

**State Coverage Initiatives**



# 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](http://www.statecoverage.org)
- [www.statecoverage.org/health-reform-resources](http://www.statecoverage.org/health-reform-resources)



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<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,  
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Consumer Engagement  
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# 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>

*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](mailto: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

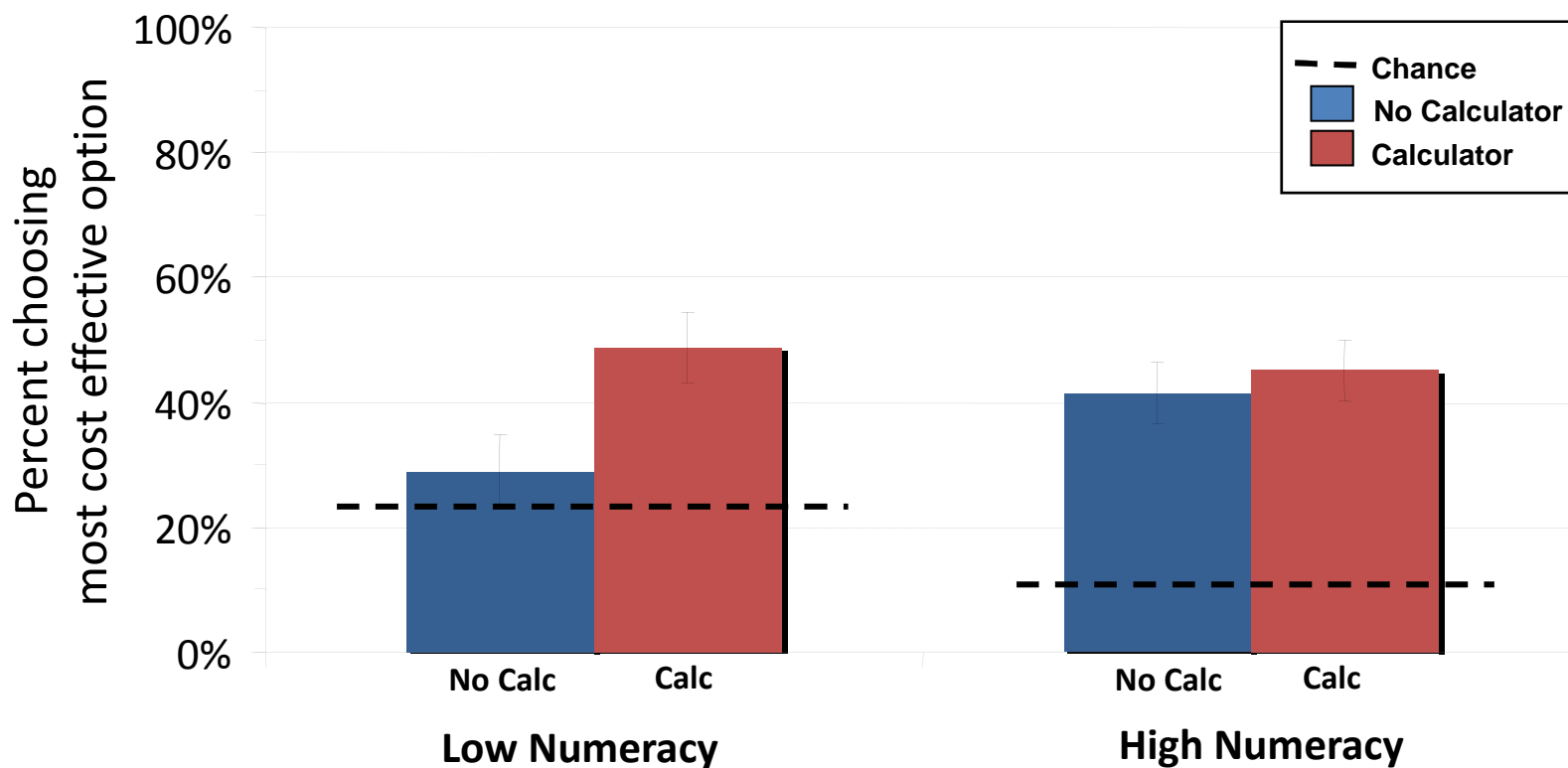
## **Implications: Choice Rules Using “Shortcuts” to Simplify Choice**

- ♦ 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.

