Minnesota Exchange Communications: Preliminary Market Research Findings

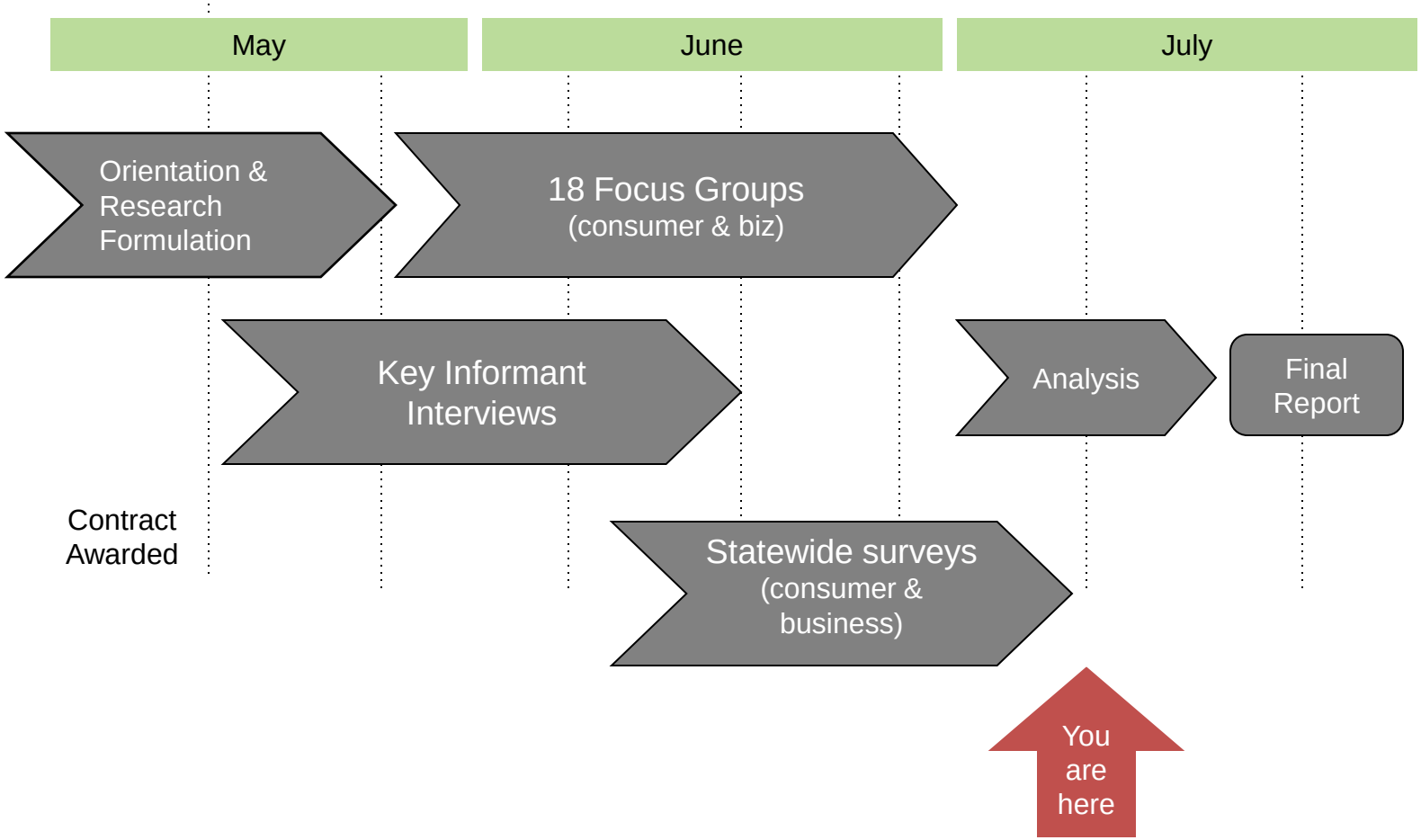
Presentation to:

Outreach, Communication & Marketing Work Group
Minnesota Health Insurance Exchange
July 10, 2011

Today's Presentation

- Project Status
- Stakeholder Interviews
- Review of the Consumer Research
  - What are people seeking?
  - What factors influence people?
  - What might we do to promote the Exchange?
- Some Initial Recommendations
- Questions

Project Status



KEY INFORMANT INTERVIEWS

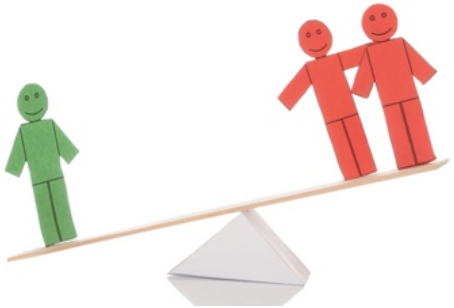
What the Experts Said

Four major take-aways from **11 In-depth Individual Interviews** with key informants in business, health care, community outreach and insurance.

Fully involve stakeholders NOW

PreferredOne ASSURANT Health BlueCross BlueShield of Minnesota HealthPartners MEDICA

Emphasize access to private insurers as well as government



Leverage intermediaries

Determine a meaningful long-term role for brokers

Experts: Recommended Outreach Channels

Chambers of Commerce

Churches

Schools

Community organizations

Health Providers

Libraries

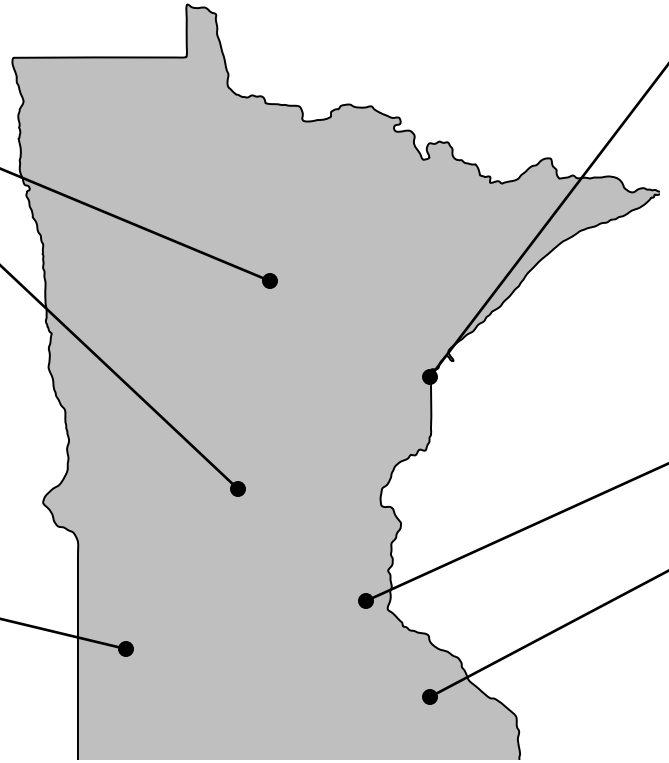
Business locations

County offices

CONSUMER RESEARCH

Qualitative Research

Six cities. 18 focus groups. 99 participants. four days (May 22 to May 25)



Bemidji
- Small Business (n=5)
- Uninsured (n=6)

St. Cloud
- Small Business (n=4)
- Non-Group 2 groups (n=4)

Marshall
- Small Business (n=5)
- Uninsured (n=5)

Duluth
- Small Business (n=7)
- Uninsured (n=6)

Rochester
- Small Business (n=6)
- Non-Group (n=7)

Minneapolis
- Small Business 2 groups (n=13)
- Uninsured (n=6)
- Hispanic 2 groups (n=11)
- Non-Group (n=7)
- Medicaid (n=7)

Quantitative Research

Consumer Survey

- Telephone survey of uninsured and individuals purchasing non-group health insurance
- June 15 – June 29 (Prelim. Data)
- Sample size: N=583 (Prelim)
  - Uninsured N=231
  - Non-Group N=352

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Business Owner Survey

- Telephone survey of owners/decision makers for businesses with fewer than 50 employees
- June 15 to June 29
- Sample size: N=250

Reviewing the consumer research

What are people are seeking?

Current Situation
(Current State)

vs

What consumers want
(Desired State)

What factors influence people?

How might we promote the HIX?

- Name
- Governing structure
- Branding concepts
- Segmentation
- Product Features

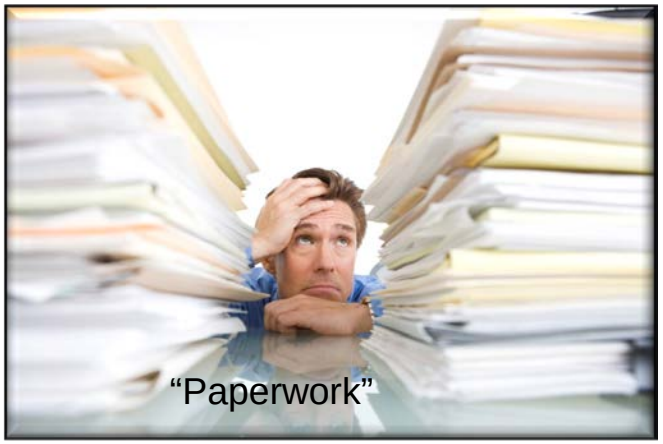
WHAT ARE PEOPLE SEEKING?

Current Customer Experience

We asked participants what images came to mind when they thought about seeking insurance. All were negative – crooks, paperwork, smoke coming out of ears, nausea, etc. This is an opening.

"I find buying insurance a pain in the a**. It's difficult, hard to keep track of, the law changes. It's a complex business."

