

Public Education and Outreach: Market Research Findings

Presentation to:
Minnesota Health Insurance Exchange Work Groups
August 2, 2012

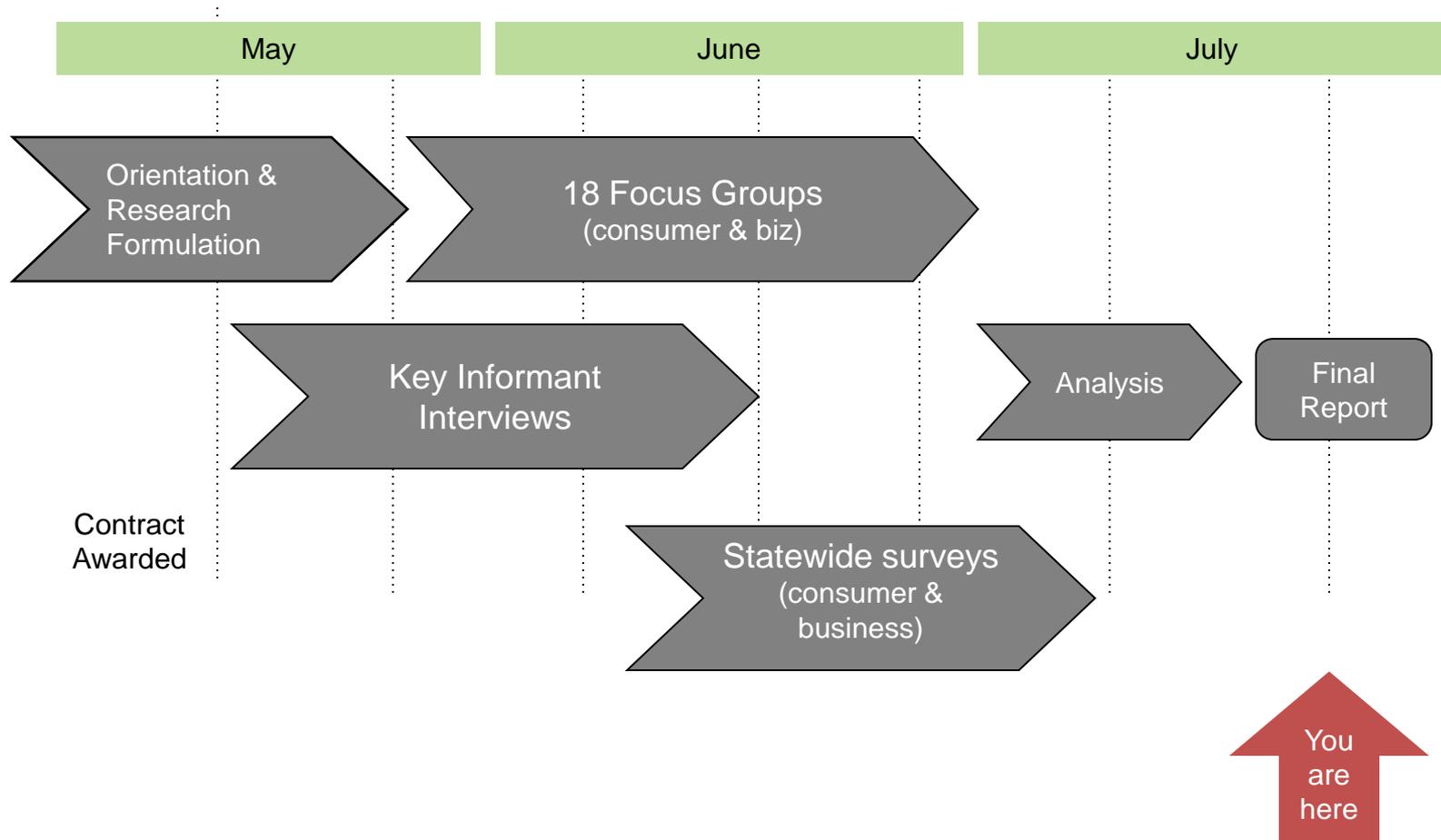


Today's Presentation

- 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

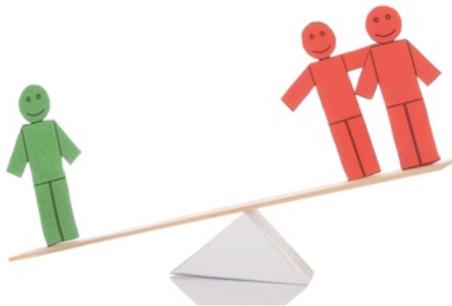


What the Experts Said

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



Emphasize access to private insurers as well as government



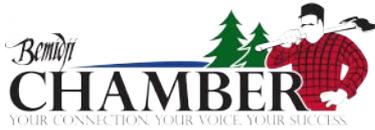
Leverage intermediaries



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

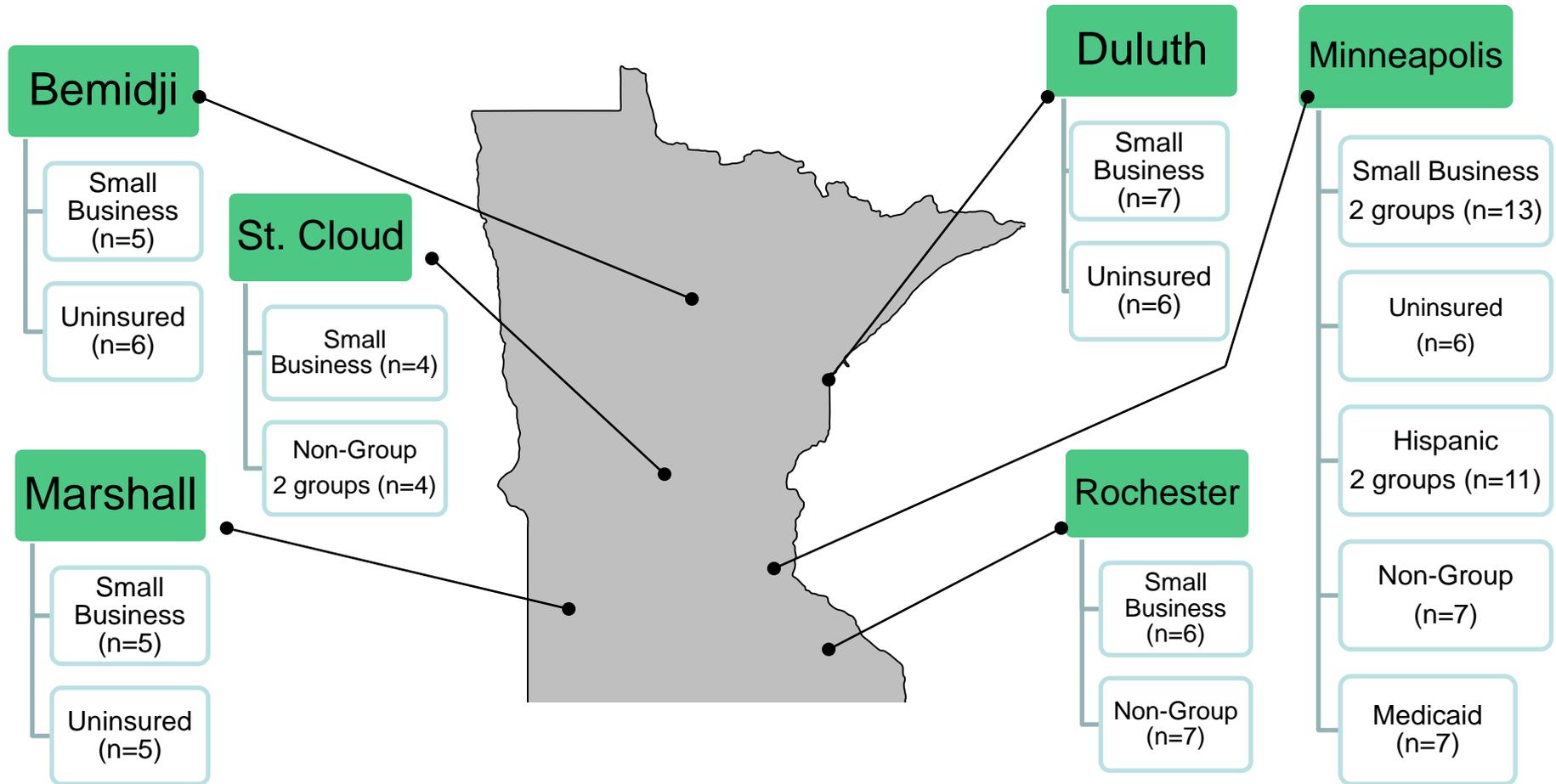


CONSUMER RESEARCH



Qualitative Research

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



Consumer Survey



- Telephone survey of uninsured and individuals purchasing non-group health insurance
- June 15 – July 14
- Sample size: N=797
 - Uninsured N=377
 - Non-Group N=420

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?