- ☒ A medical plan that includes my regular doctor is important to me
- ☒ 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.

- |   |   |
|---|---|
| <input type="checkbox"/> Controlling Cholesterol & Blood Pressure | <input checked="" type="checkbox"/> Nutrition and Weight Management |
| <input type="checkbox"/> Managing Your Stress                     | <input type="checkbox"/> Quit Tobacco                               |

ENROLL  
UX  
2014

# Limit Number of Plans (user has option to expand)

Draft  
Not for Distribution

The screenshot shows a web application interface for selecting a health plan. The top navigation bar includes links for [Account Holder], View Account, Sign out, and Save. A search bar and a shopping cart icon are also present. The main content area displays a list of plans, with a pagination control showing 138 Plans and a limit of 2 plans displayed. The plans listed are Plan Name A (HMO Silver), Plan Name B (PPO Platinum), and Plan Name C (PPO Gold). Each plan has an 'Add To Cart' button. A red circle highlights a right arrow button, indicating an option to expand the list of plans. Below the plan list, there is a section for 'Anticipated Costs' which includes a table of monthly and annual costs for each plan, and a section for 'Additional Coverage' with checkboxes for Dental and Vision.

Carrier Name	Plan Name	Carrier Type
Carrier Name	Plan Name A	HMO
Carrier Name	Plan Name B	PPO
Carrier Name	Plan Name C	PPO

MONTHLY PREMIUM	MONTHLY PREMIUM	MONTHLY PREMIUM
\$250/month	\$167/month	\$291/month
ANNUAL COST	ANNUAL COST	ANNUAL COST
Minimum Expected Maximum	Minimum Expected Maximum	Minimum Expected Maximum

Additional Coverage	Additional Coverage	Additional Coverage
Dental Included	Dental Included	Dental Not-Included
Vision Included	Vision Not-Included	Vision Included



# 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

Refine Your Search

Update Plan Results

+ Limit Your Monthly Premium

+ Limit Your Annual Drug Deductible

+ Select Drug Options

+ Select Plan Ratings

+ Select Coverage Options

+ Select Special Needs Plans

- Change Health Status

Show costs if my health status is:

☐ Poor

☒ Good

☐ Excellent

+ Select Plans By Company

Update Plan Results

Summary of Your Search Results

There are a total of 42 plans available in your area including Original Medicare.

Select	Available Plans Based On Your Filters: 41	Provider Choice
All		
<input type="checkbox"/>	<b>Prescription Drug Plans (with Original Medicare)[?]</b> 33 plan(s) available	Choose Any Doctor/Any Hospital [?]
<input type="checkbox"/>	<b>Medicare Health Plans with drug coverage[?]</b> 7 plan(s) available	May Have Doctor/Hospital Network[?]
<input type="checkbox"/>	<b>Medicare Health Plans without drug coverage [?]</b> 1 plan(s) available	May Have Doctor/Hospital Network[?]

Continue To Plan Results

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# Cost at Time of Care Per Expected Use

## 3. Your Cost at Time of Care

### Medication Use

Choose the one 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](#).

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

### Medical Service Use

Choose the one 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](#).

- ☒ Level 1 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.
- ☐ Level 2 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.
- ☐ Level 3 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.
- ☐ Level 4 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.