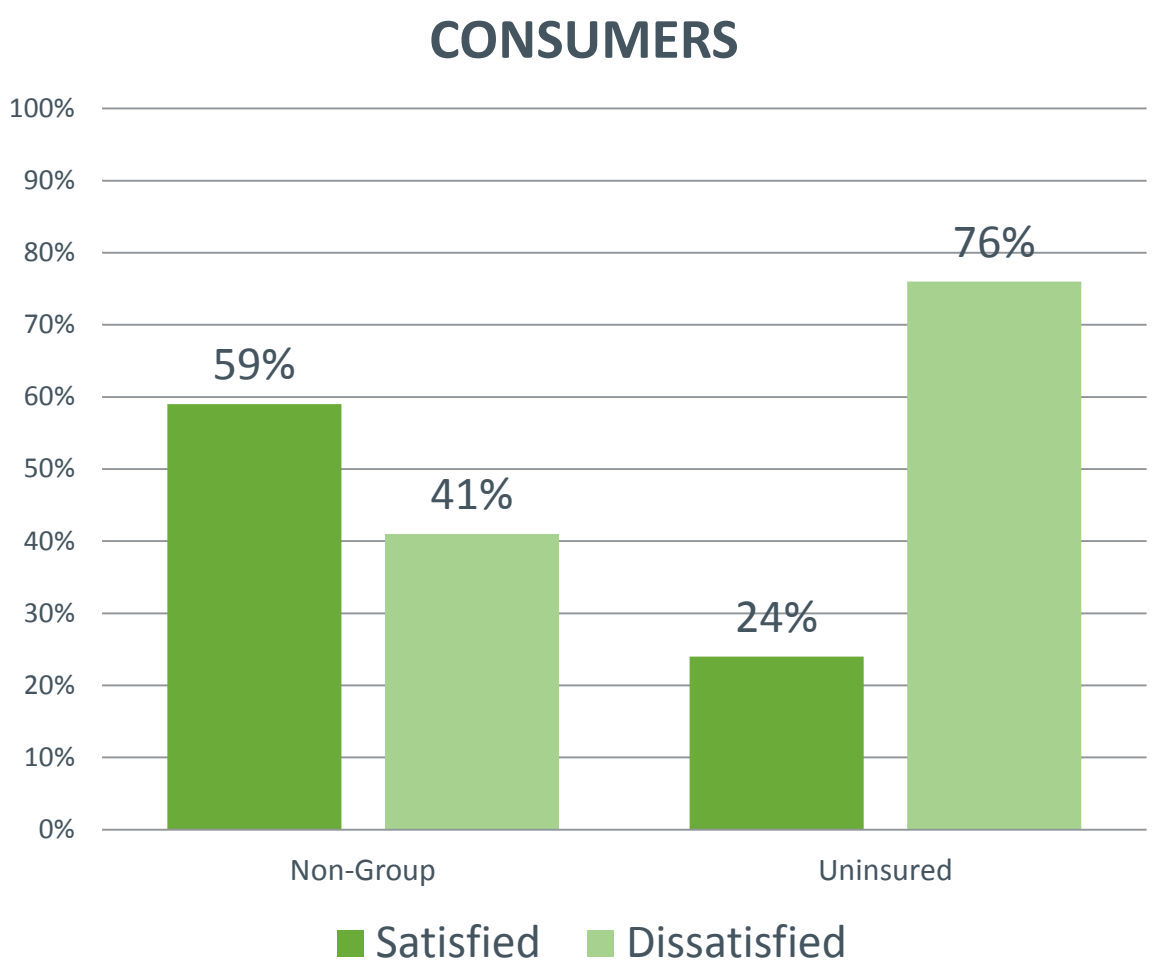
— Small business owner, Duluth

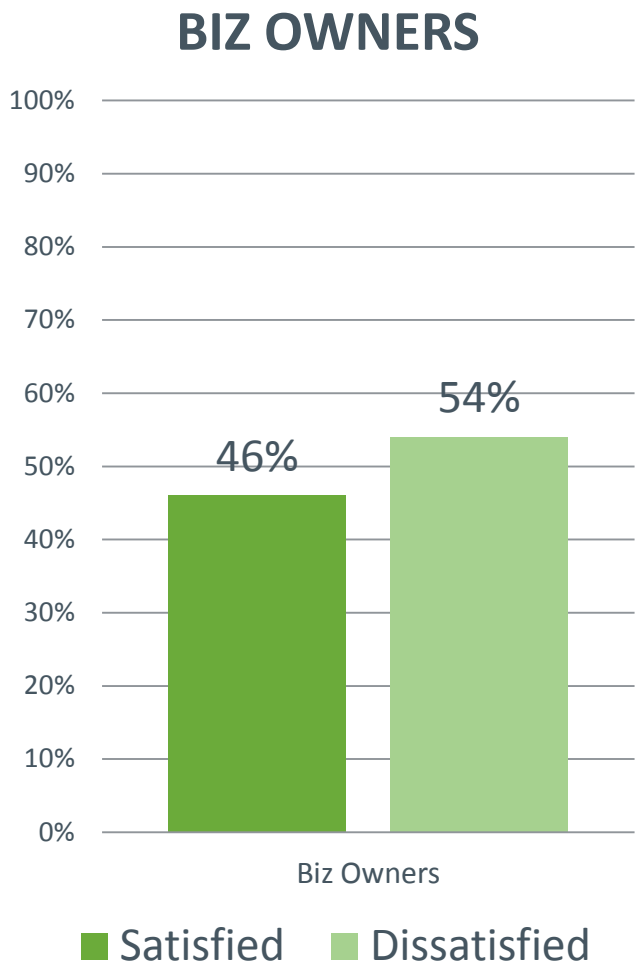


"I want to run away. But I'm at the age that I can't run away."

— Uninsured resident, Marshall.

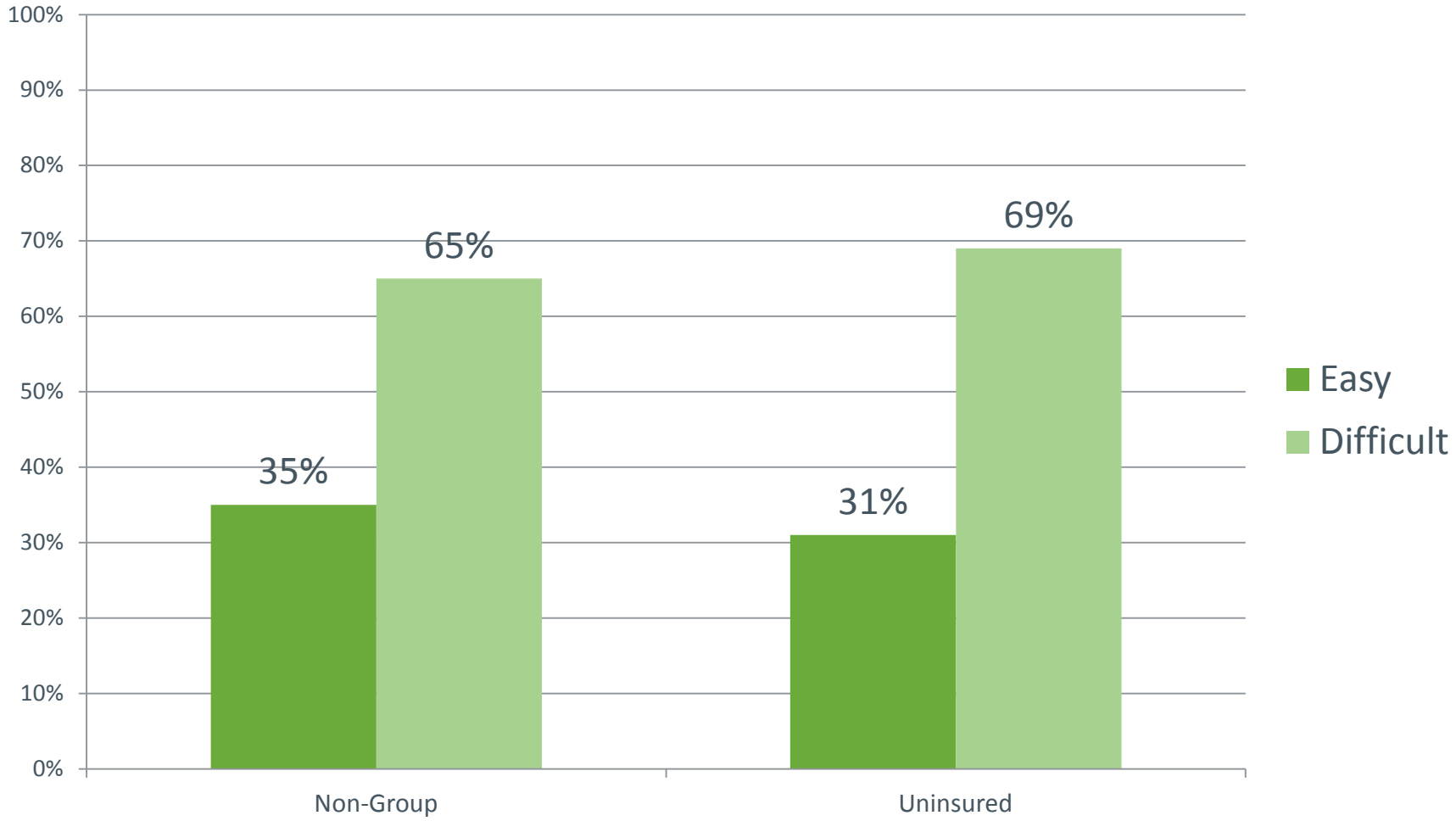
Satisfaction with current insurance status





Preliminary data base sizes: Uninsured=231; Non-group=352; Biiz owners=500,

Getting health insurance isn't easy



Preliminary data base sizes: Uninsured=231; Non-group=352

Consumers: What makes the process difficult?

Open-end response (% mentioning)	Non-Group (n=352)	Uninsured (n=231)
Prices too high	**38%**	**52%**
Hard to tell what's covered, what's not	16%	9%
Difficult to compare benefits across plans	17%	5%
Nothing	9%	11%
Rejected due to pre-existing condition	10%	4%
It's very confusing	8%	6%
Difficult to compare prices	9%	4%
Difficult to research / No one-stop-shop	7%	6%

Business: What makes the process difficult?

