

Consumer Choice of Plan Research Rules to Guide Exchange Decision Support

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PBGH

PACIFIC BUSINESS
GROUP ON HEALTH

Agenda

- Project Overview
- Research Findings
- Implications for Consumer Plan Choice
- Health Plan Value Ratings
- Appendix: Candidate Vendor Requirements

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.

Consumer Research

Lab and Actual Decision Aid Settings

HIGH USAGE
LOW USAGE

Health Plan	Monthly Premium	Doctor Visit Copay	Annual Deductible	Expert Rating	Enrollee-Satisfaction	Total Annual Cost
A	\$440	\$12	\$250	★★★	★★★★	\$5,710
B	\$523	\$5	\$150	★★★★★	★★★	\$5,384
C	\$372	\$37	\$735	★★★★	★★★	
D	\$417	\$25	\$550	★★★	★★★★★	

Medical Plan	Your Cost	Doctor Choice	Wellness Services	Key Services What you pay for in-network services	Quality Ratings
Zenith HMO GOLD Yearly total cost \$11,712 My top plan choice	\$15,600 Yearly premium -\$4,248 Yearly premium tax credit \$360 Yearly cost at time of service	Your doctor not found in plan. Must select a primary care physician (PCP); referral required for specialist.	Quit tobacco: includes phone counseling More...	Doctor Office Visit: \$15 Hospital Stay: \$250 Prescription Retail generic/ brand/ non-formulary: \$5/\$20/\$35 Deductible Self/ Family: \$0 Annual Out-of-Pocket Maximum Self/ Family: \$1,000/\$3,000 See all services...	Medical Plan ★★★ Doctors & Hospitals ★★★
Summit HMO GOLD Yearly total cost \$10,812 My top plan choice	\$14,520 Yearly premium -\$4,248 Yearly premium tax credit \$540 Yearly cost at time of service	Plan includes your doctor. Must select a primary care physician (PCP); referral required for specialist.	Quit tobacco: includes online services More...	Doctor Office Visit: \$25 Hospital Stay: \$500 Prescription Retail generic/ brand/ non-formulary: \$10/\$20/NA Deductible Self/ Family: \$0 Annual Out-of-Pocket Maximum Self/ Family: \$1,500/\$3,000 See all services...	Medical Plan ★★ Doctors & Hospitals ★★

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**

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

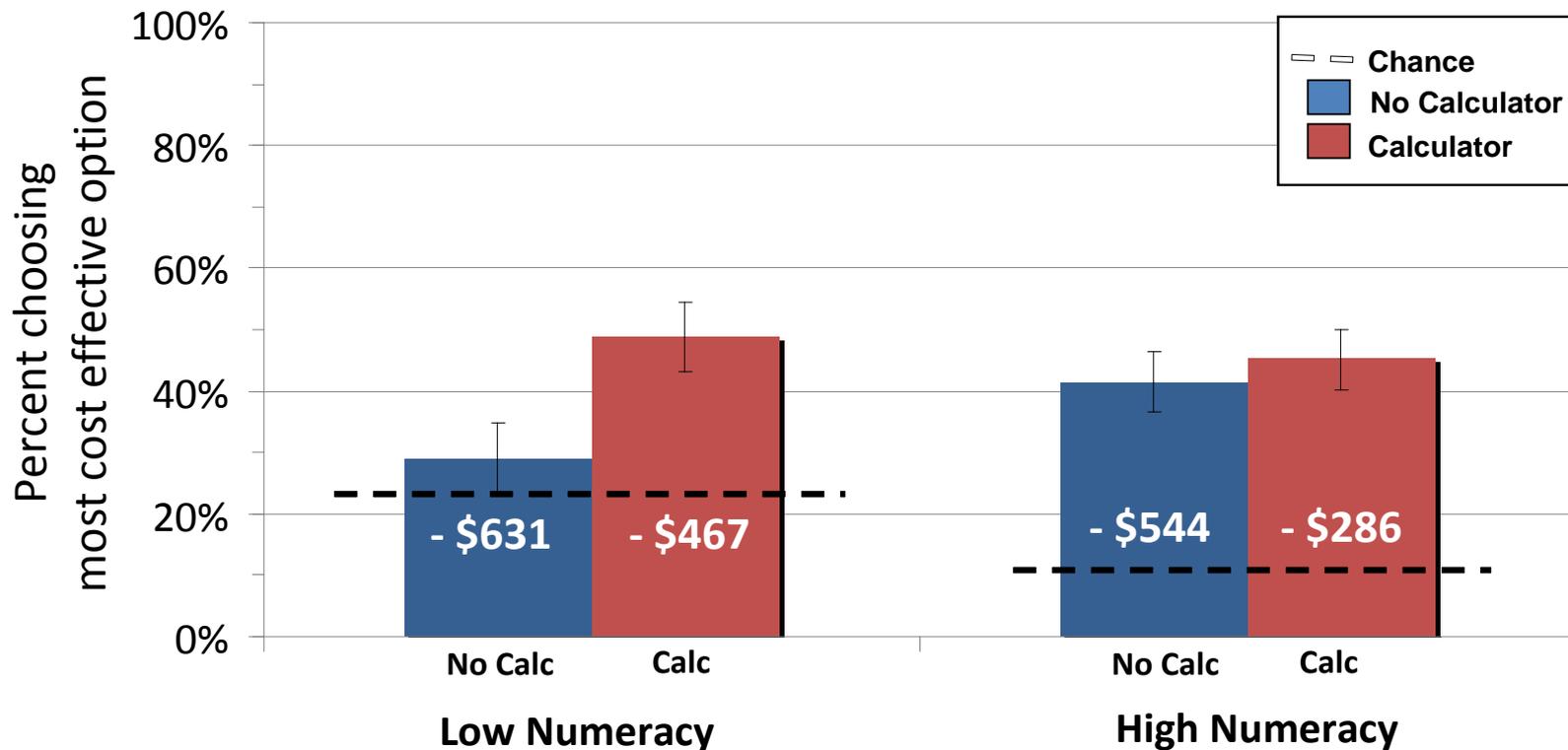
Implications: Choice Rules Using “Shortcuts” to Simplify Choice

