Plan Choice Decision Support Rules for Health Insurance Exchanges

May 9, 2012
Consumer Decision-making in Health Insurance Exchanges

→ **UX2014**
  - Goal: develop a first class user experience design for exchanges

→ **Consumer Choice Project**
  - Goal: better understand how consumers make decisions & what categories can be added to guide consumers to make smart, cost-effective decisions

→ **State Network**
  - [www.statenetwork.org](http://www.statenetwork.org)

→ **State Refor(u)m**
  - [www.statereforum.org](http://www.statereforum.org)
About SCI

→ The State Coverage Initiatives (SCI) program provides timely, experience- and evidence-based information and assistance to state leaders in order to help them move health care reform forward at the state level
  – Supports a community of state officials
  – Provides unbiased information
  – Offers responsive policy and technical assistance

→ National program office of the Robert Wood Johnson Foundation

→ www.statecoverage.org
→ www.statecoverage.org/health-reform-resources
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➔ Go to the SCI web site under the Events tab

http://www.statecoverage.org/node/4097
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Plan Choice Decision Support Tools

→ PBGH’s Helping Vulnerable Consumers in the Exchange Project
  – The initial experiments provide strong evidence that choosing a health plan is a very difficult task for many people

→ The first installment of the business rules is posted on SCI’s website
Speakers

→ Ted von Glahn, Senior Director, Performance Information and Consumer Engagement, Pacific Business Group on Health

→ Richard Fiore, Executive Director, Alabama Health Insurance Exchange

→ Peter Frank, Information Technology Director, Minnesota Health Insurance Exchange

→ Lindsay McAllister, Health Policy Director, Office of the Lieutenant Governor, State of Rhode Island
CONSUMER CHOICE OF PLAN RESEARCH RULES TO GUIDE EXCHANGE DECISION SUPPORT

Ted von Glahn,
Senior Director, Performance Information & Consumer Engagement
Pacific Business Group on Health
Agenda

• Project Overview
• Research Findings
• Implications for Consumer Plan Choice
• Decision Support Software Vendor Requirements
• Current Experiments and Upcoming Deliverables
Project Overview

**Project Goal:** Help Exchanges set up decision support services to assist consumers in selecting a health plan.

**Workplan:** Conducting online consumer choice of health plan experiments.
- What matters to people in choosing a plan
- Difficulties people have in choosing
- Decision support techniques to help people make plan choice

**Deliverables**
1. Business rules to embed in consumer plan choice decision-support software.
2. Health plan data element requirements for plan choice.

**Timeline**
Deliverable installments March, June, & Sept 2012.
- Installment 1 (March) rules & supporting plan data requirements [http://pbgh.org](http://pbgh.org)

*This project is supported by the Robert Wood Johnson Foundation. Research collaborators Eric Johnson, Ran Hassin, Tom Baker, Jonathan Levav & Nick Reinholtz. For more information contact Ted von Glahn, at tglahn@pbgh.org.*
Findings

1. Choosing a Health Plan is Difficult Task for Many People
2. Consumers Overweight Impact of Deductible/Cost-share
3. Various Plan Dimensions Matter to Different People
4. Doctor/Practice Choice Matters to Many
5. Track and Improve Exchange Consumer Decision Support Experience
A Difficult Task

**Finding:** People do not perform better than chance in choosing a less expensive health plan, even in simplified experiments.
- Few people choose most cost-effective plan
- Less numerate people are most vulnerable
- All benefit from cost calculator

**Implications: Choice Rules Using “Shortcuts” to Simplify Choice**
- Add smart defaults: pre-set certain common preferences
- Summarize information like annual cost at time of care estimate
- Balance cost information with dimensions like quality ratings
- Limit number of plan options displayed – user has option to expand # of plans to compare
- Provide “best plan options”: impact of ‘global smart default’ to be reported in June

**Implications: Choice Rules Clarifying Confusing Jargon**
- Special approaches for complex topics like personal account plans
- Prominent definitions and explanations for insurance terms
• Few people choose cost-effective plan.
• Low numeracy people most vulnerable.
• People benefit from cost calculator.
A Difficult Task
Candidate Vendor Requirements

Decision support software configurable:

• User can select dimensions per preferences/number of dimensions is scalable

• Defaults can be set (or not) so plan choice dimensions automatically display

• Hierarchy of information: detailed information layered below summary (e.g., total cost vs. cost components)
Eliciting Consumer Preferences
Preferences and defaults to prompt user

4. Quality Ratings
Check the box if the quality rating is important to you in comparing medical plans.

- [ ] I want to see how experts and plan members rate the medical plans
- [ ] I want to see how experts and plan members rate the doctors and hospitals in the medical plans

5. Choosing and Using Doctors
Check the box if that aspect of doctor choice is important to you in comparing medical plans.