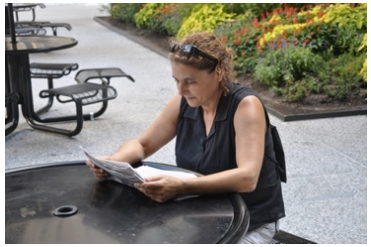
	Total	Broker	No Broker
Frequent premium increases	**72%**	78%	61%
Steep premium increase	**65%**	70%	57%
Age of my employees continues to increase	56%	57%	56%
The options I have become more and more limited	52%	53%	50%
Plans are too complex	51%	51%	50%
Difficult to compare benefits across plans	49%	49%	50%
Difficult to understand what is covered by the plans	47%	49%	44%
Medical underwriting (i.e., increased costs due to medical history of employees)	46%	50%	39%
Difficult to compare prices	46%	46%	44%
Plans do not meet the needs of my employees	31%	32%	30%
Plans are too limited in scope	26%	26%	26%

Preliminary sample size, Total=250; Broker=102; No Broker=54

Four Types of Consumers

UNINSURED

- Feel cheated and defeated: premiums are out of reach
- Many cite pre-existing conditions
- Face financial and emotional stress
- Dislike “handouts”.



NON-GROUP

- Highly value insurance coverage
- Want apples-to-apple comparisons
- Suspect others get better deal
- Got help from expert
- Hate sales calls and spam

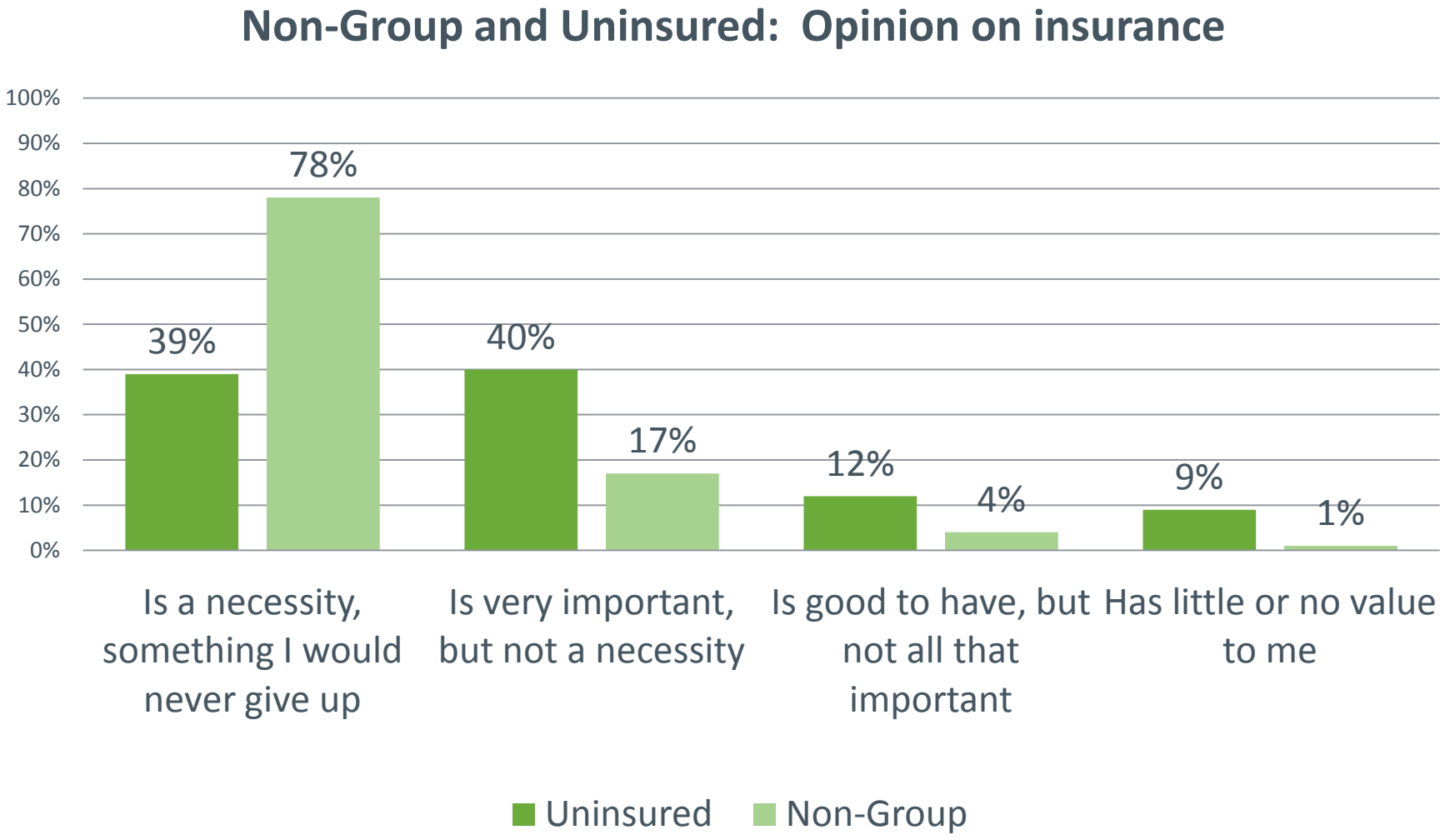
HISPANICS

- Being insured is not the norm
- Concerns about legal status

MEDICAID

- Dislike in-person app. process;
- Prefer help from real people
- Feel disrespected; seeking common courtesy and respect

Perceived need for insurance varies



What people want to know first

- What's the cost?
- What's the coverage?
- Who is making the offer? Trustworthy?
- Can people with pre-existing conditions get covered?
- What doctors or insurance plans can I access?

What people are seeking

CURRENT STATE

- Overwhelms me
- Leaves me worried
- Lots of complexity and paperwork
- Need for expertise, help (often fulfilled by broker)
- Feeling sticker shock – high prices keep going up
- Uninsured unable to secure product

DESIRED STATE

- Peace of mind
- Trust, security
- Choices distilled to key decision points
- Expert guidance available when it's needed
- Clear prices offering the best deal
- Uninsured get affordable coverage

GAP

How can we help people move to the desired state?

WHAT FACTORS INFLUENCE PEOPLE

Seeking health insurance: A CONSUMER'S journey

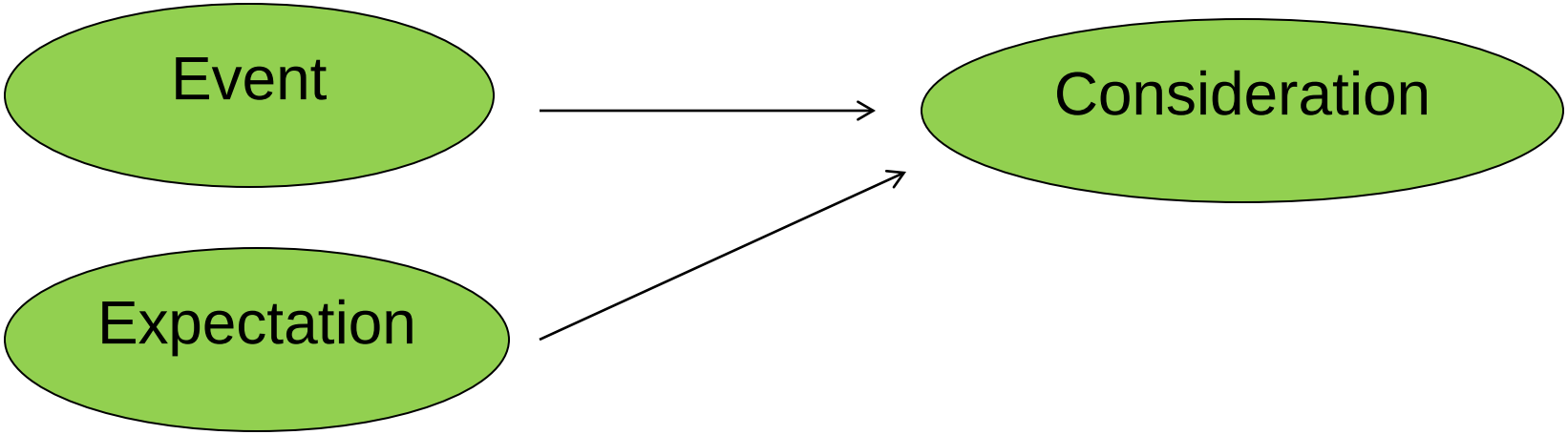
Trigger: Prompting the search for health insurance (goal)

Pre-qualifying: Initial questions that can stop the process before it begins

Search: The process consumers use to search for and evaluate options

Closure: How the process is resolved, either with insurance or without.

