

Health Insurance Literacy:

An Exploratory Study of Potential Health Benefit Exchange Users and Their Need for Assistance

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Purpose:

To Better Understand Potential Exchange Users':

- **Health Insurance Literacy**
 - **Confidence in using health insurance related terms,**
 - **Ability to demonstrate skills and processes applicable to choosing a health insurance plan,**
- **Anticipated Support Needs and Preferences**
 - **Specific tasks for which assistance will be needed,**
 - **Preferred information sources**
 - **Preferred methods of assistance**
 - **Venues through which assistance would be sought**
- **Interest in and Access to HBE;**
 - **Access to technology and interest in web-based marketplaces.**

Methods

- **Reviewed literature: Determine what's known**
- **Key Informant Interviews : Identify key issues**
 - Academic and field experts in health literacy
 - Representatives from private insurance, public insurance, insurance agents, and health care provider organizations
- **Created a survey instrument**
 - based on findings from the literature and expert interviews
- **Interviewed potential Health Benefit Exchange users**

Study Size

- 193 persons interviewed in 13 sites across WV
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- Excluded 17 who were ≥ 65 years or on Medicare
 - Excluded 5 with incomplete information
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- 171 cases used in the analysis

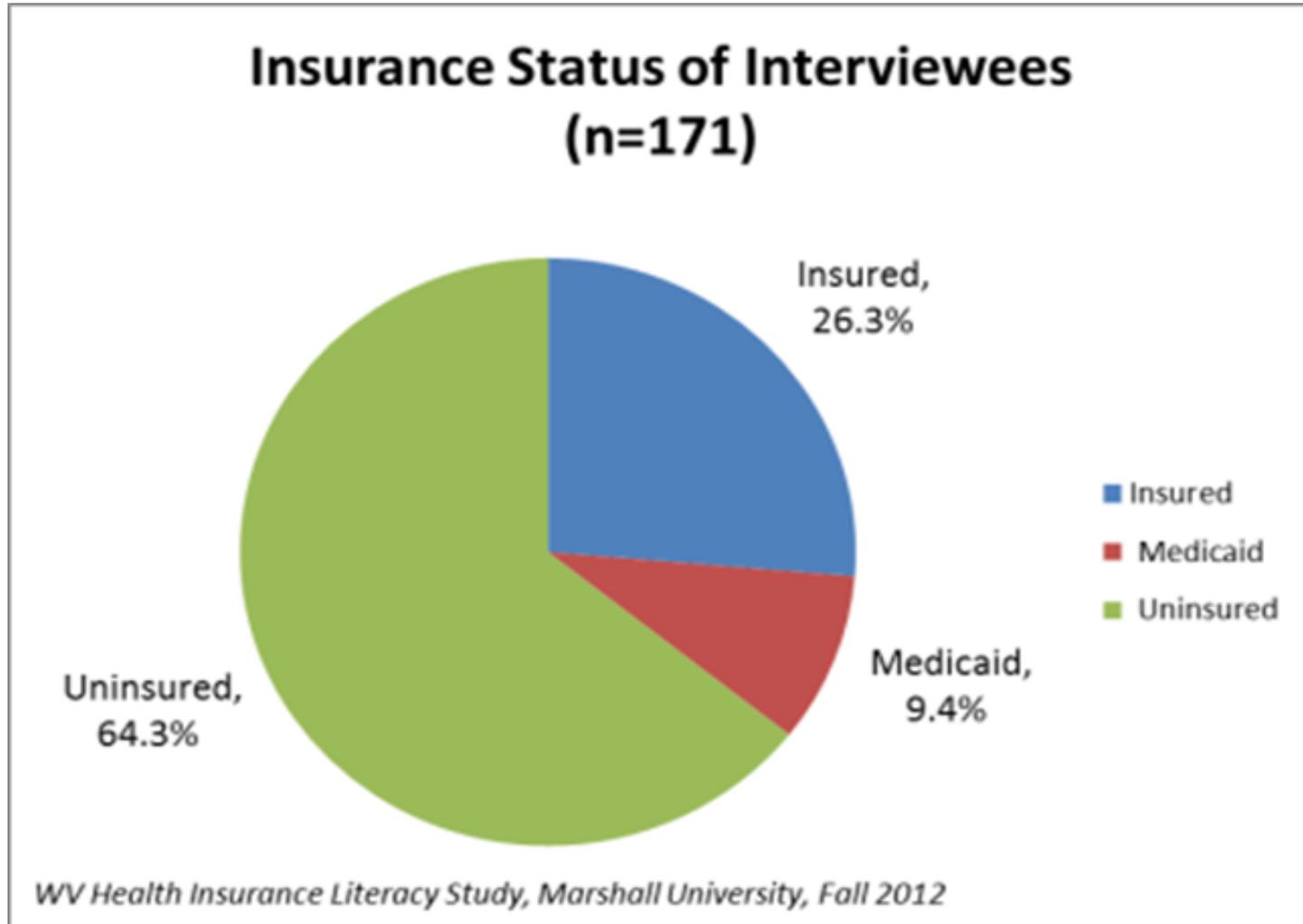
Interview Settings

- Interviews conducted in 5 setting types:
 - Free Clinics
 - Primary Care Centers / FQHCs
 - University Affiliated Clinics
 - Critical Access Hospitals
 - WIC Clinics
- Selected to access both insured and uninsured individuals with a focus on the primary target audience for the Health Benefit Exchange:
 - Currently Uninsured Persons who would be eligible for expanded Medicaid coverage or Premium / Other cost subsidies.
 - 43% of interviewees were from Free Clinics
 - Patients interviewed in 13 sites across the state

Study Population Overview: Key Demographics

Insurance Status