- 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.



Johnson E, Hassin R, Baker T, Columbia University

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.

- Controlling Cholesterol & Blood Pressure
- Nutrition and Weight Management
- Managing Your Stress
- Quit Tobacco

ENROLL UX 2014

Limit Number of Plans (user has option to expand)

The screenshot shows a web application interface for selecting health plans. At the top, there's a navigation bar with 'View Account', 'Sign out', and 'Save' buttons. Below this, a sidebar on the left contains navigation links: 'Find a Plan', 'Getting Started', 'Find a Plan for [Spouse First Last Name]', 'Find a Plan for [Child 1]', 'Find a Plan for [Child 2]', 'Find a Plan for [Child 3]', and 'Checkout'. The main content area displays three plan cards. The first card is for 'Plan Name A HMO Silver' with a monthly premium of \$250/month. The second is 'Plan Name B PPO Platinum' with a monthly premium of \$167/month. The third is 'Plan Name C PPO Gold' with a monthly premium of \$291/month. Each card has an 'Add To Cart' button. Below the cards, there's a section for 'Anticipated Costs' with bar charts showing 'Minimum', 'Expected', and 'Maximum' costs for each plan. At the bottom, there's an 'Additional Coverage' section with checkboxes for 'Dental Included' and 'Vision Included' for each plan. A red circle highlights a right-pointing arrow button on the right side of the plan cards, indicating an option to expand the view.

Account Holder | View Account | Sign out | Save

Back to Questions | 138 Plans | 1 2 ... >

Sort By | (3) | [Icons]

Find a Plan

Getting Started

Find a Plan for [Spouse First Last Name]

Find a Plan for [Child 1]

Find a Plan for [Child 2]

Find a Plan for [Child 3]