# 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

Medical Plan	Your Cost	Doctor Choice	Wellness Services	Key Services What you pay for in-network services	Quality Ratings
<b>Zenith HMO</b> <b>GOLD</b> Yearly total cost <b>\$5,436</b> My top plan choice	<b>\$7,440</b> Yearly premium -\$2,124 Yearly premium tax credit <b>\$120</b> Yearly cost at time of service	Your doctor not found in plan.  Must select a primary care physician (PCP); referral required for specialist.	Nutrition & weight management: includes community services <a href="#">More...</a>	Deductible Self/ Family: <b>\$0</b> Annual Out-of-Pocket Maximum Self/ Family: <b>\$1,000/\$3,000</b> Doctor Office Visit: <b>\$15</b> Hospital Stay: <b>\$250</b> Prescription Retail generic/ brand/ non-formulary: <b>\$5/\$20/\$35</b> <a href="#">See all services ...</a>	Medical Plan <b>★★★</b> Doctors & Hospitals <b>★★★</b>
<b>Summit HMO</b> <b>GOLD</b> Yearly total cost <b>\$5,006</b> My top plan choice	<b>\$6,900</b> Yearly premium -\$2,124 Yearly premium tax credit <b>\$230</b> Yearly cost at time of service	Plan includes your doctor.  Must select a primary care physician (PCP); referral required for specialist.	Nutrition & weight management: no program <a href="#">More...</a>	Deductible Self/ Family: <b>\$0</b> Annual Out-of-Pocket Maximum Self/ Family: <b>\$1,500/\$3,000</b> Doctor Office Visit: <b>\$25</b> Hospital Stay: <b>\$500</b> Prescription Retail generic/ brand/ non-formulary: <b>\$10/\$20/NA</b> <a href="#">See all services ...</a>	Medical Plan <b>★★</b> Doctors & Hospitals <b>★★</b>
<b>Eminent Health PPO</b> <b>SILVER</b> Yearly total cost <b>\$4,399</b> My top plan choice	<b>\$6,060</b> Yearly premium -\$2,124 Yearly premium tax credit <b>\$463</b> Yearly cost at time of service	Plan includes your doctor.  No primary care physician (PCP) required; can self-refer to specialist.	Nutrition & weight management: includes community services <a href="#">More...</a>	Deductible Self/ Family: <b>\$250/\$750</b> Annual Out-of-Pocket Maximum Self/ Family: <b>\$3,000/\$9,000</b> Doctor Office Visit: <b>20%</b> Hospital Stay: <b>20%</b> Prescription Retail generic/ brand/ non-formulary: <b>\$10/\$25/\$40</b>	Medical Plan <b>★★★★</b> Doctors & Hospitals <b>★★★★</b>

# 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)

**CONSUMERS' CHECKBOOK** State Exchange Health Plan Comparison Tool

Filters-Use Controls to Personalize Plan  
List with Your Preferences:

**Plan Type**  
☒ HMO  
☒ CDHP / HDHP  
☒ PPO

**Overall Quality Score**  
☒ ★★★★★  
☒ ★★★★  
☒ ★★★ ☒ ★★ ☒ ★

**Estimated Average Yearly Costs**  
 \$2000 - \$7230  
**Most You Can Pay**  
 \$7280 - \$27880

**Deductible**  
 \$0 - \$4000  
**Yearly Premium Minus Assistance**  
 \$1615 - \$6115

Submit Reset

Summary Cost Comparison Cost Sharing Coverage Features Vision/Dental/Hearing Plan Flexibility Quality Quality Enhanced

Showing 10 of 22 Plans

Select to Compare	Plan Name	Plan Type	Tier	Estimated Average Yearly Cost for Families Like Yours			Most You Could Pay in a Year	Overall Quality Score - (Personalize Here)	Doctor Result (Click each name for more info)
				Yearly Premium Minus Any Government Assistance	Health-Care Costs YOU Pay	Combined Total Cost			
<input type="checkbox"/>	APWU CDHP	CDHP	Silver	\$1,615	\$385	\$2,000	\$9,340	★★★	Napolitano, Stephen
<input type="checkbox"/>	Aetna HealthFund HDHP	HDHP	Silver	\$1,655	\$835	\$2,490	\$8,150	★★	Napolitano, Stephen
<input type="checkbox"/>	GEHA HDHP	HDHP	Silver	\$1,836	\$724	\$2,560	\$10,930	★★★	Dr. Name Not Found
<input type="checkbox"/>	Aetna HealthFund CDHP	CDHP	Silver	\$2,982	\$49	\$3,030	\$10,650	★★	Napolitano, Stephen
<input type="checkbox"/>	Mail Handlers HDHP	HDHP	Silver	\$2,104	\$926	\$3,030	\$10,450	★	Napolitano, Stephen
<input type="checkbox"/>	Kaiser-Std	HMO	Bronze	\$1,662	\$1,368	\$3,030	\$10,570	★★★★★	Unknown
<input type="checkbox"/>	CareFirst BlueChoice-HI	HMO	Bronze	\$2,593	\$1,127	\$3,720	\$9,000	★★	Napolitano, Stephen
<input type="checkbox"/>	Aetna Open Access-Basic	HMO	Bronze	\$2,345	\$1,395	\$3,740	\$12,010	★★★	Napolitano, Stephen
<input type="checkbox"/>	Kaiser-HI	HMO	Bronze	\$2,961	\$899	\$3,860	\$8,770	★★★★★	Unknown
<input type="checkbox"/>	CareFirst BlueChoice-Std	HMO-POS	Bronze	\$2,332	\$1,568	\$3,900	\$7,820	★★	Dr. Name Not Found

