include “Knowing where to get information” (38%) and “Understanding how policies work” (34%). “Trusting government programs” is a barrier for some, falling slightly behind these three (30%).

2. Most Important Policy Features in Choosing Health Insurance

- a. The Expanded Coverage – Subsidy Eligible population rated several factors as “Very important” in selecting health insurance. These included cost, preventive services, hospital coverage, medication coverage, dental coverage, and the ability to choose their doctor. Only behavioral health coverage dropped to the “Important” level.

- b. Younger adults highly value dental coverage. They were twice as likely to choose this benefit as “Very Important” compared with older individuals.

D. Health Literacy and Health Insurance Literacy Related Skills

1. Health Literacy vs. Health Insurance Literacy

- a. Forty-four percent (44%) of interviewees rated themselves as “Sometimes”, “Often”, or “Always” needing help understanding printed health information from their doctor. This suggests a relatively high rate of individuals in this population have limited reading ability, a key aspect of health literacy.
- b. Interviewees report needing more help with insurance concepts and materials than with general health information. This is consistent with the common belief that processing and understanding health insurance information involves more complex tasks than processing and understanding general health information.
- c. By age group, older adults felt more confident in reading health insurance instructions, pamphlets and other written material than younger individuals (“Rarely” vs “Sometimes needing help” on average).

2. Confidence in Understanding Insurance Terms

- a. Most interviewees noted a low level of confidence in understanding at least some insurance related words.
- b. Terms respondents were least confident they knew the meaning of included:
 - Drug Formulary
 - Health Maintenance Organization (HMO)
 - Preferred Provider Organization (PPO)
 - In Network Provider
 - Out of Network Provider
 - Pre-Certification

Mean responses falling between:
“Might be able to guess” and
“Think you know, but not sure”

- c. Terms respondents were most comfortable with included:
 - Co-pay
 - Out of Pocket
 - Health Insurance Plan
 - Outpatient
 - Deductible
 - Inpatient

Mean responses falling between:
“Pretty Sure you Know the Meaning” and
“Fully Understand; Could Explain to Others”

3. Numeracy in Relation to Health Insurance

Many of those interviewed had difficulty identifying and using relevant cost information to determine a patient's share of expenses. It may not always be math skills per se, but the complexity of extracting the right information and then using it to calculate costs.

For example:

- a. *Extracting cost information (co-pay):* Two thirds (65%) of respondents were able to extract applicable cost information (co-pay amount) listed on the same page. This task did not require any calculations. One third did not find the applicable information.
- b. *Extracting applicable cost information and calculating co-insurance:* Only 28% of those interviewed demonstrated the ability to correctly calculate the amount of co-insurance due. This task involved identifying relevant information on the same page and calculating a percentage.
- c. *Extracting relevant information and applying the concept of a deductible:* Less than half of those interviewed (41%) were able to determine the effect of a deductible on the patient's payment responsibility.

4. Applying Life and Health Circumstances to Benefit Selection:

- a. For the most part, respondents were able to apply life circumstances to applicable benefit selection.
- b. Data suggested that some applicable benefits were either missed or mistakenly applied when many individual life and health circumstances had to be applied to multiple individual benefits. Grouping of benefits applicable to common life circumstances may be helpful.

5. Comparing Plan Cost Structures in Relation to Anticipated Healthcare System Use

- a. The majority of respondents (73%) had a good understanding of the interplay between deductibles and premium. They were able to make an appropriate health plan choice in relation to these two concepts and an individual's anticipated use of the health care system.

E. Types of Assistance and Resources Potential Marketplace Users Anticipate Needing

1. Types of Assistance Potential Marketplace Users Anticipate Needing

- a. Tasks interviewees felt they would need the most help with were “Comparing Different Plans,” “Calculating Cost,” and “Figuring out if a plan covers my medications.”
- b. A high proportion of “Expanded Coverage - Subsidy Eligible” interviewees anticipate needing a significant amount of help with the core tasks involved in choosing health insurance. Specifically, over 70% anticipated needing “Some Help” or “Lots of Help” with the three key tasks noted.
- c. “Filling out an application” was the task with which they reported needing the least help.

2. Locales for Help in Choosing Health Insurance: “Expanded Coverage or Subsidy Eligible”

- a. The top places from which individuals report they would seek assistance (60% or more) included: the Internet, A Friend or Family Member, the Doctor’s Office, and DHHR.
- b. Site venues clustering around 50% of respondents expressing interest included Insurance Agent, Local Health Department, Employer or Pharmacy.
- c. Little interest was expressed in going to Libraries or retail settings such as Big Box Stores or Malls.
- d. Those 50-64 years of age were more likely to seek help from an insurance agent than those 18-49 years of age.

3. Preferred Information Sources: Expanded Coverage – Subsidy Eligible Population

- a. The information sources most commonly cited as “Very Likely to Use” were *Printed Material* and *One-on-one Assistance* (cited by almost 70% of individuals). This was followed by *Calling to Speak with a Person* and the *Internet* (~60%).
- b. Only one-third of individuals considered *Group Presentations* a source of interest and very few expressed interest in *Smart Phone Applications*.

