PBGH
PACIFIC BUSINESS GROUP ON HEALTH

Consumer Choice of Health Plan
Decision Support Rules for Health Exchanges: Issue Brief

Top 5 Rules for Decision Support, And Strategies to Bridge the Gaps

TOP 5 RULES FOR DECISION SUPPORT

There are a plethora of rules to create user-friendly decision support for plan choice. We identify the top five rules that our research indicates will have a large impact on consumers' plan choice experiences.

1) **Cost at time of care calculator:** Use a calculator to provide consumers with their cost at time of care given the plan's covered benefits and consumers' expected medical services use. Combine this cost with the plan's premium net of any tax credit to provide a total cost estimate. (See Issue Brief #2)
2) **Smart organization of plans:** Use initial filters and sorts to organize plans so that the consumers' "best fit" plans appear first in the display of plans. Provide tools (i.e., additional filters, sorts, and wizards) to allow consumers to reorganize plans once they have viewed the initial display. (See Issue Brief #3)
3) **Include short cuts:** Create short cuts that help consumers select a plan quickly. Give consumers the choice between the long road (e.g., more preferences questions and plan details) and the short cut (e.g., fewer preferences questions and plan details). (See Issue Brief #5)
4) **Highlight what matters most:** Include summary information about the top dimensions of plan choice that matter most to consumers (i.e., total cost, key covered services, doctor in plan, and rules to see a doctor) in the first layer of the plan comparison. To avoid information overload, use an information hierarchy that helps interested consumers access additional information in a second layer. (See Issue Briefs #1 & 4)
5) **All-plans provider directory:** Use a consolidated provider directory so a single search returns results about a doctor's participation in each available plan and/or counts, for each plan, of the number of primary care or other specialty-specific doctors within a convenient distance to the consumer. (See Issue Brief #6)

STRATEGIES TO BRIDGE THE GAPS

Given tight timelines and various constraints, it may not be possible to implement preferred approaches for all aspects of plan choice decision support at the initial release. We suggest short-term solutions to best serve consumers within these limitations.

1) **In the absence of a cost at time of care calculator,** use other approaches to communicate relative plan costs and cost trade-offs (e.g., premium vs. cost at time of care).
    a. **Use a proxy for total cost:** Metals tier, coupled with consumers' premium cost share, can be used as a rough proxy for total cost. However, this substitution may be misleading if there is considerable variability among covered benefits within a metals tier (Krughoff et al., 2012; Lore et al., 2012).

b. **Use a proxy for cost at time of care:** Use the information available to help consumers grasp the relative cost at time of care for different plans.

   i. **Plan averages for low or high use:** Estimate yearly costs for low- and high-use scenarios (e.g., 25th and 75th percentile) for each of the metal tiers. Although average costs are not tailored to the consumer's healthcare needs, they can provide a general guide to cost at time of care.

   ii. **Minimum and maximum costs:** Use premium and annual out-of-pocket maximum as blunt "what if" guides for minimum and maximum yearly costs, respectively. Consumers should be alerted to services or costs not included in the out-of-pocket maximum, such as non-participating provider fees that exceed the health plan allowed amount.

   iii. **Cost-sharing for important covered services**: Encourage consumers to designate a subset of covered services that are most important to them. Then, in the Plan Comparison section, prominently display the cost-sharing for this small set of key services.

c. **De-emphasize deductible:** To avoid consumers' tendency to overweight cost-sharing elements, such as the deductible, de-emphasize this information. Include it in the second layer of plan information, rather than in the initial plan comparison.