# Top Choice Dimensions in Primary Display (plans positioned on columns)

	My top plan choice	My top plan choice	My top plan choice	My top plan choice	My top plan choice	My top plan choice
	Capstone PPO	Crown High-Deductible Health Plan	Summit HMO	Eminent Health PPO	Pinnacle PPO	Zenith HMO
	BRONZE	BRONZE	GOLD	SILVER	SILVER	GOLD
<b>Your Cost</b>						
Yearly premium	\$4,800	\$3,840	\$6,900	\$6,060	\$6,516	\$7,440
Premium tax credit	-\$2,124	-\$2,124	-\$2,124	-\$2,124	-\$2,124	-\$2,124
Cost at Time of Service	\$2,141	\$3,370	\$480	\$1,416	\$1,164	\$240
Total Cost	\$4,817	\$5,086	\$5,256	\$5,352	\$5,556	\$5,556
	Capstone PPO	Crown High-Deductible Health Plan	Summit HMO	Eminent Health PPO	Pinnacle PPO	Zenith HMO
	BRONZE	BRONZE	GOLD	SILVER	SILVER	GOLD
<b>Quality Ratings</b>						
Medical Plan	★★★	★★	★★	★★★★★	★★★	★★★
Doctors & Hospitals	★★★	★★	★★	★★★★★	★★★	★★★
	Capstone PPO	Crown High-Deductible Health Plan	Summit HMO	Eminent Health PPO	Pinnacle PPO	Zenith HMO
	BRONZE	BRONZE	GOLD	SILVER	SILVER	GOLD
<b>Doctor Choice</b>						
Your Doctor Participates in Plan	Your doctor not found in plan.	Plan includes your doctor.	Plan includes your doctor.	Plan includes your doctor.	Plan includes your doctor.	Your doctor not found in plan.
Seeing a Doctor	No primary care physician (PCP) required; can self - refer to specialist.	No primary care physician (PCP) required; can self - refer to specialist.	Must select a primary care physician (PCP); referral required for specialist.	No primary care physician (PCP) required; can self - refer to specialist.	No primary care physician (PCP) required; can self - refer to specialist.	Must select a primary care physician (PCP); referral required for specialist.

# 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*

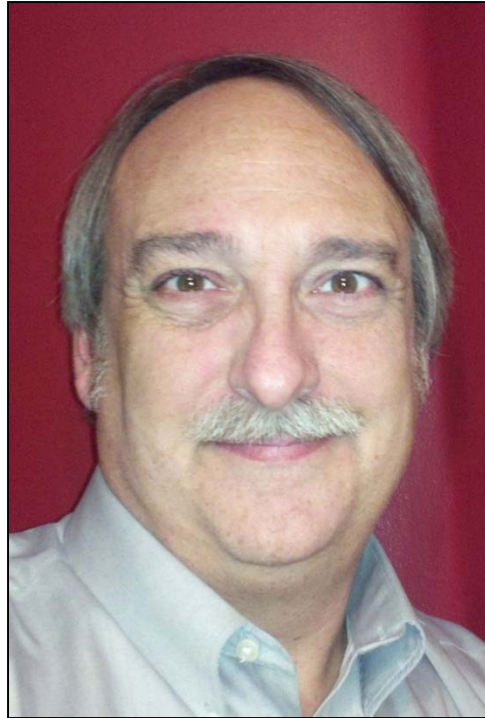
*PBGH Project Team: Alana Ketchel, Kirstin Appelt, Ted von Glahn*





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# **Lindsay McAllister, Health Policy Director, Office of the Lieutenant Governor, State of Rhode Island**





# Questions?

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