What factors
influence people?

How might we
promote the HIX?

Current Situation
(Current State)

VS

What consumers want
(Desired State)



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



WHAT ARE PEOPLE SEEKING?



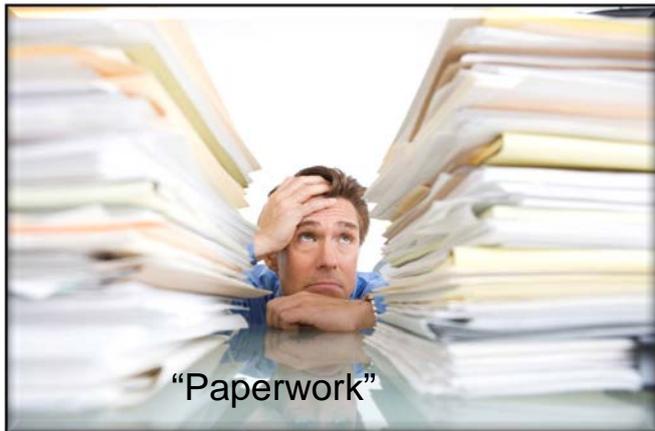
Current Customer Experience

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.”

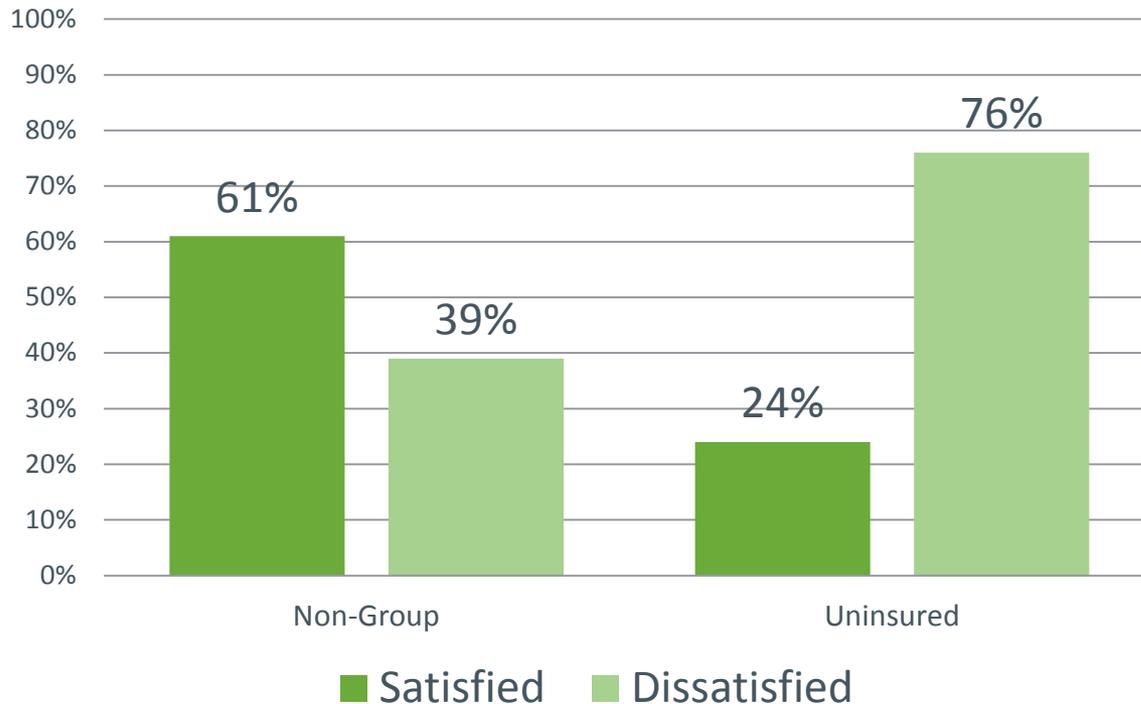
— Uninsured resident, Marshall.



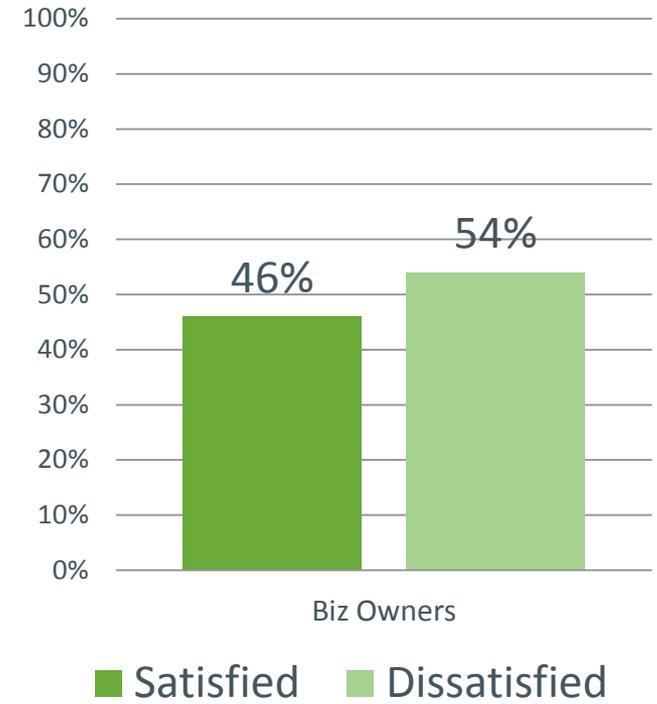
Satisfaction with current insurance status

The uninsured are the most dissatisfied ... but nobody is really happy. Half the business owners described themselves as dissatisfied. Even 2 out of 5 people who buy insurance for themselves are dissatisfied with their situation.