The majority of those interviewed (64%) were Uninsured



Summary Demographics

- Gender: Female (75%). Male (25%)
- Age:
 - Majority were age 30-49 yrs (40%) or 50-64 (37%).
 - Younger group (18-29 yrs) comprised 22%.
- Income:
 - 68% reported household incomes of <133% FPL.
 - Approx one-quarter (24%) at 134-399% FPL.
 - All those \geq 400% FPL (8%) were insured
 - Lower income associated with higher likelihood of being uninsured
- Education: 69% completed high school or less.
 - Those with higher education levels were more likely to be insured
 - 26% of uninsured completed education post high school.
- Employment:
 - Of the Uninsured, 35% reported some form of employment.
 - Medicaid and the Uninsured were more likely to be unemployed

Summary Demographics

- Based on settings and population demographics of those interviewed.....

This Study best reflects those with household incomes <400% FPL seen within healthcare settings serving the uninsured in a primarily rural state (Appalachia)

Key Findings

Value Placed on Health Insurance (HI)
Barriers for Uninsured in Getting HI
**Uninsured: Importance of Policy
Features in Choosing HI**

Value Placed on Health Insurance

If the uninsured could afford it, the vast majority (over 90%) state they would enroll in a plan.

- Both insured and uninsured individuals place high value on having health insurance, rating the importance of having it at the far end of a 10 point scale.
- Well over 90% of uninsured report they would get health insurance if it was affordable and accessible to them.

Uninsured: Barriers to Getting Health Insurance

Cost was by far the biggest barrier for the Uninsured in getting Health Insurance

- 78% of the uninsured rated “cost” a big problem in getting health insurance, by far the top rated barrier.
- Lower level barriers were:
 - “Knowing where to get information” (38%)
 - “Understanding how policies work” (34%)
 - Trusting government programs is a barrier for some, falling slightly behind these.

Uninsured: Most Important Policy Features for Health Insurance

Beyond Cost, the Uninsured value such benefits as “Preventive Services” and “Dental Coverage”