- [X] A medical plan that includes my regular doctor is important to me
- [X] A medical plan that allows me to use any doctor in the plan is important to me -- so I do not need to get an "ok" to see a doctor

6. Wellness Services
Check the box for each wellness service that is important to you in comparing services from the medical plans.

- [ ] Controlling Cholesterol & Blood Pressure
- [ ] Managing Your Stress
- [X] Nutrition and Weight Management
- [ ] Quit Tobacco
Overweighting of Deductible/Cost-Share

Finding:

• People likely to choose a more costly plan because they care too much about the deductible.

• People prefer a higher premium over a higher deductible, due in part to their aversion to uncertainty.

Implications: Choice Rules

• Cost at time of care calculator gives users realistic estimate of their yearly cost for each benefit design

• Avoid giving prominence to cost-share elements like deductible amount – unless balanced with estimated cost amounts

• Will user look to “metals” categorization as proxy for their cost? – experiment results in June
Overweighting of Deductible/Cost-Share Candidate Vendor Requirements

Decision support software configurable:

• Provide cost at time of care actuarial model & function
  • Ease of use re pre-defined medical use profiles
  • Built into user preferences section
  • Maintenance of actuarial model is clearly specified

• Organization and display of covered services topics – flexibility re placement in information hierarchy to avoid misleading consumer (avoid bold & bright deductible display)
Cost at Time of Care Per Health Status

<table>
<thead>
<tr>
<th>Refine Your Search</th>
<th>Summary of Your Search Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update Plan Results</td>
<td>There are a total of 42 plans available in your area including Original Medicare.</td>
</tr>
<tr>
<td>+ Limit Your Monthly Premium</td>
<td>Select All</td>
</tr>
<tr>
<td>+ Limit Your Annual Drug Deductible</td>
<td>□ Prescription Drug Plans (with Original Medicare)[?] 33 plan(s) available</td>
</tr>
<tr>
<td>+ Select Drug Options</td>
<td>□ Medicare Health Plans with drug coverage[?] 7 plan(s) available</td>
</tr>
<tr>
<td>+ Select Plan Ratings</td>
<td>□ Medicare Health Plans without drug coverage[?] 1 plan(s) available</td>
</tr>
<tr>
<td>+ Select Coverage Options</td>
<td>+ Select Special Needs Plans</td>
</tr>
<tr>
<td>+ Select Plans By Company</td>
<td>+ Update Plan Results</td>
</tr>
<tr>
<td>+ Change Health Status</td>
<td>□ Select Plans By Company</td>
</tr>
<tr>
<td>Show costs if my health status is:</td>
<td>+ Update Plan Results</td>
</tr>
<tr>
<td>□ Poor</td>
<td>+ Update Plan Results</td>
</tr>
<tr>
<td>□ Good</td>
<td>+ Update Plan Results</td>
</tr>
<tr>
<td>□ Excellent</td>
<td>+ Update Plan Results</td>
</tr>
</tbody>
</table>

Continue To Plan Results
# Cost at Time of Care Per Expected Use

## 3. Your Cost at Time of Care

### Medication Use

Choose the category that best describes the prescription drug use you expect for next year. For a family, choose the category that best describes the family member who will probably need the most services. One prescription lasts 30 days. For details see [Medication Use](#).

<table>
<thead>
<tr>
<th>Level 1</th>
<th>No health problems or brief illness requires about 2 prescriptions during the year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 2</td>
<td>Medication for a moderate health problem requires about 5-7 prescriptions during the year.</td>
</tr>
<tr>
<td>Level 3</td>
<td>Regular, ongoing medication needs requires at least 1 prescription each month and sometimes 2 prescriptions each month.</td>
</tr>
<tr>
<td>Level 4</td>
<td>Multiple prescriptions used daily requires more than 30 prescriptions during the year.</td>
</tr>
</tbody>
</table>

### Medical Service Use

Choose the category that best describes the medical service use you expect for the next year. For a family, choose the category that best describes the family member who will probably need the most services. For details see [Medical Services Use](#).