Consumer Triggers



Events that can trigger consideration

TRIGGERS

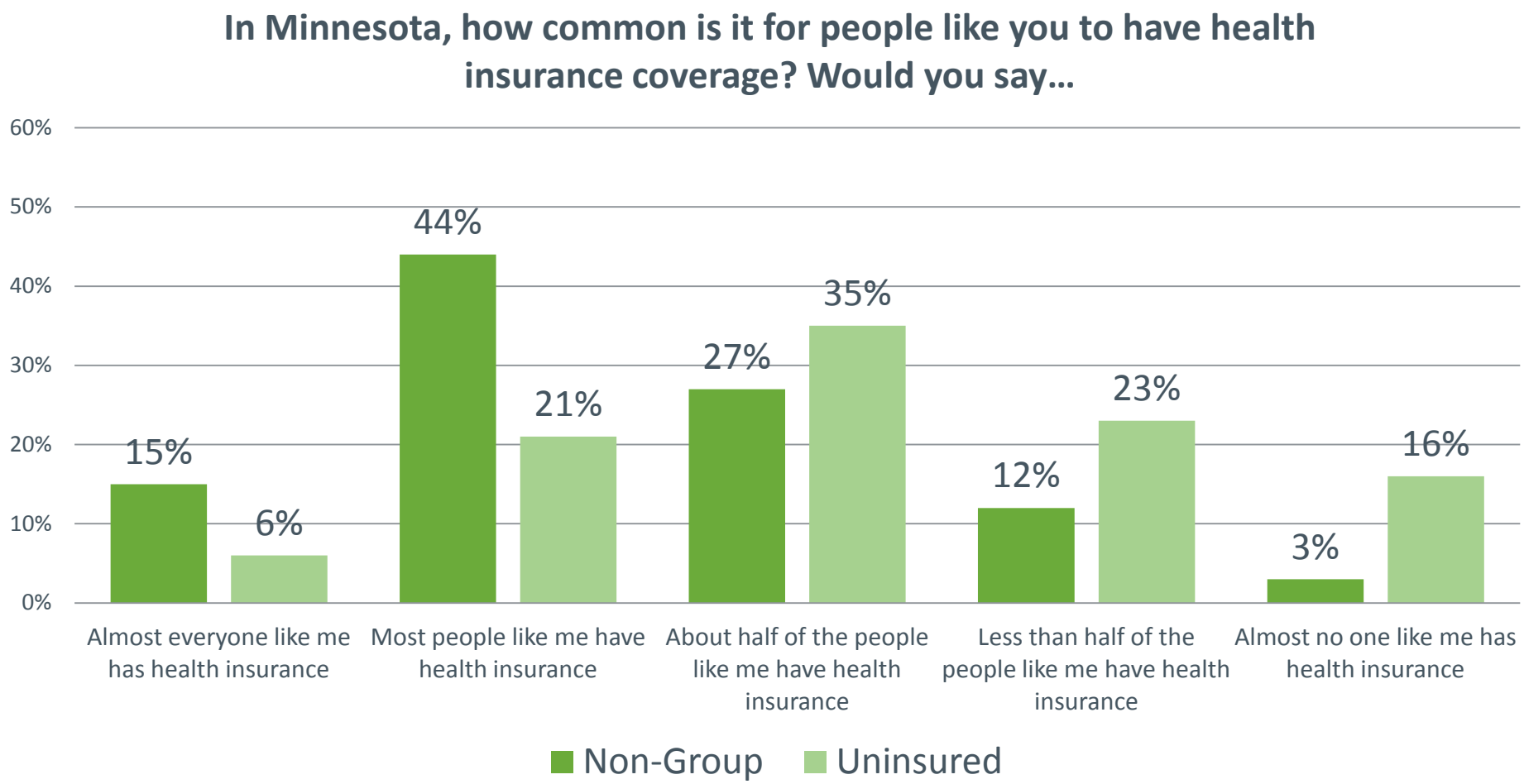
Event

Thinking about the last time you looked for health insurance, what prompted you to look for insurance?	Uninsured	N-G
Change in **health status** (got sick, new diagnosis, etc)	20%	
Change in **employment status** (lost job, changed job, etc)	17%	
Had a **child** or adopted a child	6%	
Talked to someone about health insurance	5%	

Norms: Being uninsured is … normal

TRIGGERS

Expectation



Preliminary data base sizes: Uninsured=231; Non-group=352

Uninsured: Priced out of the market

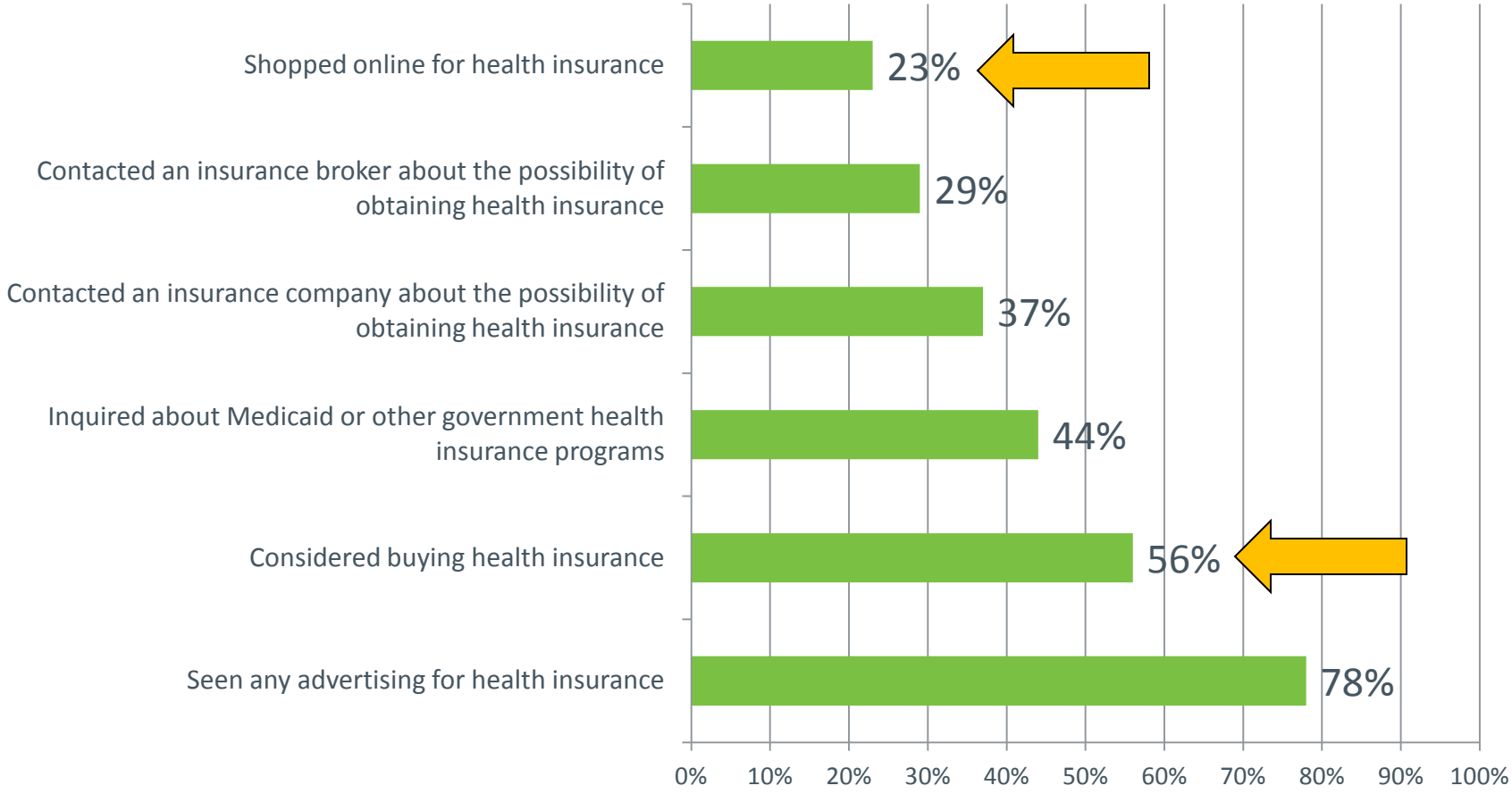
PRE-QUALIFYING

What is the main reason you do not have insurance? (open-end)	Uninsured (n=231)
Cost AND more than I could possibly afford / I don't earn enough money	**63%**
Costs AND more than I am willing to pay / Not worth the cost	**8%**
I am healthy / don't get sick so don't really need it	3%
I can afford to pay for the health care I need so I don't need health insurance	3%
I have a pre-existing condition so could not find a plan that would cover me	2%
I just pay as I go / Just cheaper to pay doctor	2%

PRE-QUALIFYING

Uninsured: Many not shopping

- While over half of the uninsured respondents (56%) have considered buying insurance, less than one-quarter (23%) have looked online.



Preliminary data base sizes: Uninsured=231

Many who shop look online

SEARCH

[How do you shop for health insurance?] "Google or ask other small businesses in town."

— Small business owner, Duluth

"The first time I bought my own, I used a broker and found that helpful. Now that I know some things, I usually go online and do it myself."

— Non-group policyholder, Twin Cities

How consumers price value

CLOSURE

Biggest spenders

Transactional

Basis

Expected medical costs for the coming year based on experience

Pure Actuarial

Basis

Expected medical costs

+

Value of being covered in the event of a catastrophic medical event

Full Value

Basis

Expected medical costs

+

Value of being covered

+

Normative, Self-Standards and/or Peace-of-Mind Value

Key elements being sought

CLOSURE

How to close the deal

(a communicator's and designer's checklist)

- ❑ Help consumer **recognize need**
  - Rational – covering expected and unexpected medical costs
  - Emotional – norms, peace of mind, security, self-standard
- ❑ Clear affordable **price tag** up front
  - Specific cost versus generic promises of "affordable
  - Offer financial assistance without framing as a "hand-out"
- ❑ Clearly **valuable coverage**
- ❑ An intuitive process that offers choices, but **distils the decision-making** to a few meaningful decisions.
- ❑ A product that **fulfills emotional needs** – a product that engenders trust and peace of mind at every touchpoint

The small business owners' journey

Trigger: Prompting the search for health insurance (goal)