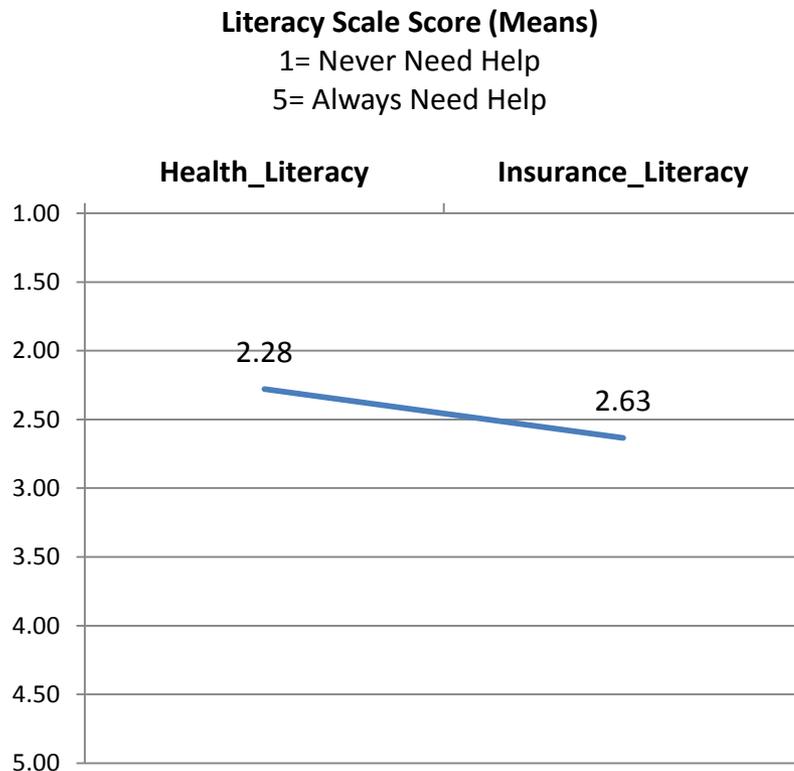
- Several Policy Features rated as “Very Important”
 - Cost
 - Preventive Services Coverage
 - Hospital Coverage
 - Medication Coverage
 - Dental Coverage
 - Ability to Choose Their Doctor
- Younger adults were twice as likely as older adults to rate Dental Coverage as “very important”.

Key Findings: Health Insurance Literacy Related Skills

Health vs Health Insurance Literacy
Understanding Terminology
Numeracy
Critical Analysis Skills

Health Literacy vs Health Insurance Literacy

Respondents were less confident in understanding insurance concepts and materials than they were general health information



- SILS used as rapid screen for health literacy (score >2 positive). Used modified question to compare help needed with health vs health insurance information.
- Persons 50-64 yo reported needing less help with HI materials (ave = “Rarely need help”) than younger persons (ave = “Sometimes need help”).

Confidence in Understanding Health Insurance Related Words

Most interviewees noted a low level of confidence in understanding at least some insurance related terms

- Terms Uninsured were least confident with:
Drug Formulary, Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), In Network Provider, Out of Network Provider, Pre-Certification
- Terms Uninsured were most confident with:
Co-pay, Out of Pocket, Health Insurance Plan, Outpatient, Deductible, Inpatient

Numeracy: Extracting and Using Financial Information

Many had difficulty identifying and using relevant cost information to determine a patient's share of expenses.

Likely not simply math skills, but complexity of extracting information and then using it to calculate costs

Task	% Correctly Performing
Extract \$\$ info on same page (find copay)	65%
Extract \$\$ info and utilize to calculate coinsurance (20% of \$150)	28%
Extract \$\$ info and apply concept of a deductible	41%

Applying Life and Health Circumstances to Benefit Selection

For the most part, respondents were able to apply life circumstances to applicable benefit selection

- Most linked circumstances and benefits appropriately.
- Some benefits were either missed or mistakenly applied when multiple life and health circumstances had to be applied to individual benefits
- Grouping of benefits applicable to common life circumstances may be helpful.

Comparing Cost Structures in Relation to Anticipated Health System Use

Most respondents demonstrated good understanding of the interplay between deductibles and premiums

- 73% made an appropriate health plan choice (*High Premium, Low Deductible Plan vs Low Premium, High Deductible Plan*) for an individual with moderately high anticipated use of the health care system.
- Individuals were able to provide good rationale for the choice made.