CONSUMERS



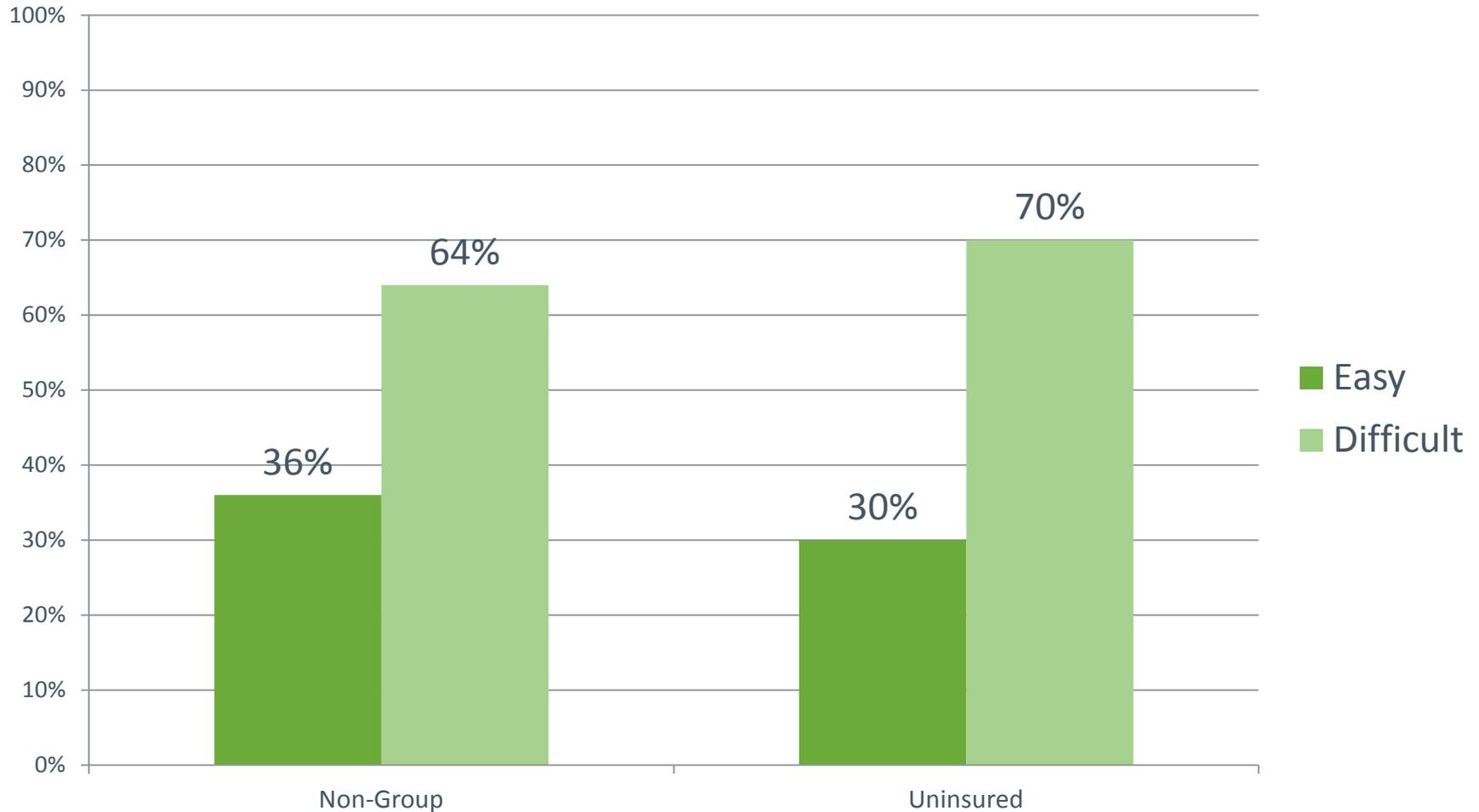
BIZ OWNERS



Base sizes: Uninsured=377; Non-group=420; Biz owners=500,



Getting health insurance isn't easy



Base sizes: Uninsured=377; Non-group=420



Consumers: What makes the process difficult?

Open-end response (% mentioning)	Non-Group (n=420)	Uninsured (n=377)
Prices too high	38%	54%
Hard to tell what's covered, what's not	17%	9%
Difficult to compare benefits across plans	17%	7%
Nothing	9%	11%
Rejected due to pre-existing condition	14%	6%
It's very confusing	8%	7%
Difficult to compare prices	9%	6%
Difficult to research / No one-stop-shop	10%	7%



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



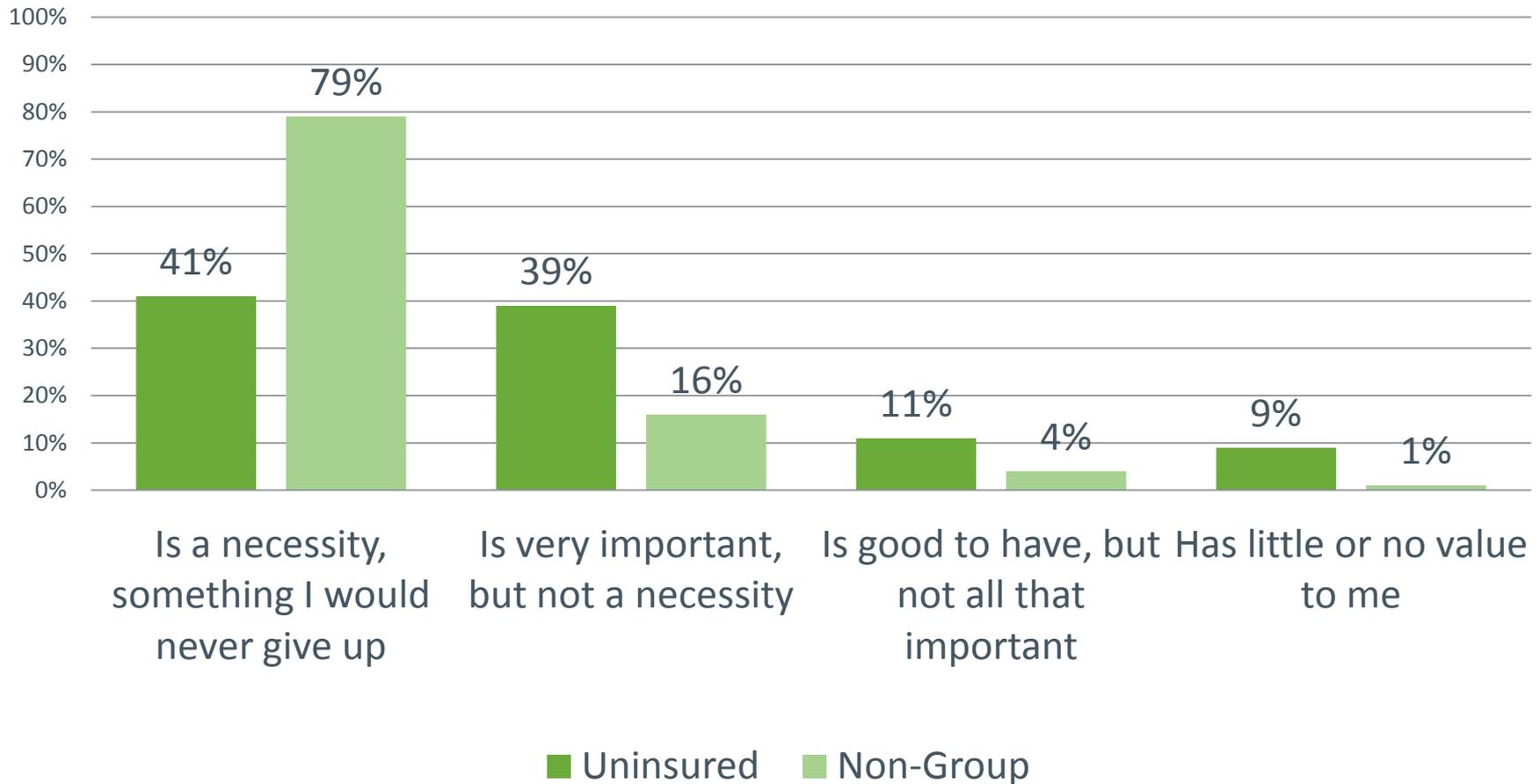
MEDICAID

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



Perceived need for insurance varies

Non-Group and Uninsured: Opinion on insurance



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

GAP



How can we help people move to the desired state?