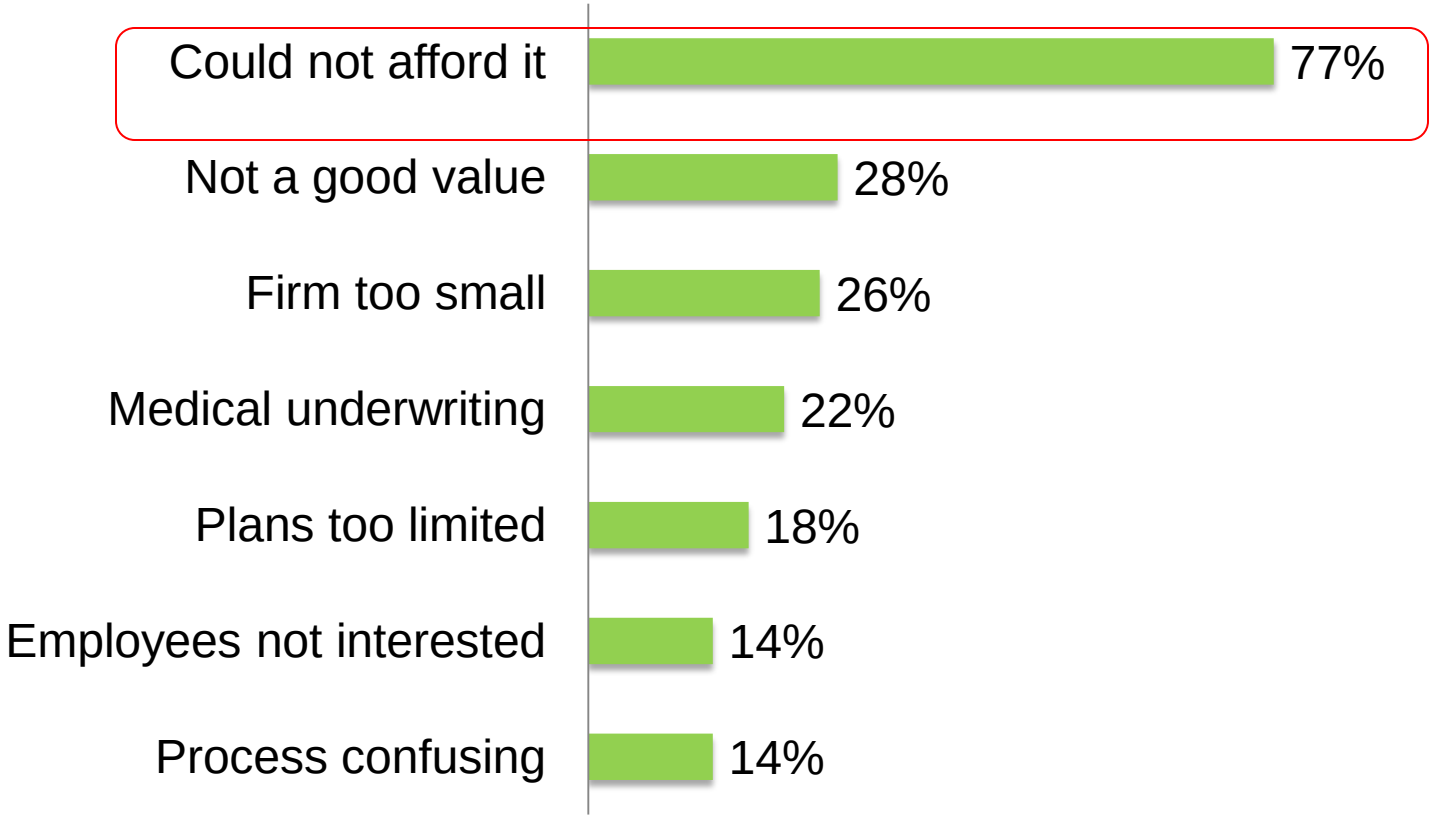
The broker: Most small business owners use, and trust, their broker. There is some concern about whether commissioners influence offerings, but it is minimal.

Closure: Brokers offer owners a clear choice based on custom business objectives

Small Business Triggers

Trigger: Prompting the search for health insurance (goal)
COST

Top Reasons Not to Offer Health Insurance

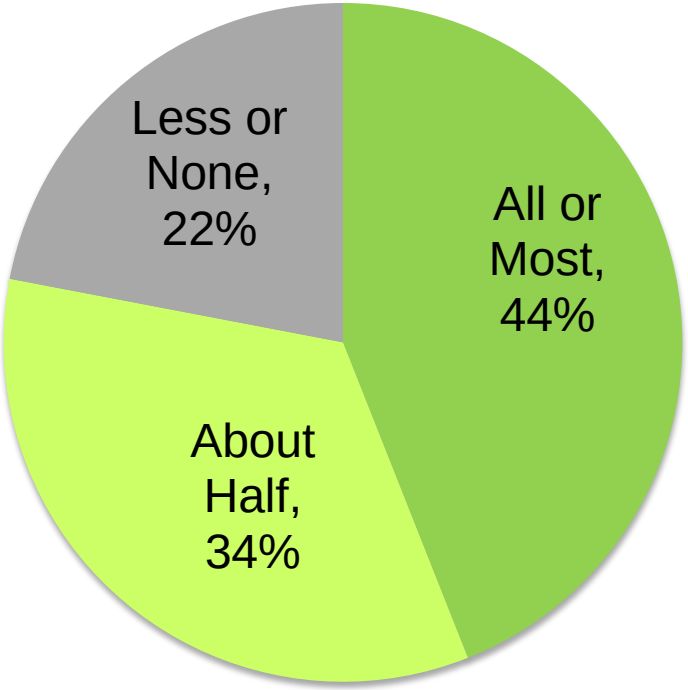


Preliminary sample size, Not Offer=94

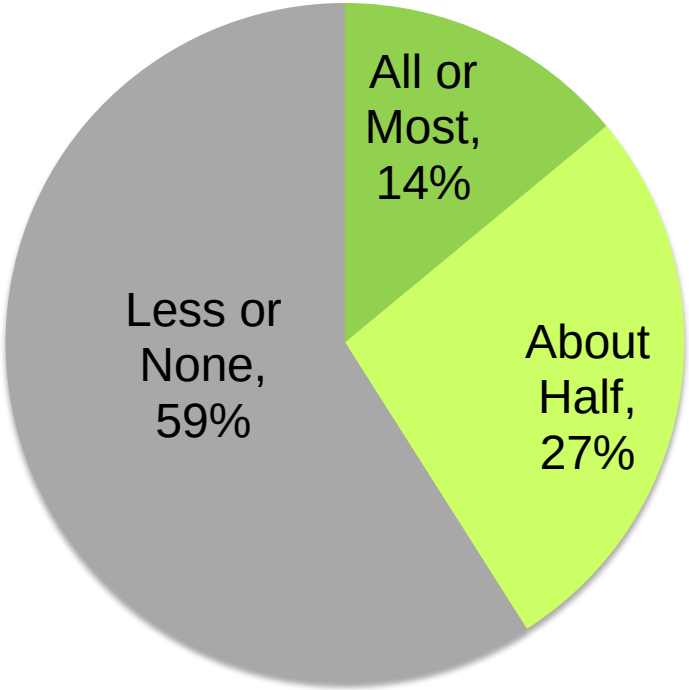
Small Business Triggers

Trigger: Prompting the search for health insurance (goal)
NORMS

Firms that offer health insurance



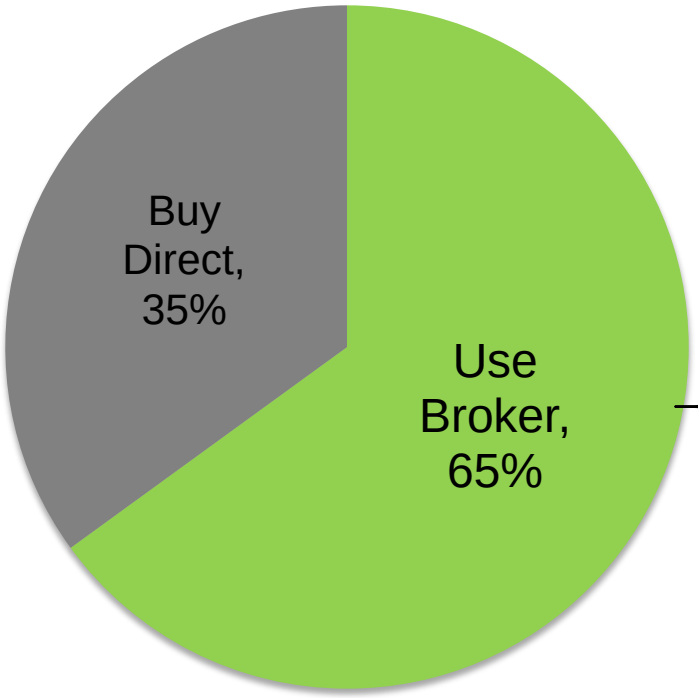
Firms that do not offer health insurance

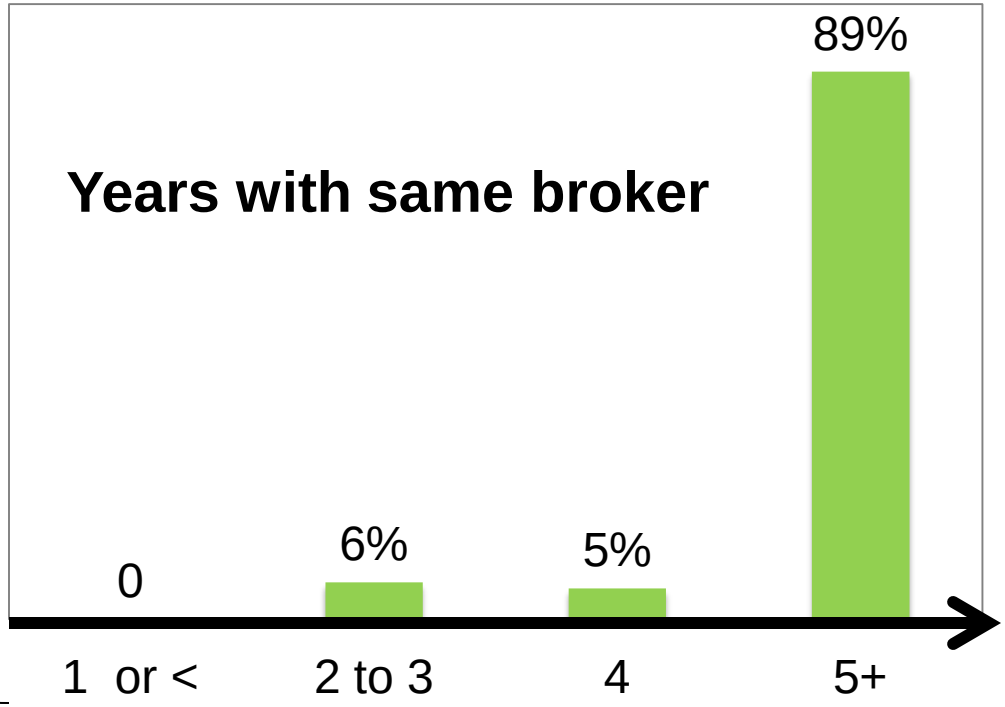


Preliminary sample size, Not Offer=94

Small Biz & Brokers

The broker: Most small business owners use, and trust, their broker.





"I would think twice about doing anything without my broker's opinion; he's been a trusted advisor for many years."