Key Findings: Assistance Needed

Anticipated Tasks Where Help Needed
Preferred Locales for Help
Preferred Types of Help / Info Sources

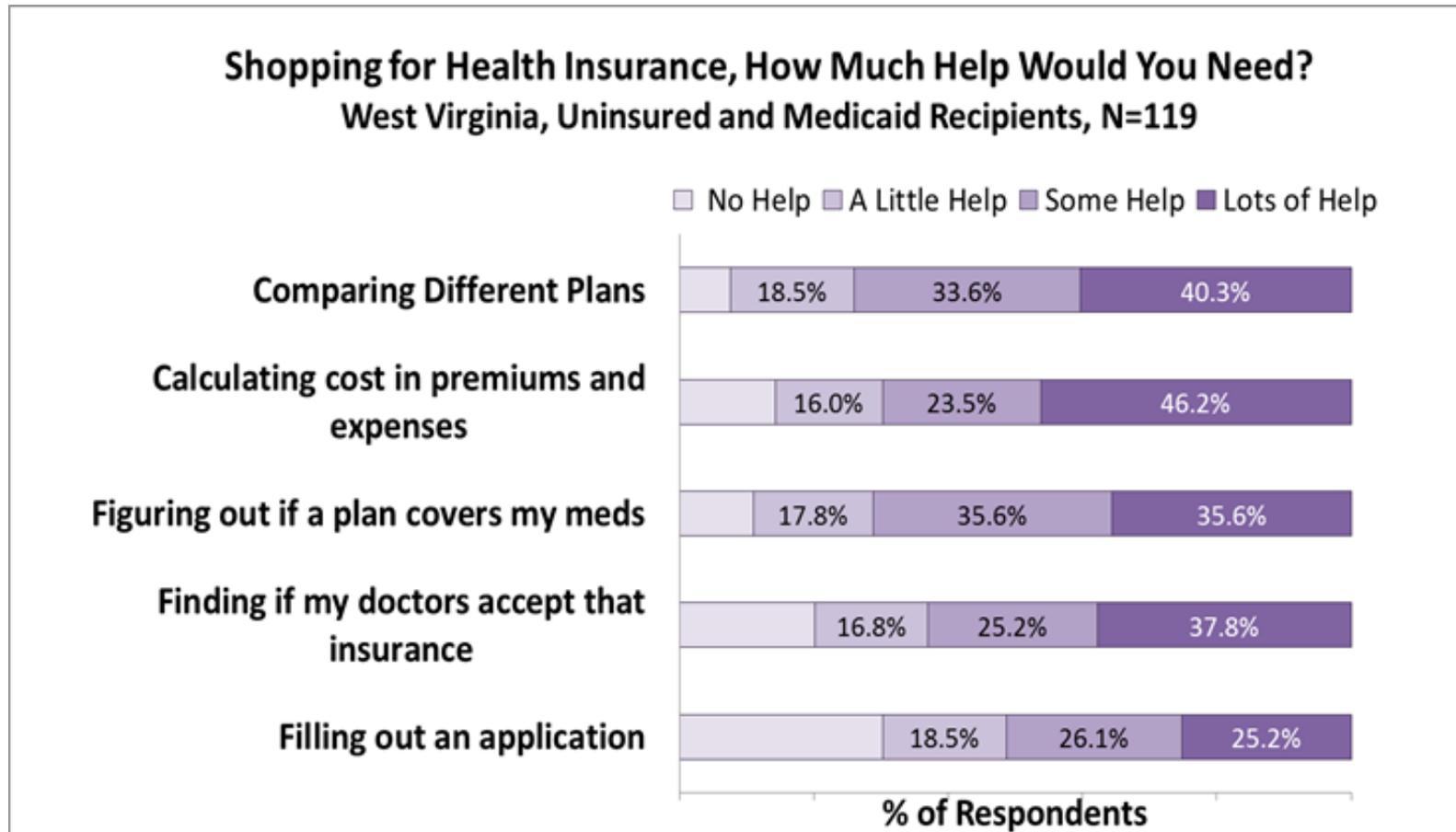
Tasks where Most Assistance Needed

Most Coverage Expansion – Subsidy Eligible persons interviewed anticipate needing help with Specific Tasks in Shopping for Health Insurance.