Checkout

Carrier Name
Plan Name A
HMO
Silver

Carrier Name
Plan Name B
PPO
Platinum

Carrier Name
Plan Name C
PPO
Gold

Anticipated Costs

Costs include advanced payment of your Premium Tax Credit. Adjust

MONTHLY PREMIUM
\$250/month

MONTHLY PREMIUM
\$167/month

MONTHLY PREMIUM
\$291/month

ANNUAL COST

ANNUAL COST

ANNUAL COST

Minimum Expected Maximum

Minimum Expected Maximum

Minimum Expected Maximum

Additional Coverage

Dental Included

Dental Included

Dental Not-Included

Vision Included

Vision Not-Included

Vision Included

Quality Rating

Draft
Not for Distribution

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

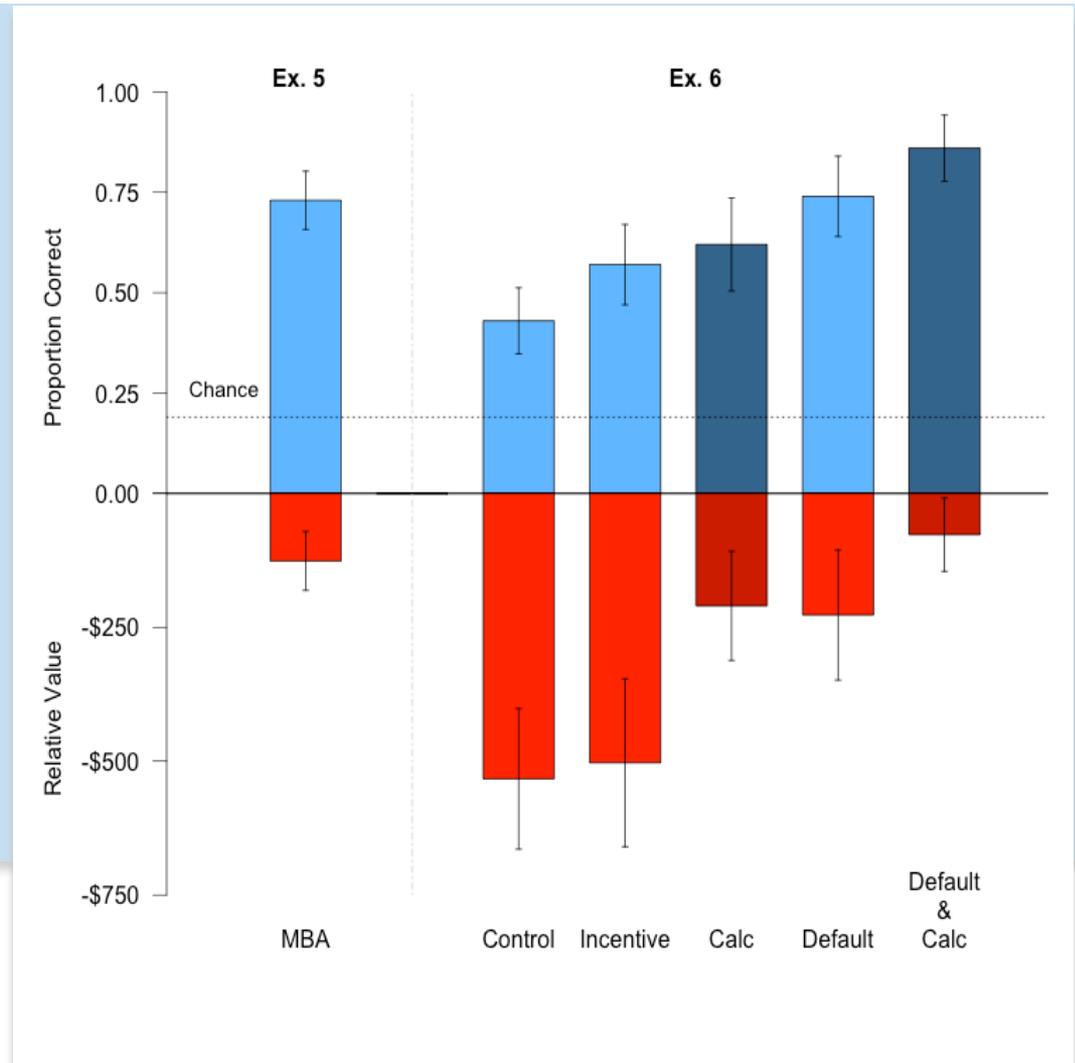
- Cost at time of care calculator gives users realistic estimate of their yearly cost for each benefit design
- Avoid giving prominence to cost-share elements like deductible amount – unless balanced with estimated cost amounts
- Explain the cost at time of care calculator: boost comprehension and use
- Will user look to “metals” categorization as proxy for their cost? – experiment results in June

Choice Architecture Helps

Can anyone do this? Yes, Columbia MBA students, but they use Excel! (Ex.5)

Can choice architecture make ordinary people better? (Ex. 6)

- Bigger incentives make little difference
- Calculator + instruction cut errors in half
- A smart default helps as well
- Combined, they let ordinary people do as well as MBA's



Blue is % Correct (0-100), Red is size of mistake. Dotted lines is chance (guessing)