2) **In the absence of smart organization of plans,** use other approaches to convey differences between plans.

   a. **Initial plan organization:** If the initial organization of plans (i.e., the order of plans when consumers first arrive at the Plan Comparison section) does not prioritize consumers' "best fit" plans, use other approaches to help consumers identify high value health plans.

      i. **Use proxy dimension:** If plans cannot be sorted by total cost, metals tier can be used as a rough proxy, particularly if benefits are largely standardized within a metals tier. Note that this substitution may be misleading if there is much variability among covered benefits within a metals tier (Krughoff et al., 2012; Lore et al., 2012). If plans cannot be sorted by total cost or metals tier, sort by another key dimension. Do not sort by plan name or randomly as consumers are likely to inadvertently fail to consider high value health plans.

      ii. **Encourage consumers to filter and sort:** Be very clear about how plans are organized and encourage consumers to apply filters and sorts to reorganize plans to better meet their needs.

      iii. **Mitigate extensive initial organization:** If initial filters and sorts substantially narrow the candidate plan options, alert consumers that a number of available plans may not be shown in the filtered view or not displayed in the first screen of the Plan Comparison section.

   b. **Optional plan reorganization:** If options that allow consumers to reorganize plans to better meet their plan needs and preferences are limited, use other approaches to help consumers understand how plans compare on key dimensions.

      i. **Use proxy dimensions:** If filters and sorts are only available for a subset of dimensions, explain to consumers how substitutions may approximate preferred filters and sorts. For example, if doctor in plan cannot be used as a filter or sort, rules to see a doctor may help consumers to understand whether they would be able to see a preferred doctor or clinic/practice.

      ii. **Limit number of plans:** If additional filters and sorts are not included at all, it is especially important to limit the number of available plans to avoid choice overload (Quincy & Silas, 2012).

      iii. **Communicate potential costs:** If wizards that allow sensitivity analyses (e.g., adjusting expected income or expected care needs) are not included, it is especially important to communicate cost dependencies (i.e., how certain assumptions affect plan costs) and to provide estimates of low and high potential costs given different scenarios.

3) **In the absence of clear short cuts,** provide options for consumers to spend more or less time on plan choice.

   a. **Optional preferences questions:** Distinguish required and optional questions so that consumers can choose to answer more or fewer questions.

b. **Information hierarchy:** Emphasize key information in the first layer of the plan comparison. Provide detailed plan information in a second layer that interested consumers can access.

4) **If the first layer of the plan comparison does not include all key dimensions *or* includes a great deal of additional plan information,** use other approaches to help consumers find key information.
   a. **Additional layers:** Encourage consumers to use features such as side-by-side comparison or view plan details to access key dimensions not presented in the first layer of the plan comparison.
   b. **Dimension order:** Order plan information by importance so that key plan dimensions appear first.
   c. **Emphasis:** Use text formatting (e.g., bolding, color, font size) to indicate emphasis.
5) **In the absence of an all-plans provider directory,** provide access to plan-specific directories as well as plan rules to see a doctor. To reduce the search burden on consumers:
   a. **Standardize doctor search:** Standardize the provider search across plans. For each plan, include a link to the provider directory. Require Issuers to use a standard directory interface, such as a type-down that displays matching last names and practice addresses, and consistent product names (i.e., call products by the same name on Issuer websites as on the Exchange).
   b. **Record doctor search results:** Provide a mechanism for consumers to record the results of their searches (e.g., a notes field, a box to check if doctor included, or a way to exclude plans).
   c. **Include rules to see a doctor:** Include and explain plan rules to see a doctor to help consumers understand whether plans will allow them to use a specific doctor or clinic/practice. These rules concern requirements about primary care provider (PCP) selection, specialty care referrals, and using doctors in narrow or tiered networks.

REFERENCES

For more information or other recommendations for plan choice decision support, including additional issue briefs and an in-depth report, visit http://www.pbgh.org/exchange-plan-choice or contact Ted von Glahn (tglahn@pbgh.org).

Krughoff, R., Francis, W., & Ellis, R. (2012, February 29). Helping consumers choose health plans in exchanges: Best practice recommendations. *Health Affairs.* Retrieved from http://healthaffairs.org/blog/2012/02/29/helping-consumers-choose-health-plans-in-exchanges-best-practice-recommendations/

Lore, R., Gabel, J. R., McDevitt, R., & Slover, M. (2012, August). Choosing the "best" plan in a health insurance exchange: Actuarial value tells only part of the story. (Issue Brief Volume 23). Washington, D.C.: The Commonwealth Fund.

Quincy, L., & Silas, J. (2012, November). The evidence is clear: Too many health insurance choices can impair, not help, consumer decision making. (Health Policy Report). Yonkers, NY: Consumers Union.