- Potential Exchange Users anticipate needing “Some” or “Lots of Help” with:
 - Comparing plans
 - Calculating Cost
 - Figuring out if a plan covers my meds
-
- Task with least help needed: Filling out an application.

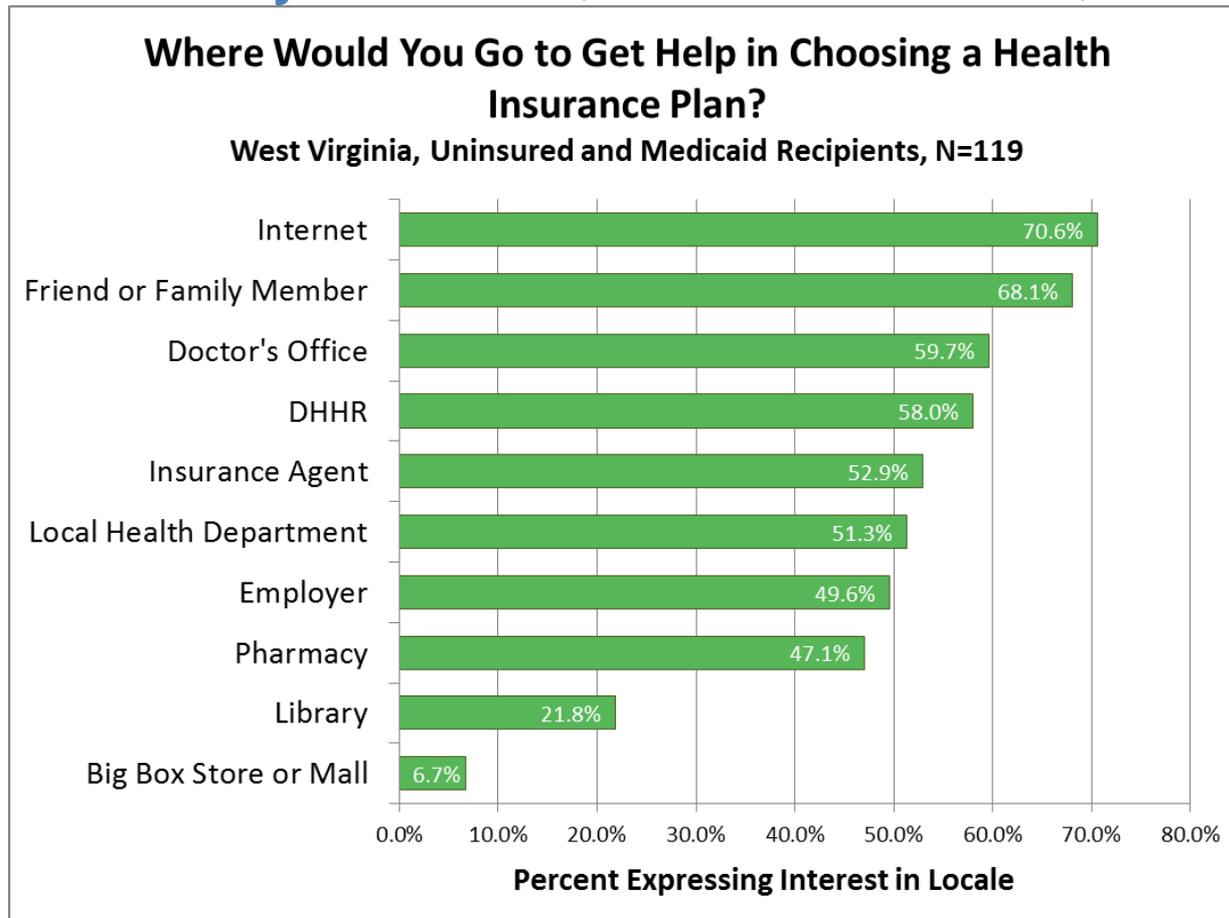
Magnitude of Individuals Anticipating Help Needed

Over 70% of Expanded Coverage – Subsidy Eligible anticipate needing “Some” or “Lots of help” with the top 3 tasks



Preferred Locales for Help

Top places to seek help from (60%+): The Internet, A friend or family member, Doctor's Office, or DHHR