<table>
<thead>
<tr>
<th>Level 1</th>
<th>No health problems or a well-controlled condition requires 2 doctor office visits, including a regular check-up, and several lab tests during the year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 2</td>
<td>Moderate health problem requires regular doctor care to watch or control a problem; 5-6 doctor office visits and regular tests or treatments during the year.</td>
</tr>
<tr>
<td>Level 3</td>
<td>Significant health event or problem requires monthly doctor office visits, outpatient treatment and a number of lab, x-ray or other services, like therapy, during the year.</td>
</tr>
<tr>
<td>Level 4</td>
<td>Serious and costly problem or condition requires a hospital stay and considerable outpatient care for the problem (or for expected care like pregnancy), about 20 doctor office visits and a large number of tests or treatments during the year.</td>
</tr>
</tbody>
</table>
Doctor/Practice Choice Matters to Many

Finding: 60% commercially insured report existing doctor relationship important in plan choice

Implications: Choice Rules

- Alternative paths: find provider then affiliated plans vs. plans then affiliated provider
- Named doctor search: aggregated all-plans provider directory
- Provide user the number of doctors & practices within search radius
- Distinguish provider quality and plan quality performance
- Incorporate available medical group/doctor quality information
- Guide user about ‘doctor accepting new patients’
Doctor/Practice Choice Matters to Many Candidate Vendor Requirements

Decision support software configurable:

• Alternative navigation paths for user
  • Go to doctor search and use doctor to filter plans
  • Go to plan search and can include doctor in set of plan choice dimensions

• Integrate doctor/clinic search function into user preferences

• Quality performance hierarchy – summary indicators and details

• Integrate third-party sites into experience: provider information from health plans, performance initiatives, or other sources
# Doctor Choice: Top Dimension

<table>
<thead>
<tr>
<th>Medical Plan</th>
<th>Your Cost</th>
<th>Doctor Choice</th>
<th>Wellness Services</th>
<th>Key Services</th>
<th>Quality Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zenith HMO GOLD</td>
<td>$7,440 Yearly premium</td>
<td>Your doctor not found in plan.</td>
<td>Nutrition &amp; weight management includes community services</td>
<td>Deductible Self/Family: $0</td>
<td>Medical Plan ★★★</td>
</tr>
<tr>
<td></td>
<td>-$2,124 Yearly premium tax credit</td>
<td></td>
<td></td>
<td>Annual Out-of-Pocket Maximum Self/Family: $1,000/$3,000</td>
<td>Doctors &amp; Hospitals ★★</td>
</tr>
<tr>
<td></td>
<td>$120 Yearly cost at time of service</td>
<td></td>
<td></td>
<td>Doctor Office Visit: $15</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Plan includes your doctor.</td>
<td></td>
<td>Hospital Stay: $250</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Must select a primary care physician (PCP); referral required for specialist.</td>
<td></td>
<td>Prescription Retail generic/brand/non-formular: $5/$20/$35</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Plan includes your doctor.</td>
<td></td>
<td>See all services ...</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>No primary care physician (PCP) required; can self-refer to specialist.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summit HMO GOLD</td>
<td>$6,000 Yearly premium</td>
<td>Plan includes your doctor.</td>
<td>Nutrition &amp; weight management: no program</td>
<td>Deductible Self/Family: $0</td>
<td>Medical Plan ★★★</td>
</tr>
<tr>
<td></td>
<td>-$2,124 Yearly premium tax credit</td>
<td></td>
<td></td>
<td>Annual Out-of-Pocket Maximum Self/Family: $1,500/$3,000</td>
<td>Doctors &amp; Hospitals ★★</td>
</tr>
<tr>
<td></td>
<td>$230 Yearly cost at time of service</td>
<td></td>
<td></td>
<td>Doctor Office Visit: $25</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Plan includes your doctor.</td>
<td></td>
<td>Hospital Stay: $500</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Must select a primary care physician (PCP); referral required for specialist.</td>
<td></td>
<td>Prescription Retail generic/brand/ non-formular: $10/$20/NA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Plan includes your doctor.</td>
<td></td>
<td>See all services ...</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>No primary care physician (PCP) required; can self-refer to specialist.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eminent Health PPO</td>
<td>$6,060 Yearly premium</td>
<td>Plan includes your doctor.</td>
<td>Nutrition &amp; weight management includes community services</td>
<td>Deductible Self/Family: $250/$750</td>
<td>Medical Plan ★★★★★</td>
</tr>
<tr>
<td>SILVER</td>
<td>-$2,124 Yearly premium tax credit</td>
<td></td>
<td></td>
<td>Annual Out-of-Pocket Maximum Self/Family: $3,000/$9,000</td>
<td>Doctors &amp; Hospitals ★★★★</td>
</tr>
<tr>
<td></td>
<td>$463 Yearly cost at time of service</td>
<td></td>
<td></td>
<td>Doctor Office Visit: 20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Plan includes your doctor.</td>
<td></td>
<td>Hospital Stay: 20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>No primary care physician (PCP) required; can self-refer to specialist.</td>
<td></td>
<td>Prescription Retail generic/brand/non-formular: $10/$25/$40</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Plan includes your doctor.</td>
<td></td>
<td>See all services ...</td>
<td></td>
</tr>
</tbody>
</table>
**Different Plan Dimensions Matter to Different People**