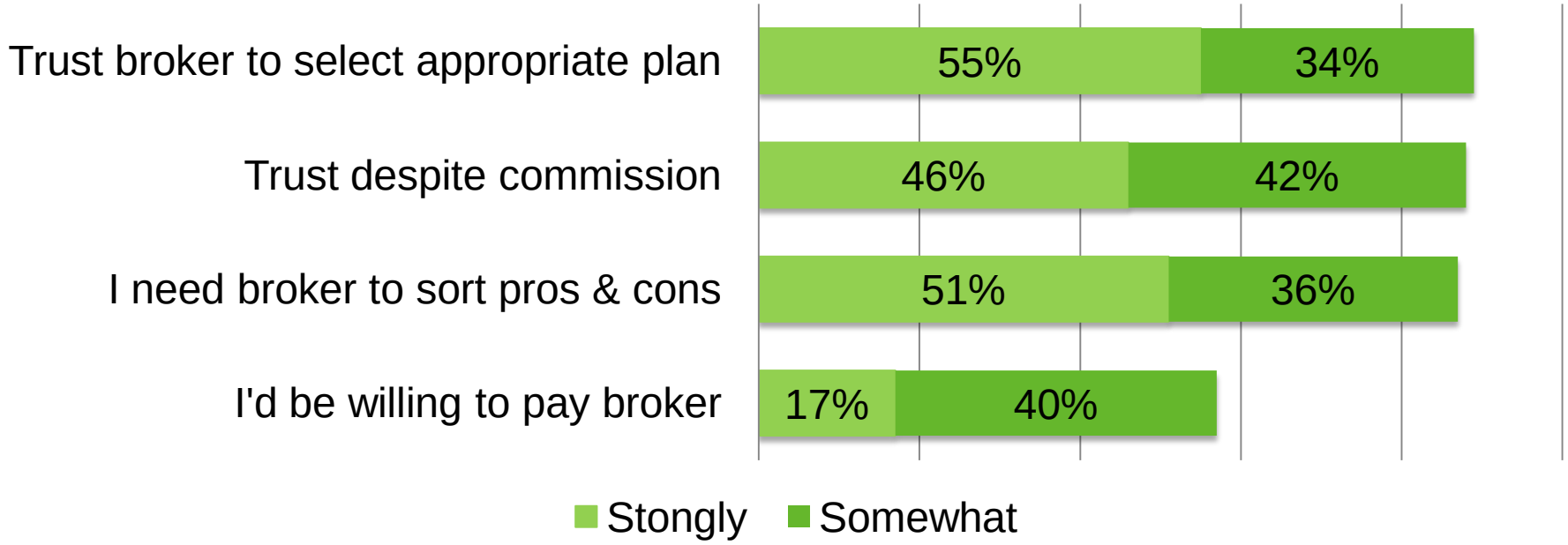
— Small business owner, Twin Cities

Closing the Deal: Brokers

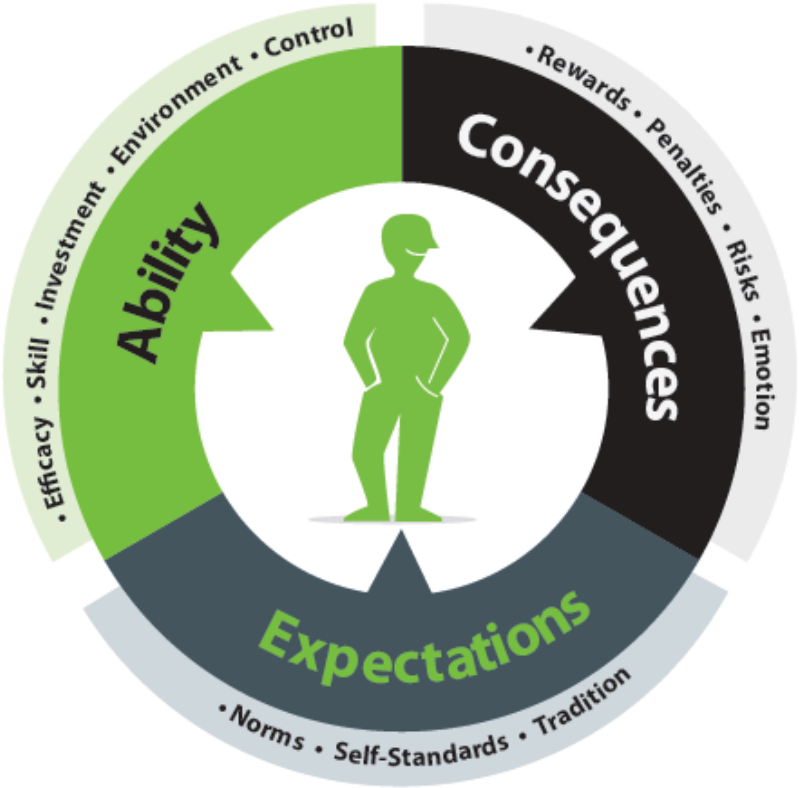
CLOSURE

"Instead of having to compare all this stuff online I'd rather have somebody just help me – it's way too time consuming. Sit down, tell me about it."

— Small business owner, Marshall

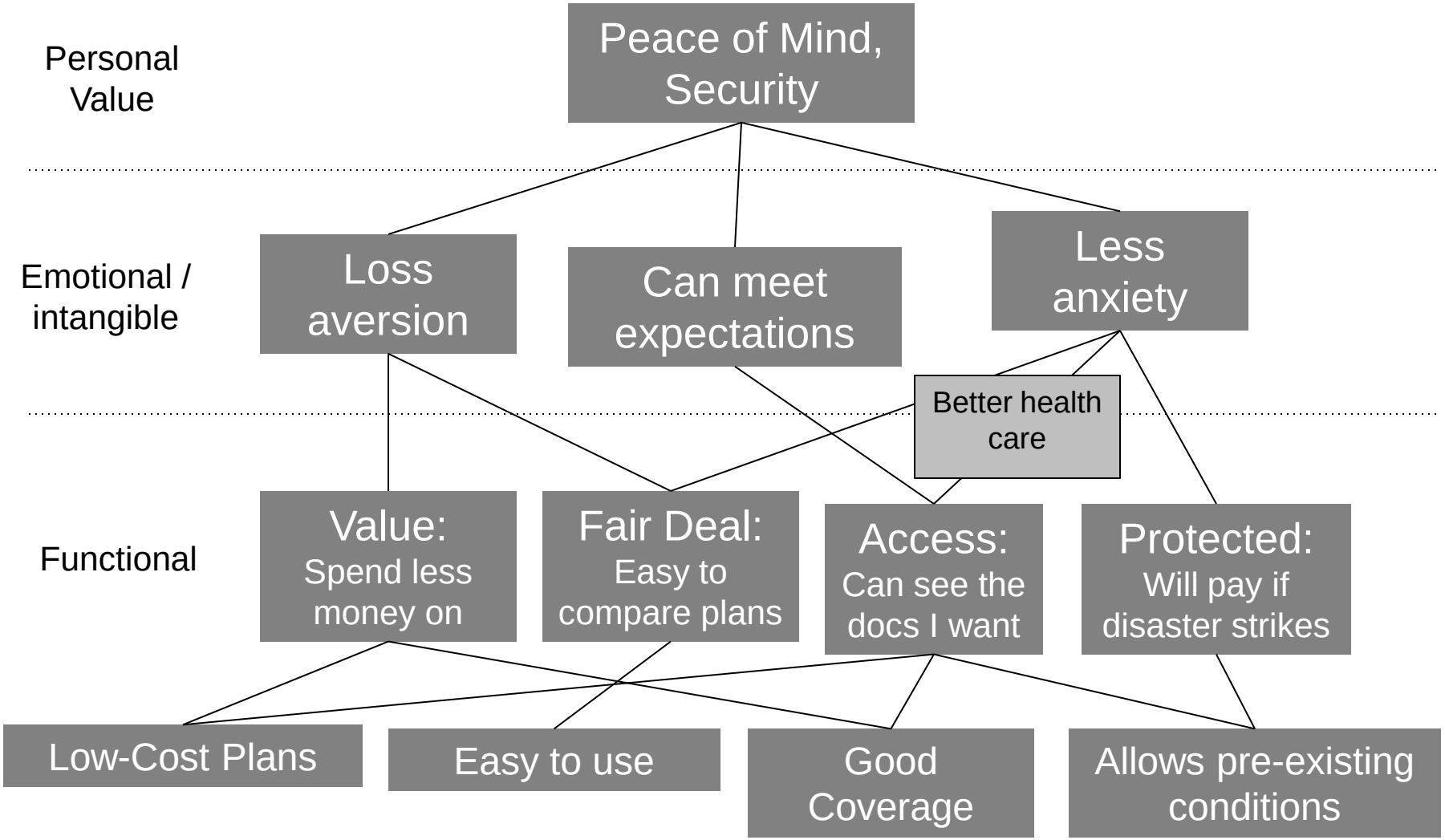


Key Behavior Factors: A Summary



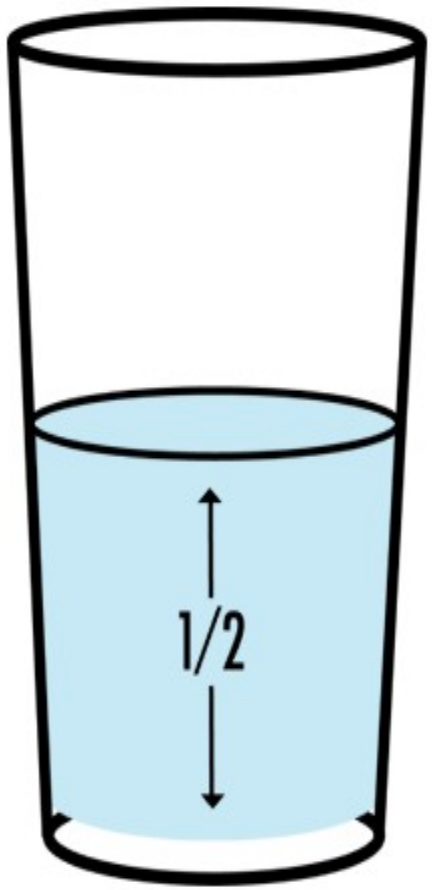
- **Consequences**:
  - What's the cost of not having insurance (Loss aversion)
  - What medical costs are coming up?
  - Access to doctor of choice
- **Norms**: What are most people like me doing?
- **Costs**: Is this something I can afford?
- **Efficacy**: Can I boil those this decision to a manageable set of meaningful choices
- **Emotional value**: Peace of mind

Desired State: One theory of value chain



WHAT MIGHT WE DO TO HELP?