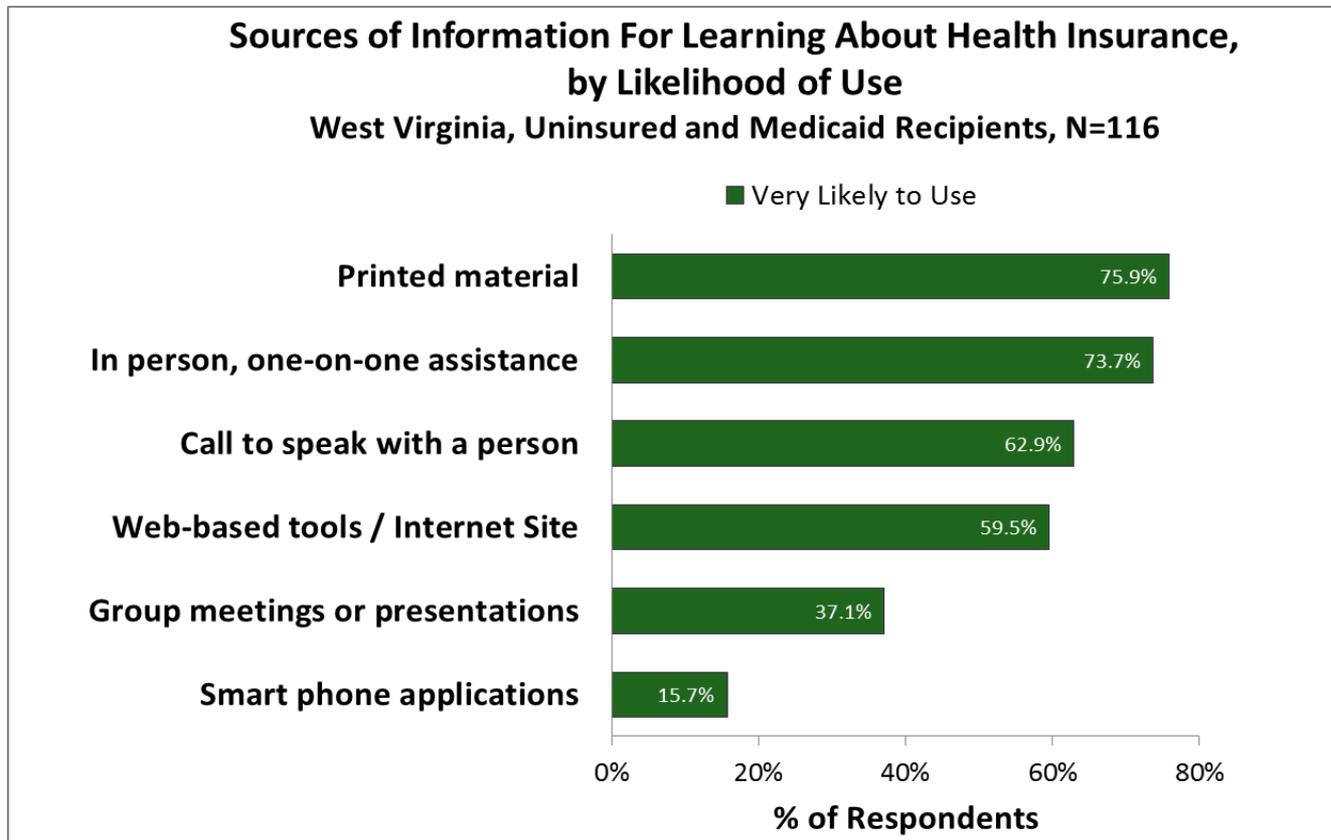
Preferred Locales for Help

Second tier of preferred locales for assistance (~50% of respondents): Insurance Agents, Local Health Departments, Employers, and Pharmacies

- 50-64 yo were more than twice as likely to seek help from an Insurance Agent than those age 18-49 yo. No other age related preferences were significant.
- Little to no interest expressed in Libraries or Retail settings (big box stores or malls)

Preferred Information Sources

Coverage Expansion – Subsidy Eligible interviewees cited “Printed Material” and “One-on-one Assistance” as top information sources “Very Likely to Use” (~70%).