**Findings:** Each of 6 dimensions of plan choice are important to sizeable consumer segments

**Implications: Choice Rules**
- Elicit users’ preferences to guide plan compare display
- Place user-selected top choice dimensions in primary plan compare display
- Filter by user-selected top choice dimensions – dynamic so user can reset
- Organize supporting information in subsidiary position in the info hierarchy
- Create summary info – quality indicators, total costs, covered services, etc.
- Horizontal vs. vertical place choice dimensions – experiment results in June
Different Plan Dimensions Matter to Different People
Candidate Vendor Requirements

Decision support software configurable:

• Filtering function enables user to filter out/in dimensions of the health plans

• Limit on number of plan dimensions in primary compare plans view? (vertical and/or horizontal compare plans display)

• Content flexibility to support array of plan dimensions like plan valued-added services, quality ratings, network features etc.
Top Choice Dimensions in Primary Display (plans positioned on rows)
## Top Choice Dimensions in Primary Display (plans positioned on columns)

<table>
<thead>
<tr>
<th>Capstone PPO</th>
<th>Crown High Deductible Health Plan</th>
<th>Summit HMO</th>
<th>Eminent Health PPO</th>
<th>Pinnacle PPO</th>
<th>Zenith HMO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BRONZE</strong></td>
<td><strong>BRONZE</strong></td>
<td><strong>GOLD</strong></td>
<td><strong>SILVER</strong></td>
<td><strong>SILVER</strong></td>
<td><strong>GOLD</strong></td>
</tr>
</tbody>
</table>

### Your Cost

<table>
<thead>
<tr>
<th>Yearly premium</th>
<th>Premium tax credit</th>
<th>Cost at Time of Service</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,800</td>
<td>-$2,124</td>
<td>$2,141</td>
<td>$4,817</td>
</tr>
<tr>
<td>$3,840</td>
<td>-$2,124</td>
<td>$3,370</td>
<td>$5,086</td>
</tr>
<tr>
<td>$6,900</td>
<td>-$2,124</td>
<td>$480</td>
<td>$5,256</td>
</tr>
<tr>
<td>$6,060</td>
<td>-$2,124</td>
<td>$1,416</td>
<td>$5,352</td>
</tr>
<tr>
<td>$6,516</td>
<td>-$2,124</td>
<td>$1,164</td>
<td>$5,556</td>
</tr>
<tr>
<td>$7,440</td>
<td>-$2,124</td>
<td>$240</td>
<td>$5,556</td>
</tr>
</tbody>
</table>

### Quality Ratings

<table>
<thead>
<tr>
<th>Medical Plan</th>
<th>Doctors &amp; Hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>★★★</td>
<td>★★★★</td>
</tr>
<tr>
<td>★★★</td>
<td>★★★★</td>
</tr>
<tr>
<td>★★★</td>
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</tr>
<tr>
<td>★★★★</td>
<td>★★★★</td>
</tr>
</tbody>
</table>

### Doctor Choice

<table>
<thead>
<tr>
<th>Your Doctor Participates in Plan</th>
<th>Seeing a Doctor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your doctor not found in plan.</td>
<td>No primary care physician (PCP) required; can self - refer to specialist.</td>
</tr>
<tr>
<td>Plan includes your doctor.</td>
<td>No primary care physician (PCP) required; can self - refer to specialist.</td>
</tr>
<tr>
<td>Plan includes your doctor.</td>
<td>Must select a primary care physician (PCP); referral required for specialist.</td>
</tr>
<tr>
<td>Plan includes your doctor.</td>
<td>No primary care physician (PCP) required; can self - refer to specialist.</td>
</tr>
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<tr>
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</tr>
</tbody>
</table>
Current Experiments & Upcoming Deliverables

Current experiments
- Best plan options: impact of ‘global smart default’
- Order effect: placement of quality & cost
- Defaults: impact of pre-set preferences on plan choice
- Cost at time of care defaults: impact pre-set levels of expected medical use on plan choice
- Trade-offs in placing plans on vertical vs. horizontal axis
- What matters: top preferences when choosing a plan among lower income people
- Consumer exit questionnaire: experience in selecting a plan

Upcoming deliverables
- Business rules installment 2 in June
- Structured English language statements
- Vendor requirements per business rules
Discussion

Reactors

• Alabama
• Minnesota
• Rhode Island

Participant Q & A

Research collaborators: Eric Johnson, Columbia University; Ran Hassin, Hebrew University; Tom Baker, University of Pennsylvania; Jonathan Levav, Stanford University; and Nick Reinholtz, Columbia University

PBGH Project Team: Alana Ketchel, Kirstin Appelt, Ted von Glahn
Richard Fiore, Executive Director
Alabama Health Insurance Exchange
Peter Frank, IT Director, Minnesota Health Insurance Exchange, Minnesota Department of Commerce
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