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 Choice: Top Dimension

Medical Plan	Your Cost	Doctor Choice	Wellness Services	Key Services What you pay for in-network services	Quality Ratings
Zenith HMO GOLD Yearly total cost \$5,436 My top plan choice	\$7,440 Yearly premium -\$2,124 Yearly premium tax credit \$120 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 More...	Deductible Self/ Family: \$0 Annual Out-of-Pocket Maximum Self/ Family: \$1,000/\$3,000 Doctor Office Visit: \$15 Hospital Stay: \$250 Prescription Retail generic/ brand/ non-formulary: \$5/\$20/\$35 See all services ...	Medical Plan ★★ ★ Doctors & Hospitals ★★ ★
Summit HMO GOLD Yearly total cost \$5,006 My top plan choice	\$6,900 Yearly premium -\$2,124 Yearly premium tax credit \$230 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 More...	Deductible Self/ Family: \$0 Annual Out-of-Pocket Maximum Self/ Family: \$1,500/\$3,000 Doctor Office Visit: \$25 Hospital Stay: \$500 Prescription Retail generic/ brand/ non-formulary: \$10/\$20/NA See all services ...	Medical Plan ★★ Doctors & Hospitals ★★
Eminent Health PPO SILVER Yearly total cost \$4,399 My top plan choice	\$6,060 Yearly premium -\$2,124 Yearly premium tax credit \$463 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 More...	Deductible Self/ Family: \$250/\$750 Annual Out-of-Pocket Maximum Self/ Family: \$3,000/\$9,000 Doctor Office Visit: 20% Hospital Stay: 20% Prescription Retail generic/ brand/ non-formulary: \$10/\$25/\$40	Medical Plan ★★ ★★ ★ Doctors & Hospitals ★★ ★★ ★

Integrate Provider Quality into Plan Choice

Choose a Medical Plan

Compare the medical plans and pick the one that best fits your needs by clicking on the "My top plan choice" button for that plan.

✓ Once you pick a medical plan a short survey will open. You must re-enter your PIN and fully complete the survey – at the end of the survey click "Done."

Medical Plan	Your Cost	Doctor Choice	Wellness Services	Key Services <small>What you pay for in-network services</small>	Quality Ratings
Zenith HMO GOLD Yearly total cost \$11,667 My top plan choice	\$15,600 Yearly premium -\$4,248 Yearly premium tax credit \$315 Yearly cost at time of service	Your doctor not found in plan.	Quit tobacco: includes phone counseling More...	Deductible Self/ Family: \$0 Annual Out-of-Pocket Maximum Self/ Family: \$1,000/\$3,000 Doctor Office Visit: \$15 Hospital Stay: \$250 Prescription Retail generic/ brand/ non-formulary: \$5/\$20/\$35	Medical Plan ★★ Doctors & Hospitals ★★

Medical Group Ratings 2012 Edition

San Francisco

[Choose a different county](#)

- ★★★★★ Excellent
- ★★★★ Good
- ★★★ Fair
- ★ Poor

	Meeting National Standards of Care	Patients Rate Medical Groups
Brown & Toland Medical Group	★★★★	★★★★
Chinese Community Health Care Association	★★★	★★★
Hill Physicians Medical Group - San Francisco	★★★★	★★★★
Kaiser Permanente Medical Group - San Francisco Medical Center	★★★★	★★★★
Kaiser Permanente Medical Group - South San Francisco Medical Center	★★★★★	★★★★★
Physicians Integrated Medical Group	Too few patients in sample to report	Not rated

Consumer Decision Support (Health Plan Value-added Services)

Shopping for provider and treatment (UHC)

[Get a Personalized Estimate ▶](#)

Or, Skip to Final Estimate Using These Averages



<http://www.pbgh.org/component/content/article/10/199-health-plan-shopping-services-evaluation>

Different Plan Dimensions Matter to Different People

Findings: Each of 5-6 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

Top Choice Dimensions in Primary Display

	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
Your Cost						
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
Quality Ratings						
Medical Plan	★★★	★★	★★	★★★★	★★★	★★★
Doctors & Hospitals	★★★	★★	★★	★★★★	★★★	★★★
Doctor Choice						
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.

Health Plan Value Ratings

(Metals, Yearly Estimate Amount, Coverage, Quality)

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Health Plan Value Ratings

Health Plan

Cost

- Premium cost
- Cost at time of care

Quality

- Access rating
- Customer service rating
- Value-added services

- Segment Consumers Per Preference for an Existing Doctor/Practice

Discussion

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

Appendix

Candidate Vendor Requirements

Recommendations per Research Findings

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)

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)

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

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.