Preferred Information Sources

- “Calling to speak with a person” and “the Internet” were also commonly cited (~60%)
- Group presentations were selected far less (37%)
- Little to no interest in Smart Phone Applications

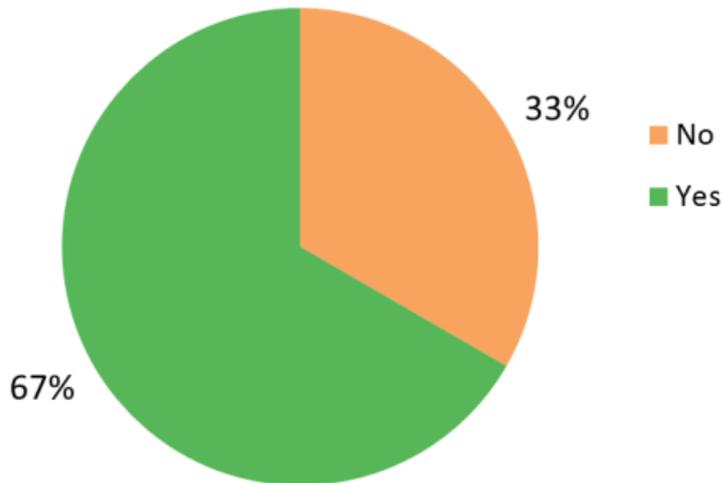
Key Findings:

**Access to Technology &
Interest in a Central Website to Shop
for Health Insurance**

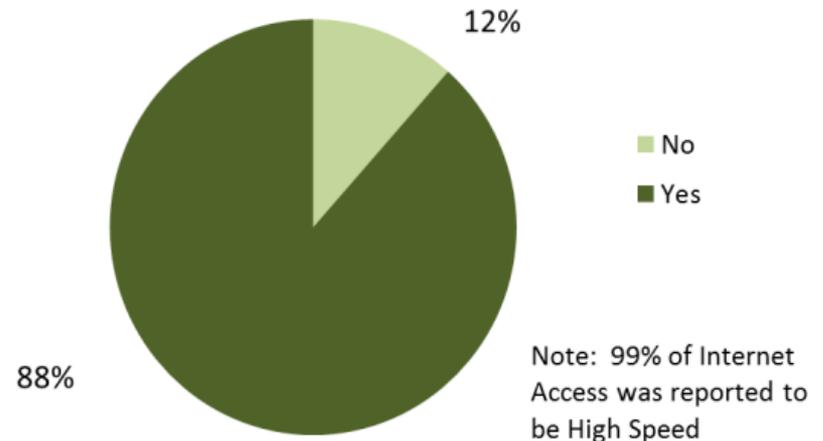
Access to Technology

Almost 60% of Expanded Coverage – Subsidy Eligible Persons Interviewed have access to high speed Internet at home. 40% do not.