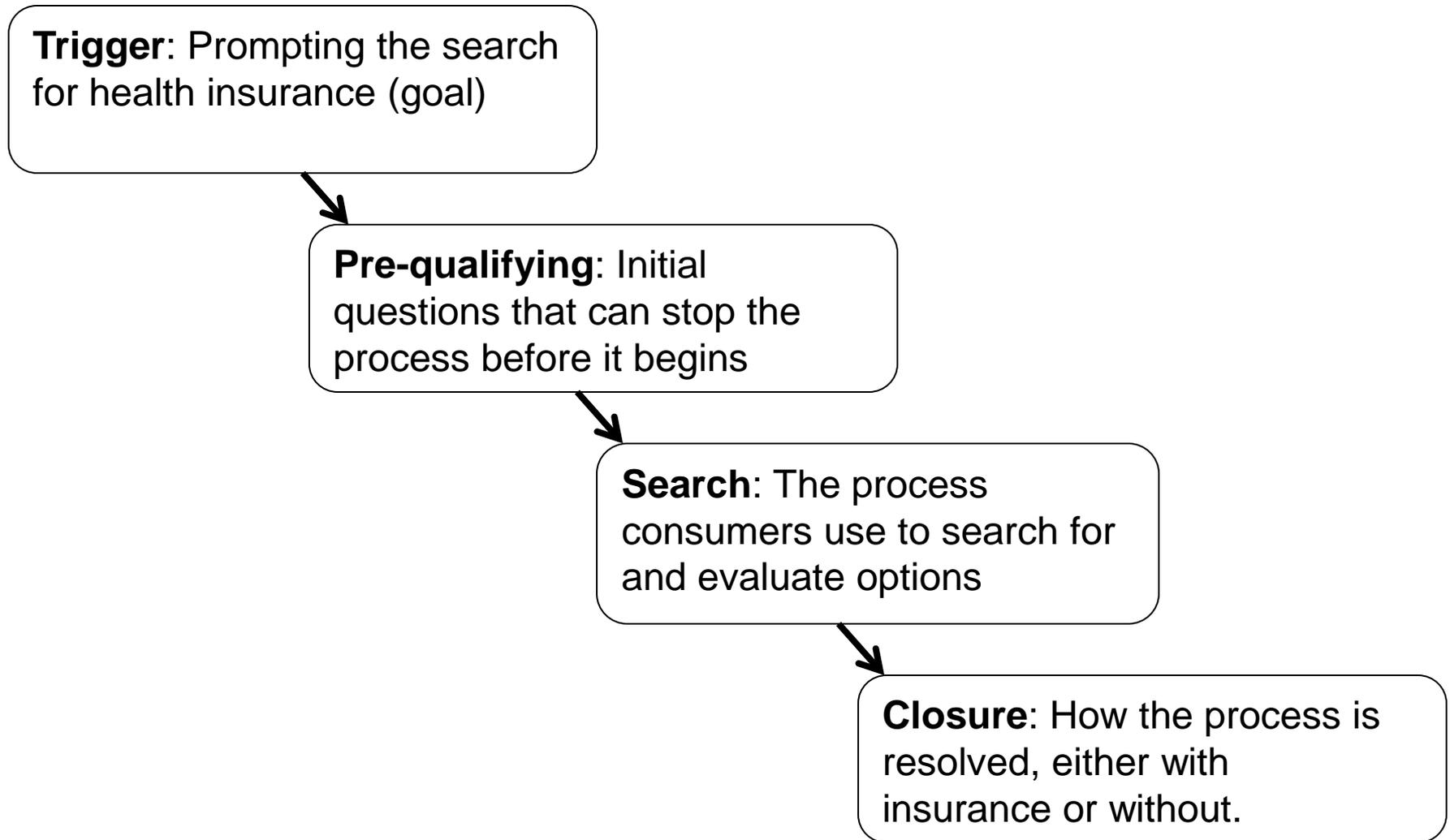
DESIRED STATE

- 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

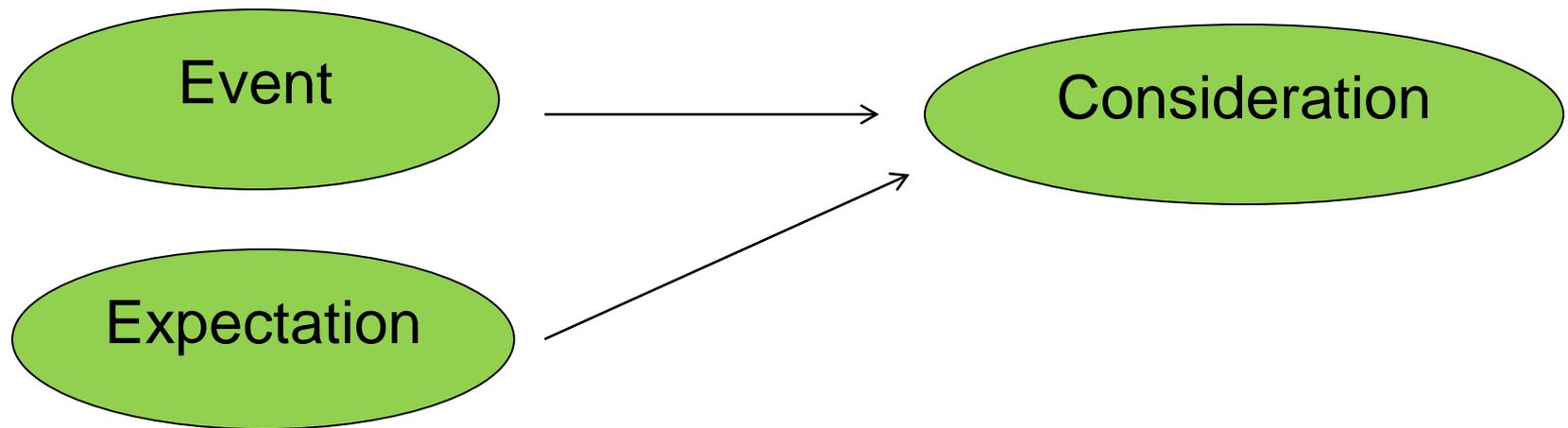


WHAT FACTORS INFLUENCE PEOPLE

Seeking health insurance: A CONSUMER'S journey



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
Change in health status (got sick, new diagnosis, etc)	26%
Change in employment status (lost job, changed job, etc)	17%
Had a child or adopted a child	5%
Talked to someone about health insurance	5%

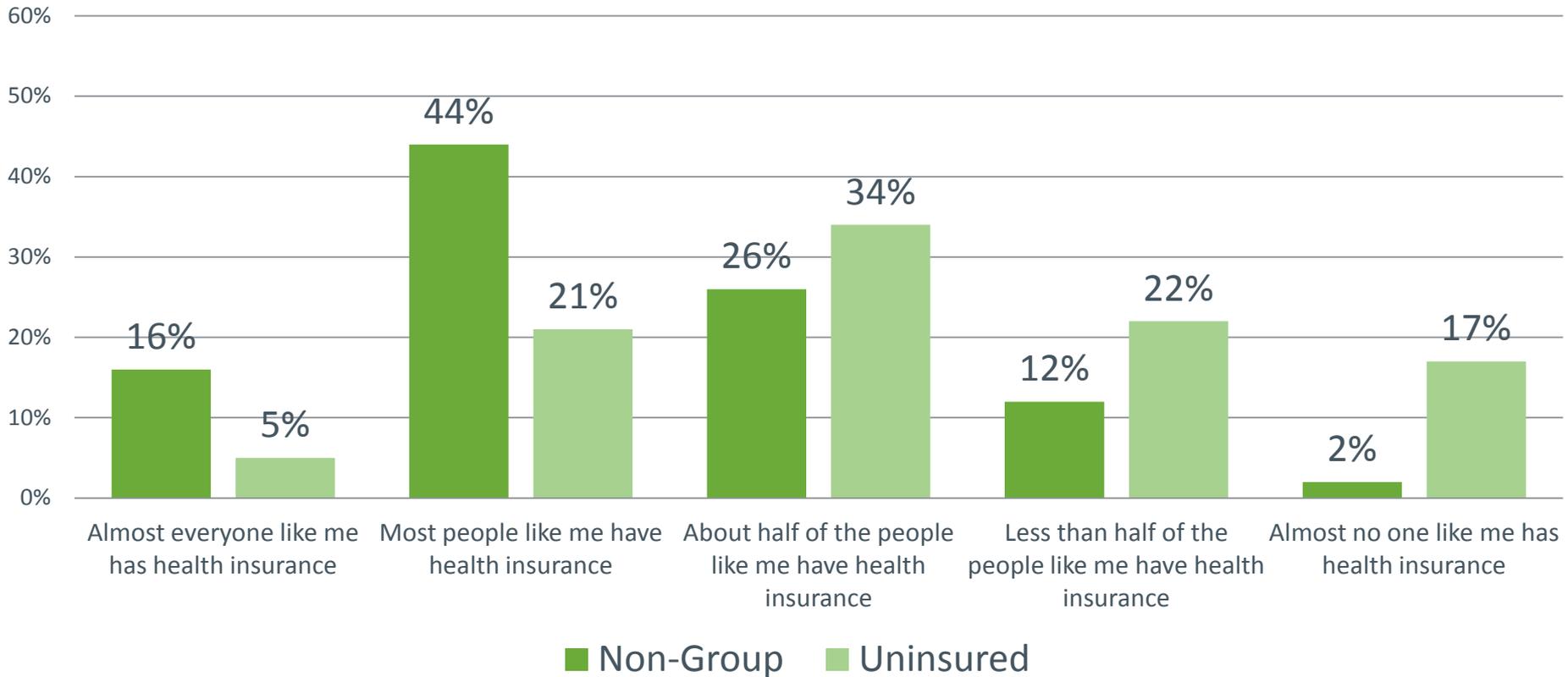


Norms: Being uninsured is ... normal

TRIGGERS

Expectation

In Minnesota, how common is it for people like you to have health insurance coverage? Would you say...