Opportunity: Openness to exchange concept



"It [the exchange] is a ray of light coming through dark clouds; hope with skepticism."

— Small business owner, Twin Cities

"Seems too good to be true. Can you really deliver all that?"

— Small business owner, Twin Cities

"I was totally against this when we came in here, but I'm warming up to this idea of employees taking more responsibility in choosing a plan."

— Small business owner, Twin Cities

What do we call the exchange?

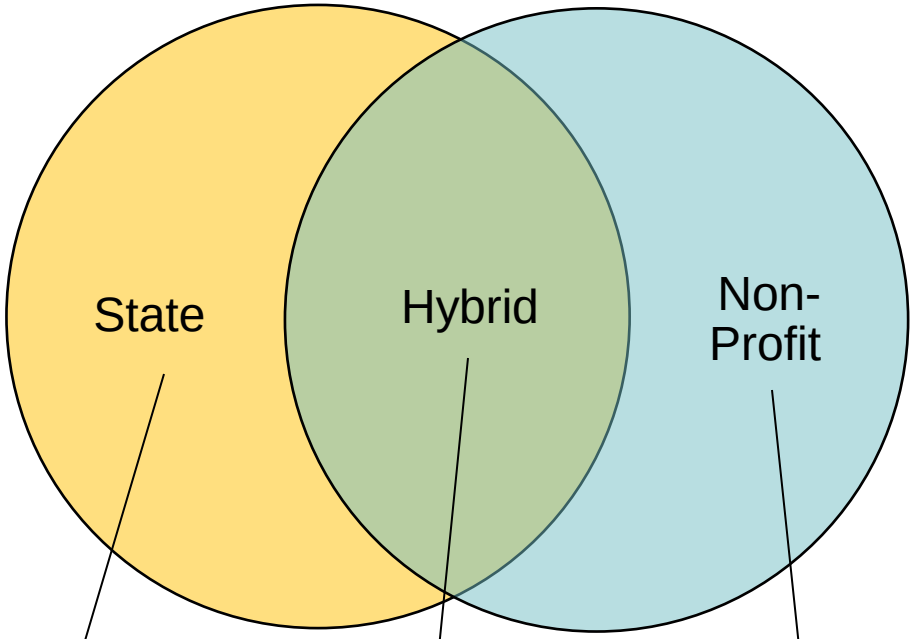
Minnesota Health Insurance Exchange	Minnesota Health Choices	Minnesota Health Insurance Marketplace	Health Plans Minnesota	Minnesota Health Connection
PRO *"Things are just bought and sold, more innocent"*	**PRO** "That's what it is"	**PRO** *"Direct, simple and to the point. Sounds more professional"*	(Not tested qualitatively)	(Not tested qualitatively)
CON *"Sounds like stocks, which are confusing"*	**CON** *"Wishy washy, not as classy"*	**CON** *"Doesn't sounds like government at all"*		
Biz: 14%	**32%**	16%	23%	14%
Con: 8%	**40%**	15%	17%	19%

Consumers preferred this name, but in focus groups, some said it was bland and generic. Few thought it was unclear. Only "Exchange" was seen as confusing.

Who should run the exchange?

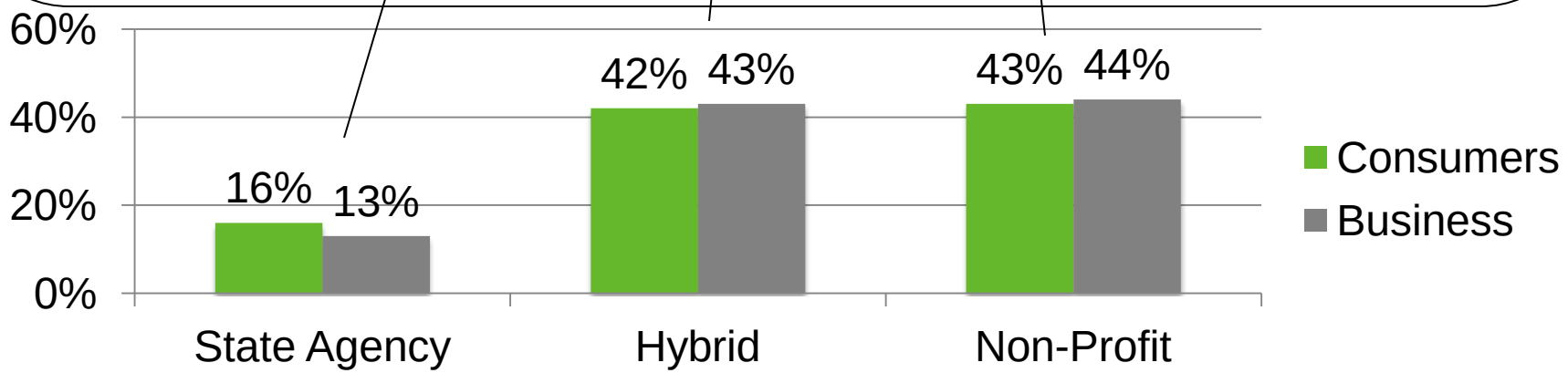
PRO
They take care of people as their job

CON
Could become political issue, worry about corruption



PRO
If a non-profit would function like Consumer Reports it would be great

CON
Potential "bonehead" employees; who's on the board?



Six branding approaches were tested

"RIGHT FIT"

Minnesota wants to help you **find the right health insurance plan for you**. The state is creating a website where you can compare costs and what care is covered. You can explore both private insurance plans and public programs then select the best fit for you. The state is also setting up a toll-free help number and paying "navigators" to help people find the right health insurance plan for them.

"MARKETPLACE"

Minnesota is creating a **new health insurance marketplace**. It is a website where you can compare different health insurance plans and choose the one you like. Private health insurers compete to win your business. Lower-income people can also enroll in public health insurance programs.

"AFFORDABLE"

Minnesota is creating a way to **help people afford health insurance**. It is a website where middle-income people can reduce premiums with tax credits and where lower-income people can secure the insurance they need for free.

"EASY"

Minnesota is creating **an easier way to shop for health insurance**. It is a website that classifies private health insurance plans by how much they cover and lets you compare prices among similar plans. You just select the plan you like best.

"COMPARE"

Minnesota is creating **a better way to compare health insurance options**. It is a website where you can shop and buy health insurance. Plans are put into four levels – bronze, silver, gold and platinum – based on how much they cover. You can compare the monthly costs of similar plans, as well as co-pays and deductibles, and select the plan you like best.

"ONLINE SHOPPING"

Minnesota is creating **an online shopping site for health insurance**. It is a website that provides instant comparisons and allows you to buy a plan at any time. You can purchase insurance directly – no need to sit down with an agent, broker or anyone else.

Key Brand Elements: Competition and "Fit"

"RIGHT FIT"

Minnesota wants to help you **find the right health insurance plan for you**. The state is creating a website where you can compare costs and what care is covered. You can explore both private insurance plans and public programs then select the best fit for you. The state is also setting up a toll-free help number and paying "navigators" to help people find the right health insurance plan for them.

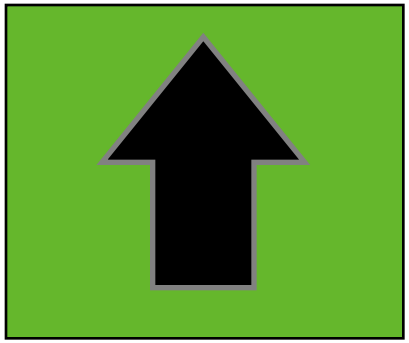
"Navigators seem like real live people you can talk to."
— Uninsured resident, Duluth

"MARKETPLACE"

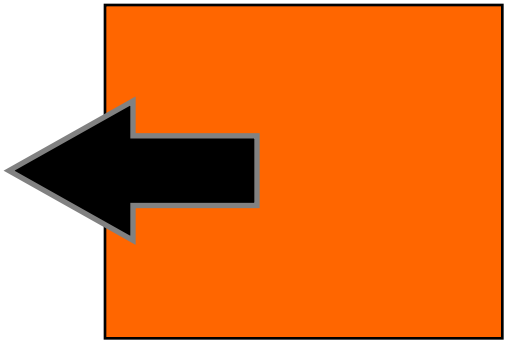
Minnesota is creating a **new health insurance marketplace**. It is a website where you can compare different health insurance plans and choose the one you like. Private health insurers compete to win your business. Lower-income people can also enroll in public health insurance programs.