Do You Have a Computer at Home?
Subsidy Eligible Interviewees, n=117

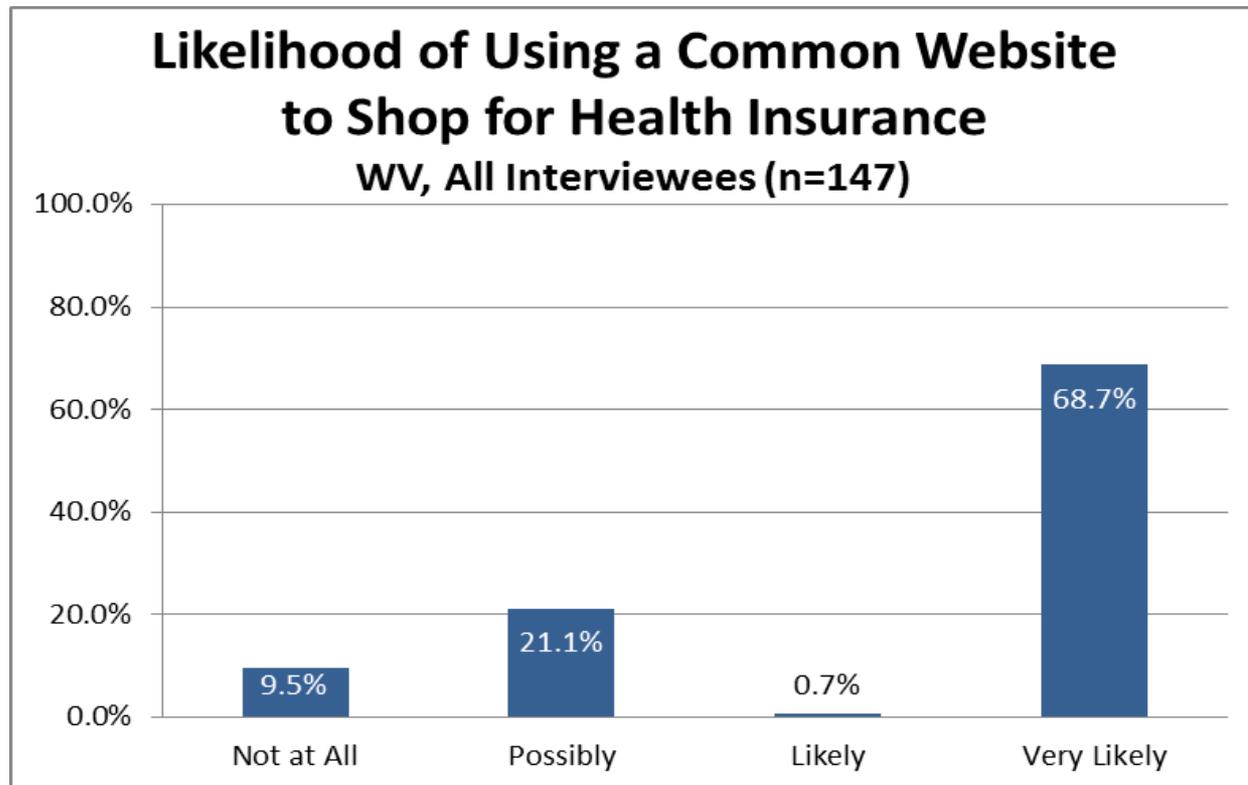


Internet Access Among Those With Computers at Home
Subsidy Eligible Interviewees, n=78



Interest in a Central Website to Shop for Health Insurance

Interest in use of a central website to shop for health insurance is fairly high (69%). Interviewees are either “Very Likely to Use” or hesitant of such (31%).



Summary Observations

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- **Uninsured individuals seen in healthcare settings highly value obtaining health insurance.**
 - Efforts to notify them of emerging coverage options will be important.
 - Convincing them to enroll in a HBE should not be a difficult task, if
 - HBE enrollment is straightforward, and
 - Effective outreach and support systems are put in place.

Summary Observations

- Younger adults (< 50 y/o) may have more health insurance literacy problems than older adults
- Most respondents are able to make reasonable choices for insurance coverage that fit circumstances. Some items may be missed or misapplied, likely moreso with long lists of benefit choices
- Many respondents had difficulty extracting applicable cost information and using it to calculate the patient's share of the charge.

Summary Observations

- **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.**
 - Two thirds of target audience have computer access at home, and
 - Two thirds express interest in a central website for shopping for health insurance.
- **It will not reach all.** Alternative methods must also be developed.

Recommendations

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- Health Insurance Literacy involves multiple domains (prose literacy, numeracy, comparative analysis, technology skills, etc.). Consider each in Exchange development and in program support efforts.
- Those supporting Exchange users should be trained in health literacy concepts and skills.
- Include explicit examples of how policy terms affect an enrollee's coverage and cost.
- Include brief case studies that give enrollees concrete examples of what a plan will do for them.

Recommendations

- Support systems will be important to success: Beyond simply print or web-based material, a network(s) of advisors to inform and provide one-on-one assistance will be important.
- Partnerships to reach the target audience will be beneficial. Free Clinics, FQHCs, DHHR, and others have the potential of being well received partners in enrolling people in the HBE.
- Dental coverage may increase the attractiveness of an insurance plan to younger adults

Thank You!

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