Data base sizes: Uninsured=377; Non-group=420



Uninsured: Priced out of the market

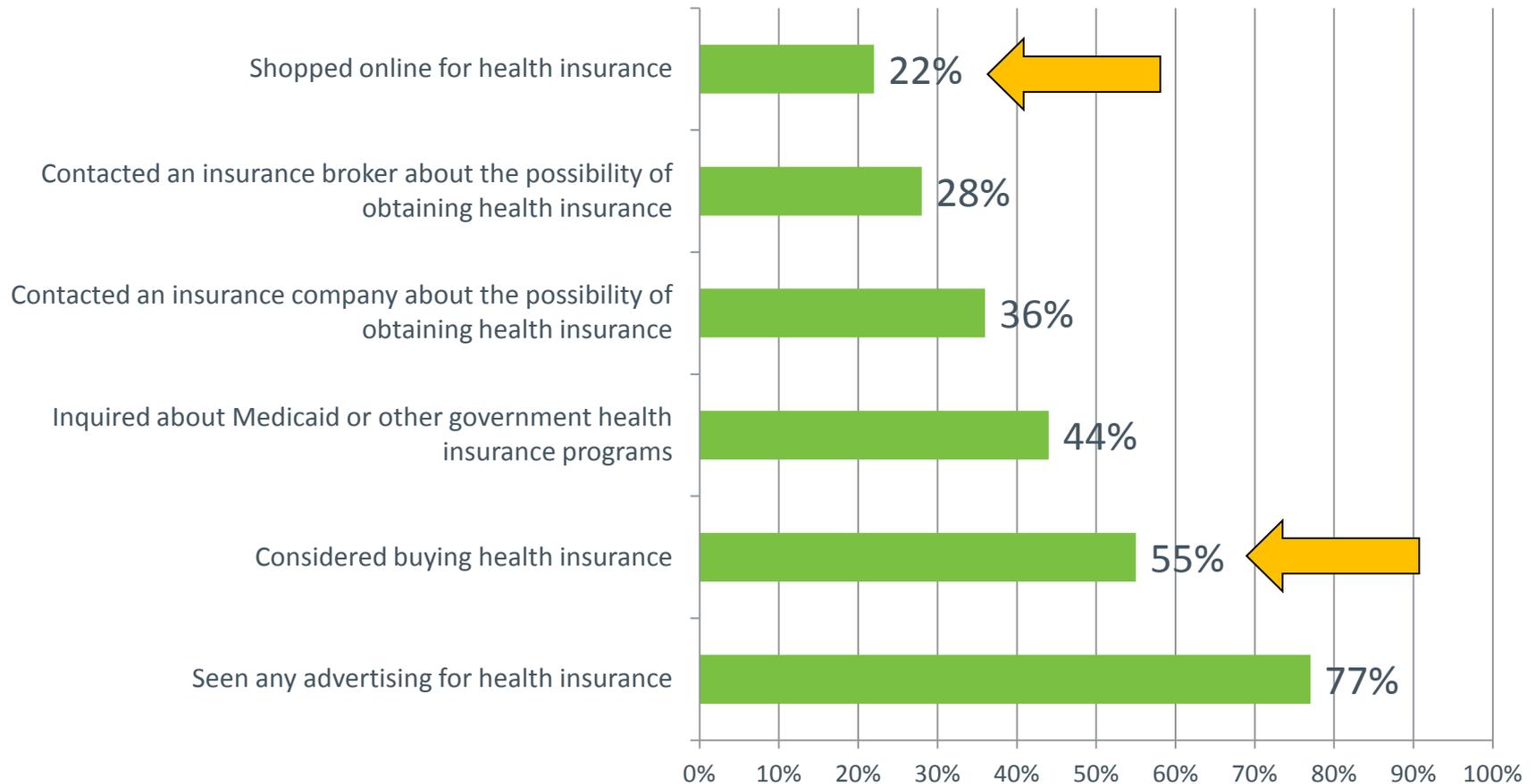
PRE-QUALIFYING

What is the main reason you do not have insurance? (open-end)	Uninsured (n=377)
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	11%
I am healthy / don't get sick so I don't really need it	6%
I have a pre-existing condition so could not find a plan that would cover me	5%
I can afford to pay for the health care I need so I don't need health insurance	3%
I just pay as I go / Just cheaper to pay doctor	2%



Uninsured: Many not shopping

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



Database sizes: Uninsured=377



Many who shop look online

[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

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

Biggest spenders

Full Value

Basis

Expected medical costs

+

Value of being covered

+

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



Key elements being sought

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 **distills 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)

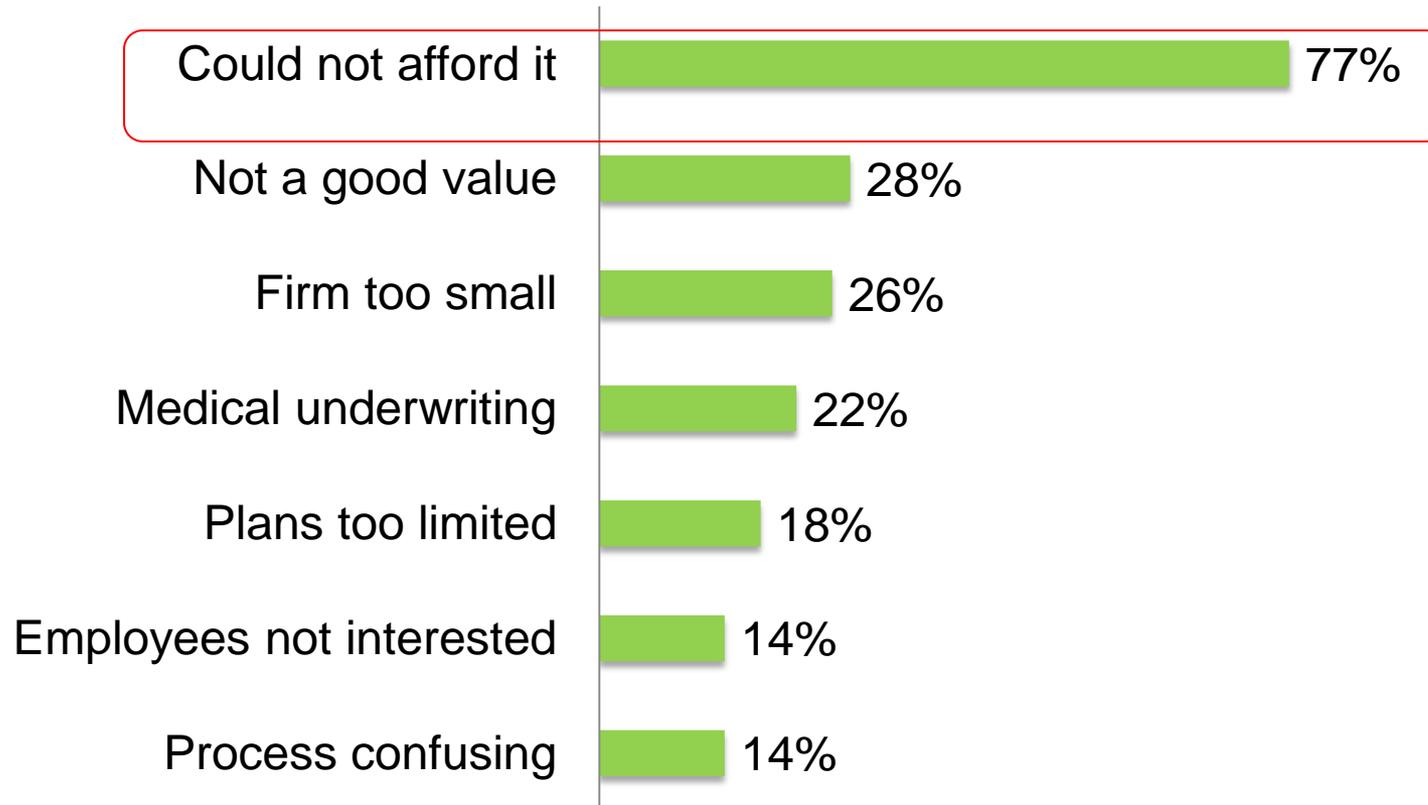
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graph TD; A[Trigger: Prompting the search for health insurance (goal)] --> B[The broker: Most small business owners use, and trust, their broker. There is some concern about whether commissioners influence offerings, but it is minimal.]; B --> C[Closure: Brokers offer owners a clear choice based on custom business objectives];
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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