"Private companies competing for business is good."
— Uninsured resident, Bemidji

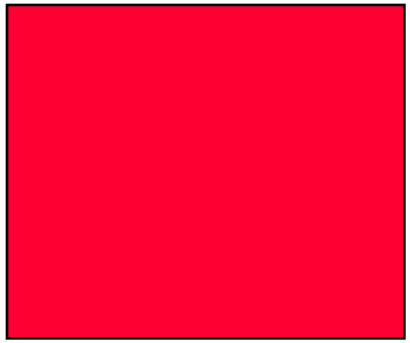
Targeting the “Low-Hanging Fruit”



BASE



SWING



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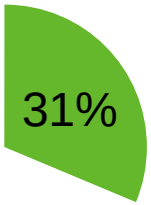
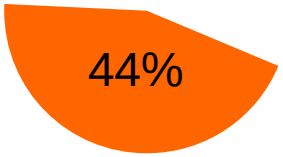
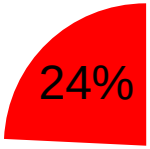
Very likely to use exchange



Middle two boxes



Very unlikely to use exchange



Segment profiles

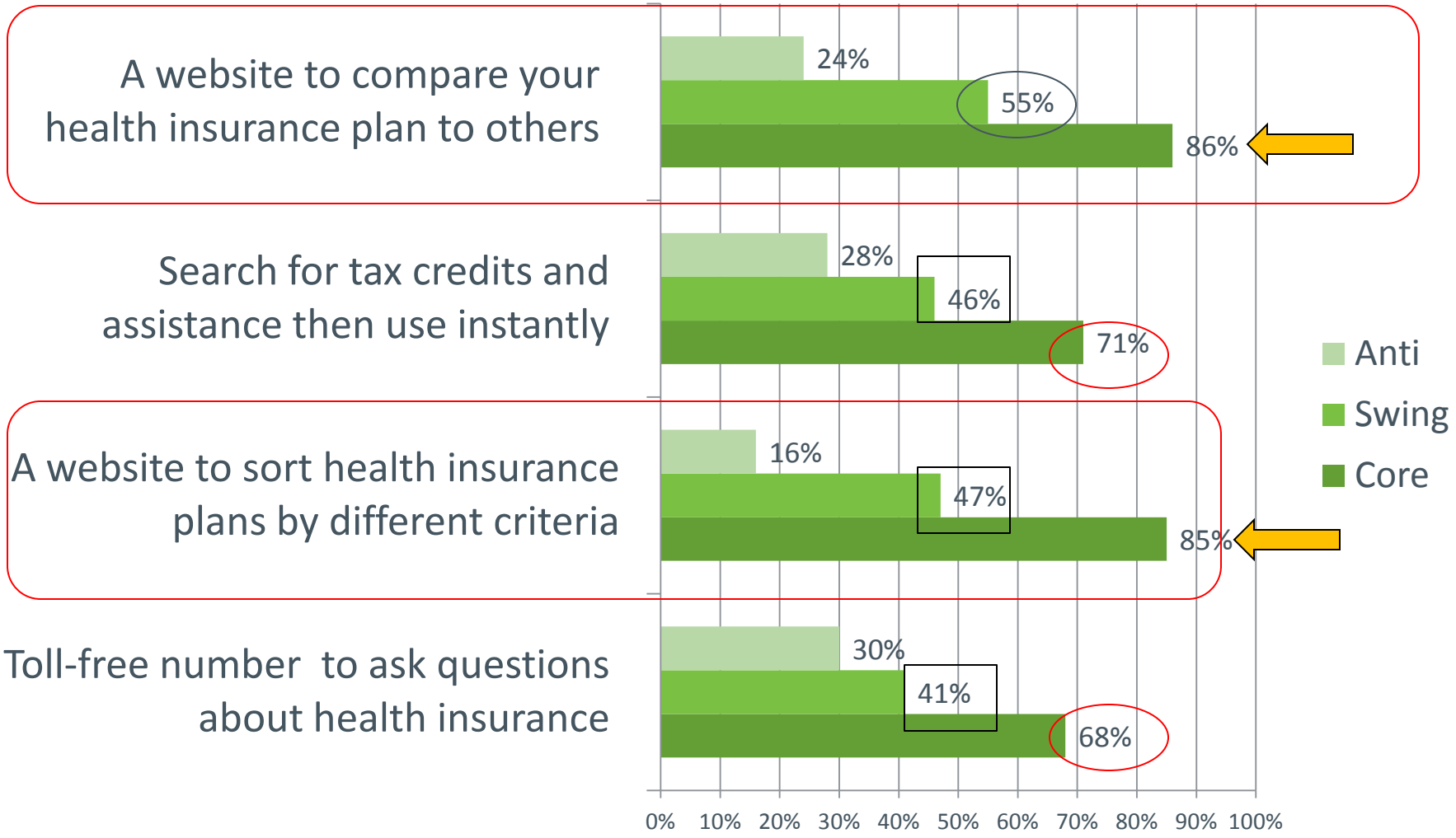
Core Segment
- Middle-aged
- Unemployed
- Most educated and online
- Recently uninsured.

Swing segment
- _Younger
- Often employed part-time
- College graduates

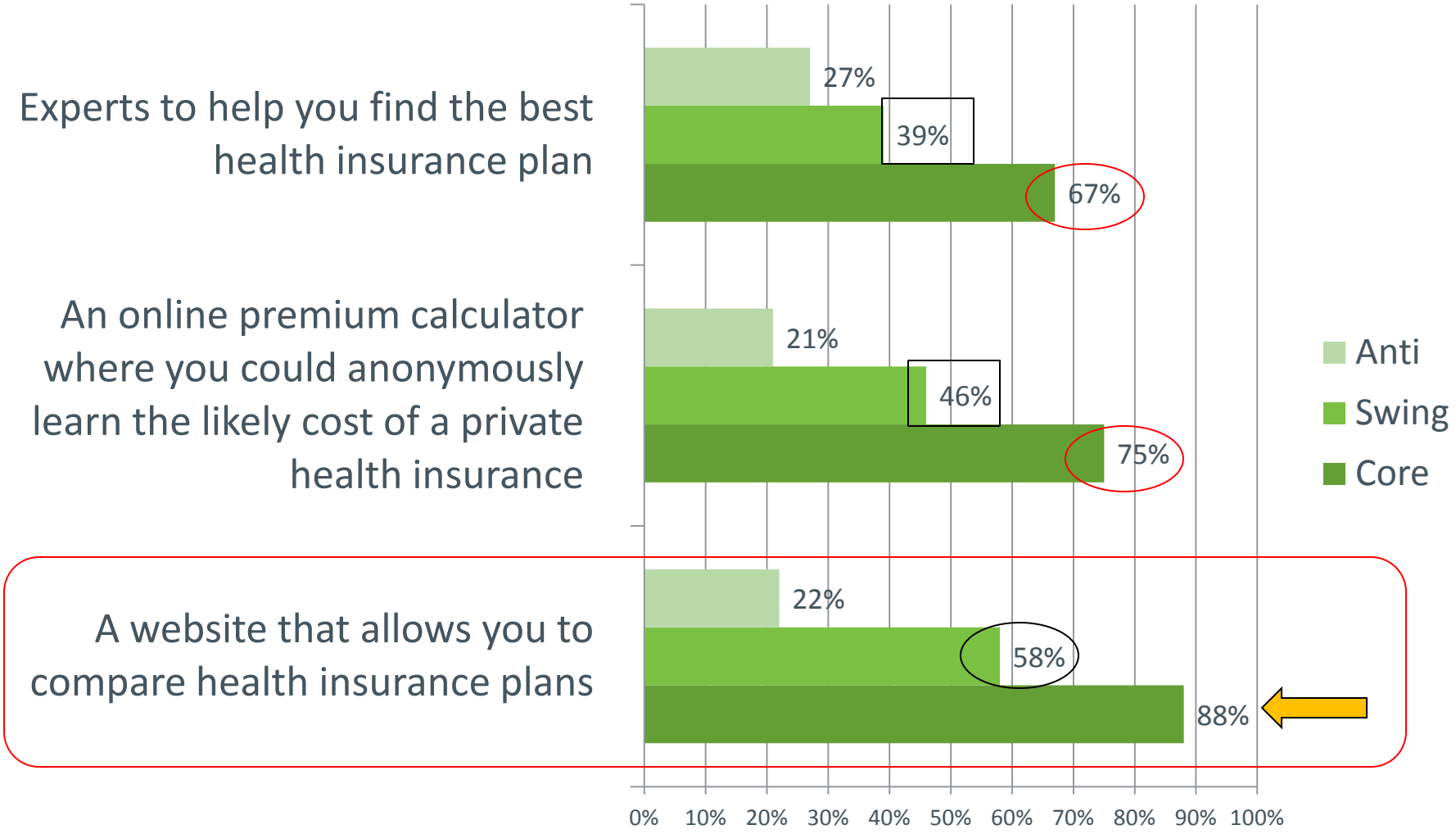
Anti segment
- Tends to be older
- lesser educated,
- Longer-term uninsured
- Online less.

	Core	Swing	Anti
Age 25-34	14%	**18%**	11%
Age 35-44	11%	12%	11%
Age 45-54	**36%**	32%	31%
Age 55-64	38%	39%	**47%**
Married	68%	68%	62%
Never married/single	16%	22%	22%
Employed full-time	**38%**	**41%**	34%
Employed part-time	15%	**25%**	16%
Unemployed	17%	10%	16%
High school graduate	17%	24%	**30%**
Some college	26%	28%	**35%**
College graduate	**38%**	**32%**	21%
Uninsured less than 6 months	**28%**	18%	8%
Uninsured 6 months to 2 years	27%	**32%**	21%
Uninsured 2+ years	42%	43%	**56%**
Never had insurance	3%	7%	**15%**
Use internet daily/almost daily	**85%**	70%	44%
Have kids under 18	**39%**	**37%**	24%

Appeal of features by segment



Appeal of features by segment



Another Key feature: Service

"I'd like to sit one-on-one and make sure I didn't miss anything and have answered everything correctly."

— Uninsured resident, Duluth

"I would research insurance on the Internet, but I don't think I'd feel comfortable buying it on the Internet. There's something to be said for meeting face-to-face and knowing that someone is accountable for your plan."

— Small business owner, Bemidji

It's a big expense, the premiums are high. You want to speak with someone you know you trust."

— Small business owner, Duluth

Initial Recommendations

Outreach efforts and communications for the exchange should…

- **Do some outreach NOW.** Goodwill exists if people are brought into process, experts say.
- **Acknowledge the arduous experience** consumers and small businesses go through when seeking insurance to establish empathy.
- **Frame the exchange as a tool that can help bridge a gap for everyone**, but do so in a way that doesn't "over-sell" the benefits and set unrealistic expectations.
- **Recognize the path to being insured is a journey for most people**, so materials should be tailored to address barriers at each stage of the journey.
- **Deal with the issue of cost and trust early in the process**. Consumers are adept at quickly discerning whether something is trustworthy and within their means; if that's not quickly established, we'll lose them. Related, generic terms such as 'affordable' and 'low-cost' are less effective than specific figures.
- **Engage brokers as intermediaries**, as small businesses still want their expertise and advice.
- **Emphasize** two broad aspects of the exchange concept: **personalized (or "right") choices** for consumers and **competition among carriers** (which consumers see as potentially lowering costs).
- Plan to incorporate some variation of **'Marketplace' and/or 'Choices' language** in the exchange name.