4. Access to Technology and Interest in Using a Central Website to Shop for Health Insurance

- a. Two-thirds (67%) of Expanded Coverage-Subsidy Eligible individuals report having access to a computer at home. Of these, the vast majority (88%) have Internet Access, almost all of which is high speed (99%). Smart phone access was far less common (28%).
- b. Interest in use of a central website to shop for health insurance was fairly high. Interviewees tended to be either very interested in shopping for health insurance on a common website (Very Likely, 69%) or to be somewhat hesitant to use such a site (Not at all or Possibly, 31%). Interest in such did not vary much by insurance status.

Recommendations

1. **Health Insurance Literacy involves multiple domains and skillsets. Each should be considered in both Health Insurance Marketplace development and in development of user support systems:** In developing the Marketplace, outreach tools and strategies, and associated support systems, it is useful to think about Health Insurance Literacy in terms of domains. While other domain groupings are possible or may evolve through research, the following example provides a start for thinking about this issue.

- Prose Literacy
- Document Literacy
- Numeracy
- Comparative Analysis / Critical Thinking Skills
- Technology Access and Skills

In developing specific tools or systems, it will likely be beneficial to intentionally consider which domains apply to the task at hand and to utilize domain specific health literacy concepts to increase clarity and reduce burden.

2. **Those involved in communicating with or supporting Health Insurance Marketplace users should be trained in health literacy concepts and skills.** These are applicable to helping people learn about, choose, and effectively utilize health insurance.
3. **Individuals seen in healthcare settings for whom coverage will soon be available value obtaining health insurance. Efforts to notify them of emerging coverage options will be important.** The respondents in this study were strongly interested in obtaining health insurance. Although not formally assessed, field experience showed that few of those potentially eligible for expanded coverage or cost subsidies were aware that affordable coverage may soon be available to them. Convincing people to enroll in a Health Insurance Marketplace should not be a difficult task, if

- Health Insurance Marketplace enrollment is made as simple as possible, and
 - Effective Engagement and Support Systems can:
 - Raise Awareness of the Health Insurance Marketplace and What It Can Provide,
 - Engender Trust in the Marketplace and its Associated Network, and
 - Effectively Connect People with Pre and Post Enrollment Support Systems.
4. **Developing and sustaining active partnerships to reach the target audience is likely a key to success.** Integration into existing systems for such will be useful. Free clinics, FQHCs/Primary Care Centers, DHHR, University Clinics, WIC Offices, and others have the potential of being critical partners in reaching out to and/or enrolling those eligible for expanded coverage or subsidies in the Health Insurance Marketplace.
5. **Support Systems are Important to Success:** Over 60% of potential Health Insurance Marketplace users interviewed felt they will need “Some Help” or “Lots of Help” with the tasks below. Thus, it is important that support systems be developed to assist enrollees in:
- Comparing Different Plans
 - Calculating the cost per year in premiums and expenses
 - Figuring out if a plan covers their current medications and their providers

In addition, it will need to provide some with help in completing an application (approximately 50% anticipated need for “Some Help” or “Lots of Help” with this task).

Skill sets evaluated through scenarios, especially those related to numeracy (extracting applicable financial information, calculating co-insurances, determining remaining costs that are the responsibility of the insured, etc.) reinforced the need for assistance in this area.

6. **The Marketplace will need to have not only printed and web-based material, but also a network of advisors to give one-on-one assistance for informing potential enrollees about and enrolling them in the Health Insurance Marketplace.** In addition to web-based information and printed material, highly rated assistance mechanisms include in person one-on-one assistance as well as calling to speak with a person. The complexity of skill sets involved in evaluating and choosing a health insurance plan and the challenges interviewees demonstrated in this study suggest that individual assistance will be needed by a high proportion of enrollees. Free clinics, FQHCs/Primary Care Centers, DHHR offices and other locales have the potential of being well received partners in supporting and enrolling Expanded Coverage or Subsidy-Eligible persons in the Health Insurance Marketplace.
7. **Include explicit examples of how policy terms affect an enrollee’s coverage and costs when providing plan descriptions.** Many insurance related terms were familiar to interviewees in isolation, but in some cases, respondents had difficulty understanding the

interplay between terms, for example, co-pay, co-insurance, deductibles, premiums and how they affected decisions about an insurance plan. For example,

- a. The system for enrolling patients will have to concretely define the out-of-pocket costs that applicants will incur with the selections that they make. It cannot be assumed they will be able to calculate the implications of such factors as co-pay, co-insurance and deductibles.
- b. Examples of the interplay between premiums, deductibles, and health care system use will be beneficial.
- c. Creating packages of benefits applicable to varying life circumstances and/or health statuses may reduce the complexity of the decision making process.

8. **Include brief case studies that give enrollees concrete examples of what a plan will do for them.** Respondents identified “understanding how policies work” as one of the major problems they have with health insurance. Case studies in which they can see how a plan might affect someone like them will likely be useful in articulating how a plan works.
9. **Including dental coverage may increase the attractiveness of an insurance plan to younger adults.** This was a highly valued benefit among younger populations interviewed.
10. **The internet is a viable tool for communicating about health insurance and for helping many of those eligible for expanded coverage or cost subsidies to enroll. Alternative methods must also be developed if all eligible individuals are to be reached.** In this study, two thirds of the uninsured, all of whom were below 400% FPL, had access to a computer and the internet. Approximately two-thirds also expressed interest in using a common website to shop for health insurance. The internet was identified as a highly desirable source of information for learning about health insurance. It should not be assumed, however, that all will either have access to or utilize web-based systems. Alternative methods to reach these individuals will be important.