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

Top Reasons Not to Offer Health Insurance

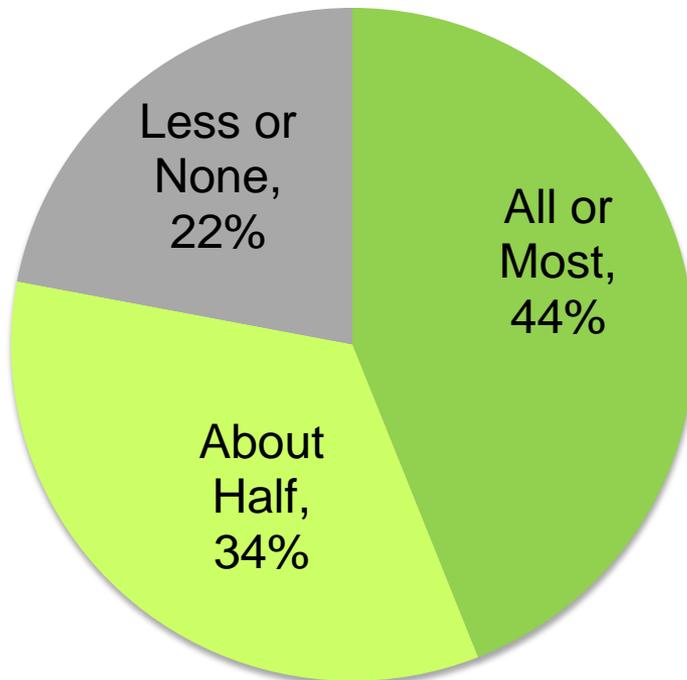


Small Business Triggers

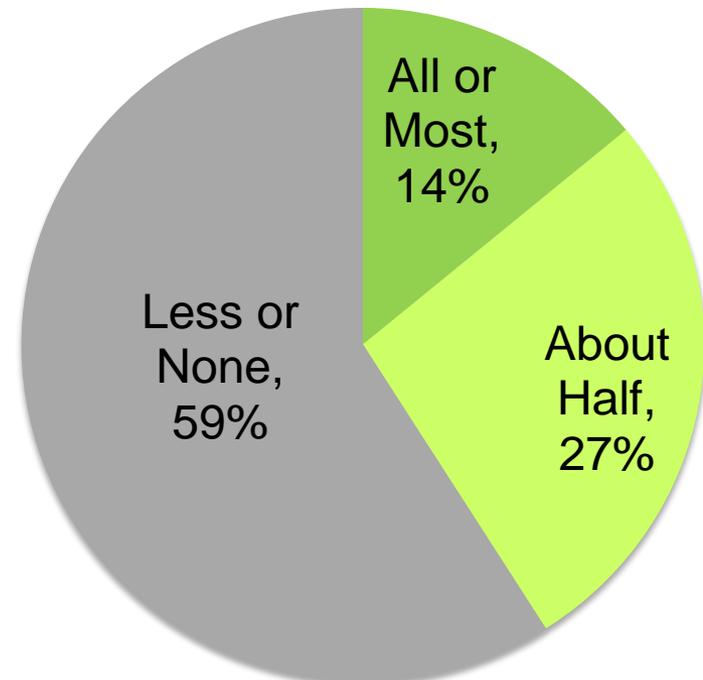
Trigger: Prompting the search for health insurance (goal)

NORMS

Firms that offer health insurance



Firms that do not offer health insurance

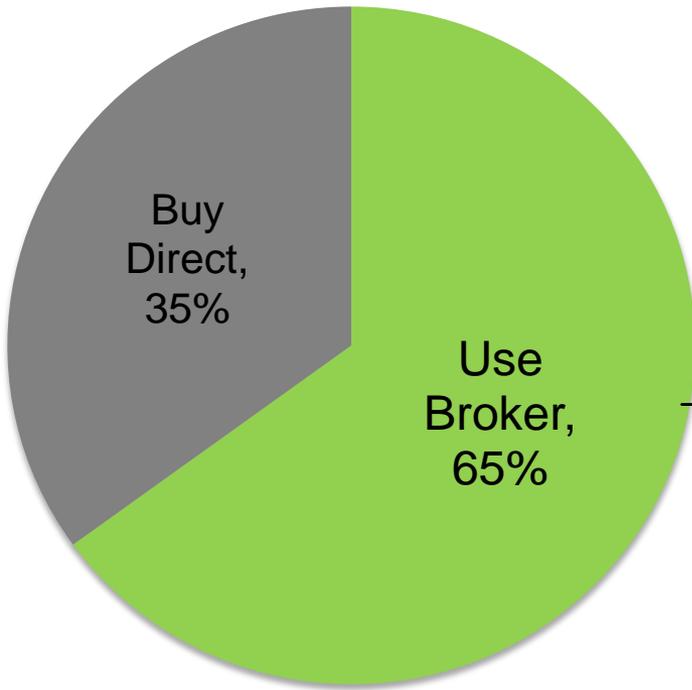


Preliminary sample size, Not Offer=94

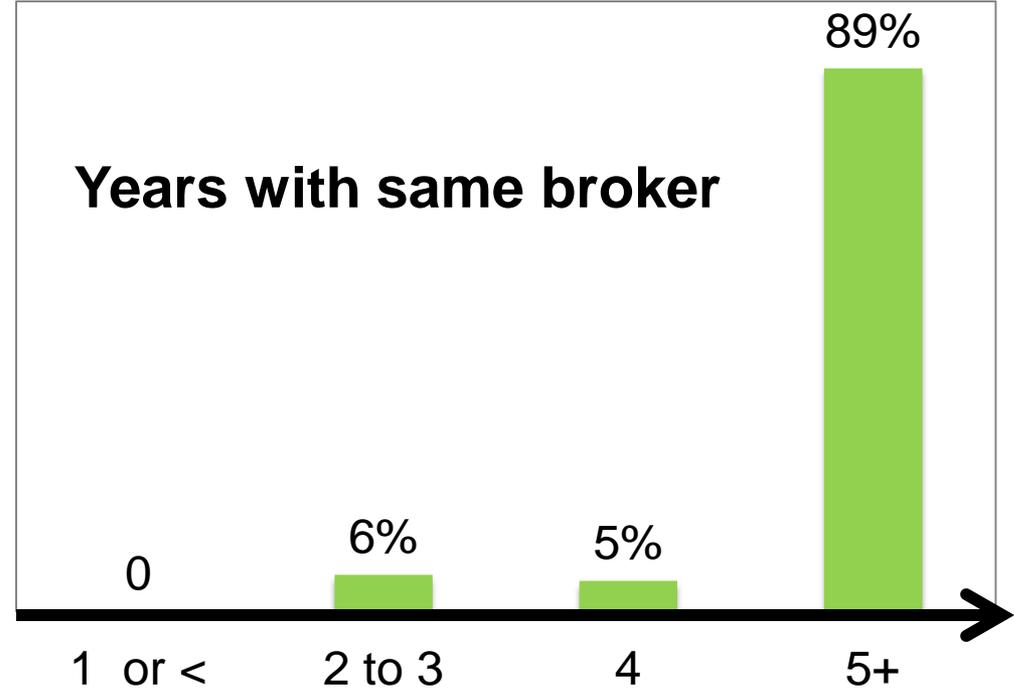


Small Biz & Brokers

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



Years with same broker



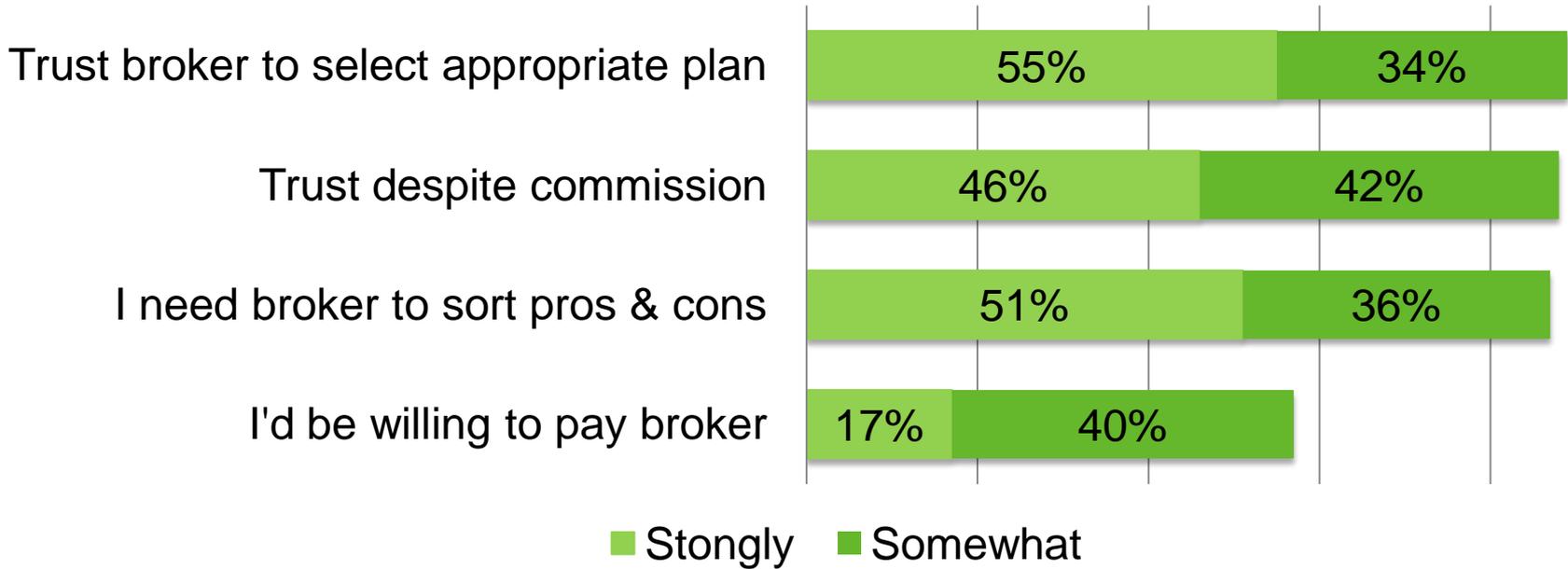
"I would think twice about doing anything without my broker's opinion; he's been a trusted advisor for many years."

— Small business owner, Twin Cities

Closing the Deal: Brokers

“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

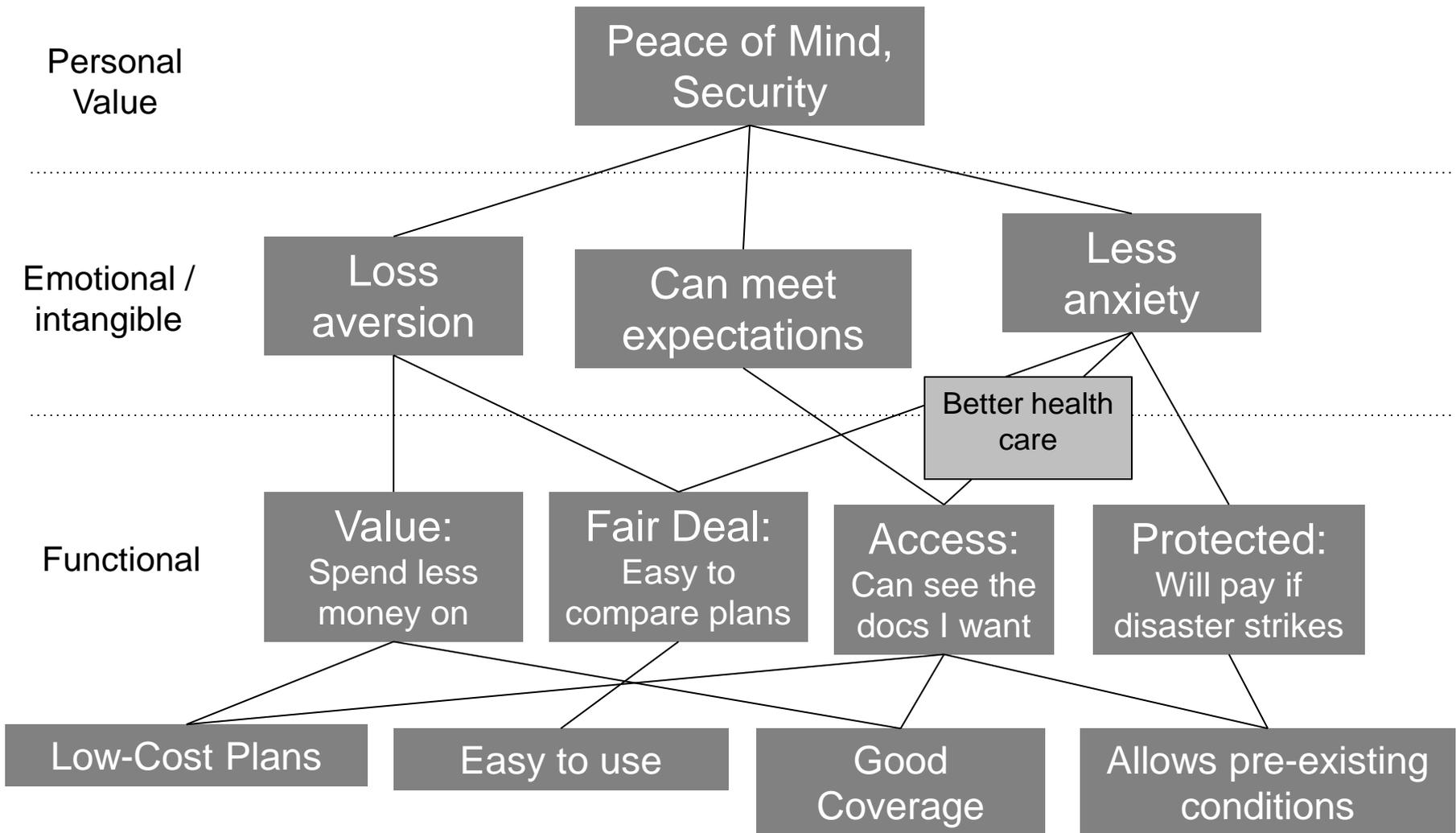


Key Behavior Factors: A Summary



- **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

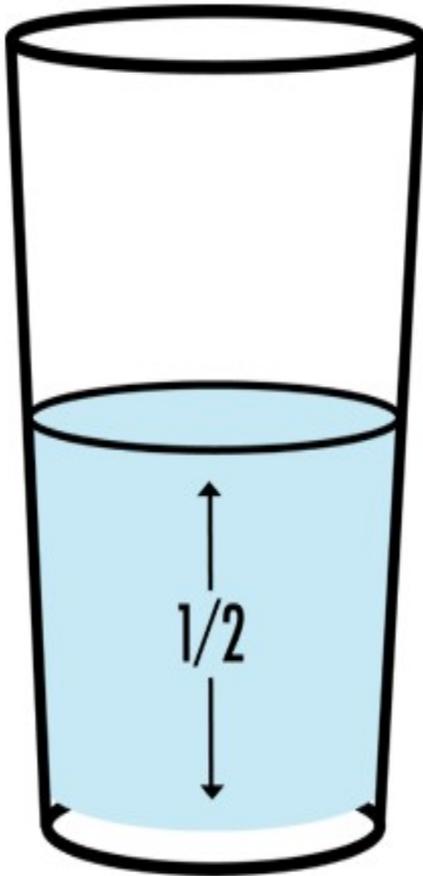
Desired State: One theory of value chain



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

PRO

"Things are just bought and sold, more innocent"

CON

"Sounds like stocks, which are confusing"

Minnesota Health Choices

PRO

"That's what it is"

CON

"Wishy washy, not as classy"

Minnesota Health Insurance Marketplace

PRO

"Direct, simple and to the point. Sounds more professional"

CON

"Doesn't sounds like government at all"

Health Plans Minnesota

(Not tested qualitatively)

Minnesota Health Connection

(Not tested qualitatively)

Biz: 14%

32%

16%

23%

14%

Con: 9%

36%

17%

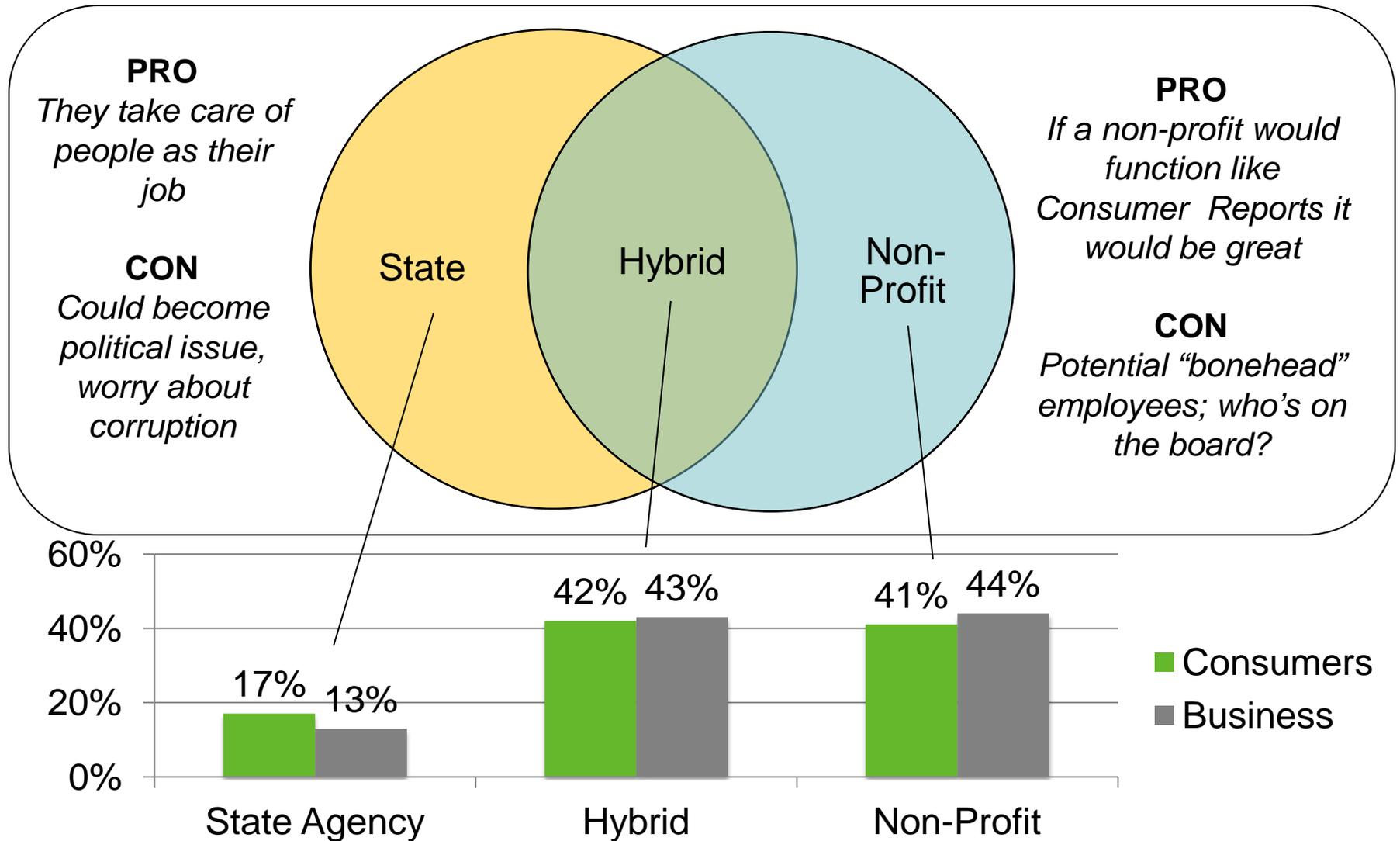
17%

21%

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?



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.

“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.

“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.

“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.

“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.

“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”



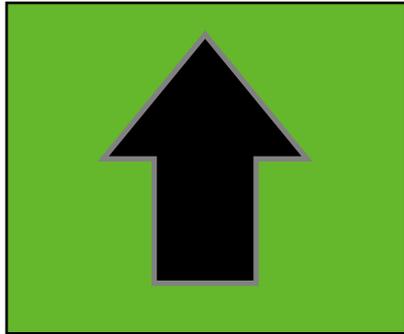
Minnesota is creating a **new health insurance marketplace**. It is a website where you can compare different health insurance plans and choose the one you like. Private health insurers compete to win your business. Lower-income people can also enroll in public health insurance programs.

“Private companies competing for business is good.”

— Uninsured resident, Bemidji

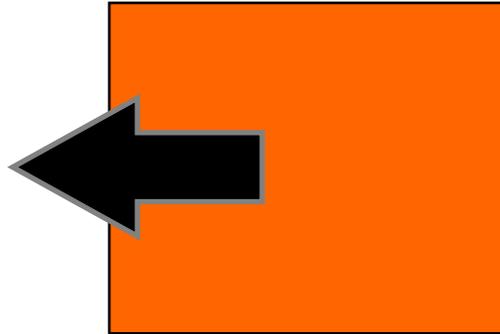


Targeting the “Low-Hanging Fruit”



BASE

Very likely to use
exchange



SWING

Middle two boxes



ANTI

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	17%	19%	11%
Age 35-44	12%	15%	11%
Age 45-54	35%	32%	32%
Age 55-64	36%	34%	45%
Married	63%	66%	58%
Never married/single	20%	24%	23%
Employed full-time	39%	40%	33%
Employed part-time	19%	28%	18%
Unemployed	17%	11%	19%
High school graduate	18%	23%	28%
Some college	27%	30%	36%
College graduate	38%	32%	21%
Uninsured less than 6 months	25%	20%	11%
Uninsured 6 months to 2 years	28%	28%	16%
Uninsured 2+ years	45%	45%	57%
Never had insurance	3%	6%	17%
Use internet daily/almost daily	84%	71%	43%
Have kids under 18	38%	37%	23%



Other Segmentation Possibilities

Health status segments

- Informed, Healthy & Educated
- Sick, Active & Worried
- Mature & Secure
- Healthy & Young
- Passive & Skeptical
- Vulnerable & Unengaged

Lifestyle segments

- Dollar Store Boomers
- Country & Kidless
- Sandwich Generation Parents
- Young Families
- Single, Young Adults



Final Thoughts

- Fill the information and engagement vacuum now
- Build trust by leveraging what people like about government and addressing what they don't
- Leverage private insurance brands
- Address price issue immediately ... only then will many people even start listening
- Consider creating intermediate products – e.g., price calculator
- Build a very tight integration with brokers on SHOP
- Be careful of too much selling. To a certain degree, the product can sell itself.

