

INFObrief

Deloitte 2012 Survey of Health Care Consumers Health plans' challenge; delivering on consumer preference

Highlights: Consumers move toward control

Health care consumers are ready to shop for insurance and customize the plans they buy. They want more choices and better tools to find the right fit and the best value. Why now? Consumer satisfaction with health plans is decreasing. Over the past few years, consumers have become less likely to feel adequately covered or that their needs are well-met. Those who changed insurance plans in the past year said their key reasons included cost, coverage, and customer service.

Consumers show they're interested and open-minded when it comes to considering new business models and different ways of purchasing health insurance. They're willing to consider trade-offs such as reduced access to network breadth in favor of lower premiums, or higher initial premiums that let them pay less at the point of service. Many are interested in shopping for health insurance on their own and in customizing the contents of their plans. However, they don't find they have enough sources of reliable and trusted information to facilitate this process.

The health plan industry is moving slowly towards a new business model that envisions more individual insurance purchases and fewer people using employer-sponsored plans. Many consumers – particularly younger ones – are open to new ways to buy and pay for health care insurance. They show interest in models that make it easier to make choices and products that allow customization and personalization.

Background

This *INFOBrief* presents key findings about consumers' utilization of the U.S. health care system – in particular, consumers and health plans – from the *Deloitte 2012 Survey of U.S. Health Care Consumers*. *INFOBriefs* also are available on the topics of consumers and health information technology; utilization of health care services; and life sciences products and innovations. For the full report: *2012 Survey of Health Care Consumers in the United States, 2012 Consumer Study Infographic, Five-Year Look Back, INFOBrief* source questions and other *INFOBrief* reports, visit www.deloitte.com/us/consumerstudies.

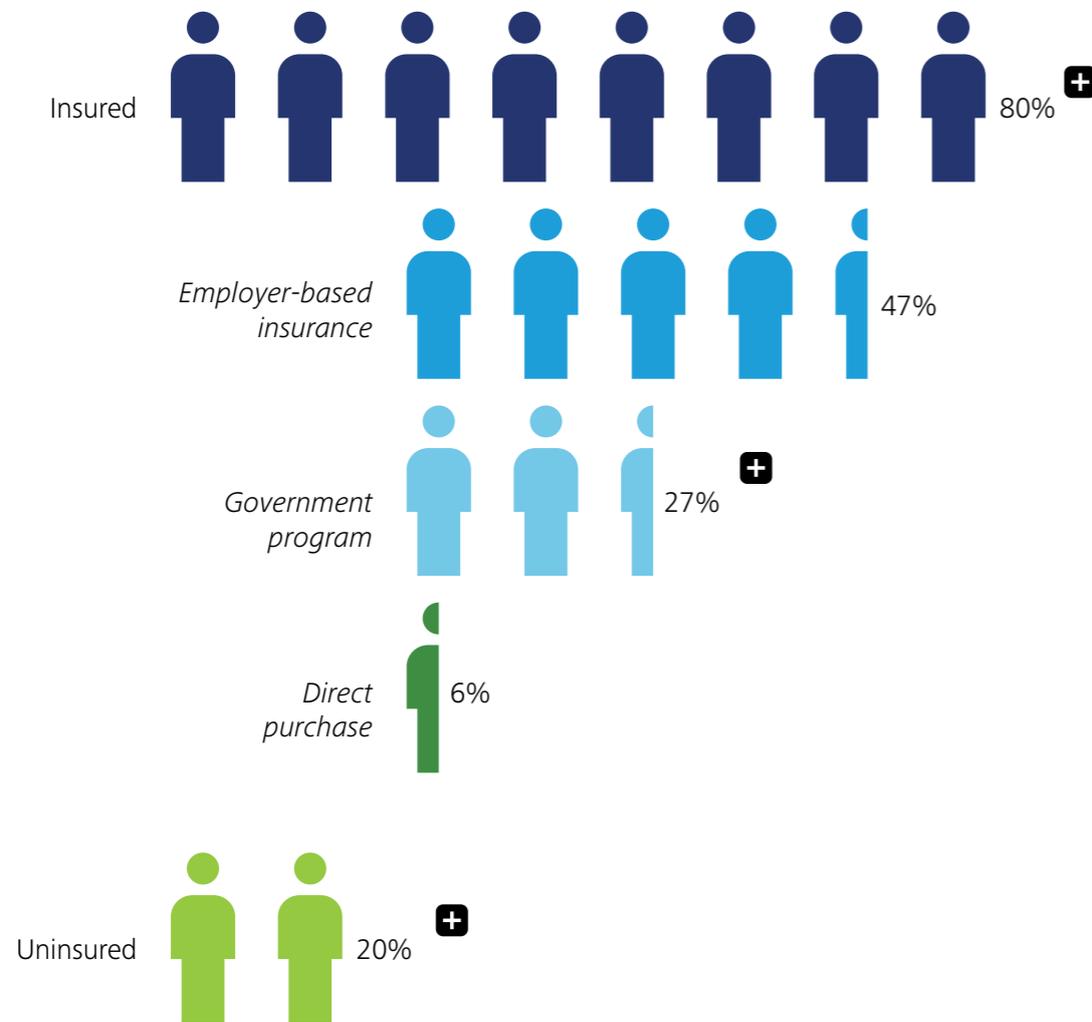


Key Findings:

Consumers want more: satisfaction, coverage, and benefits

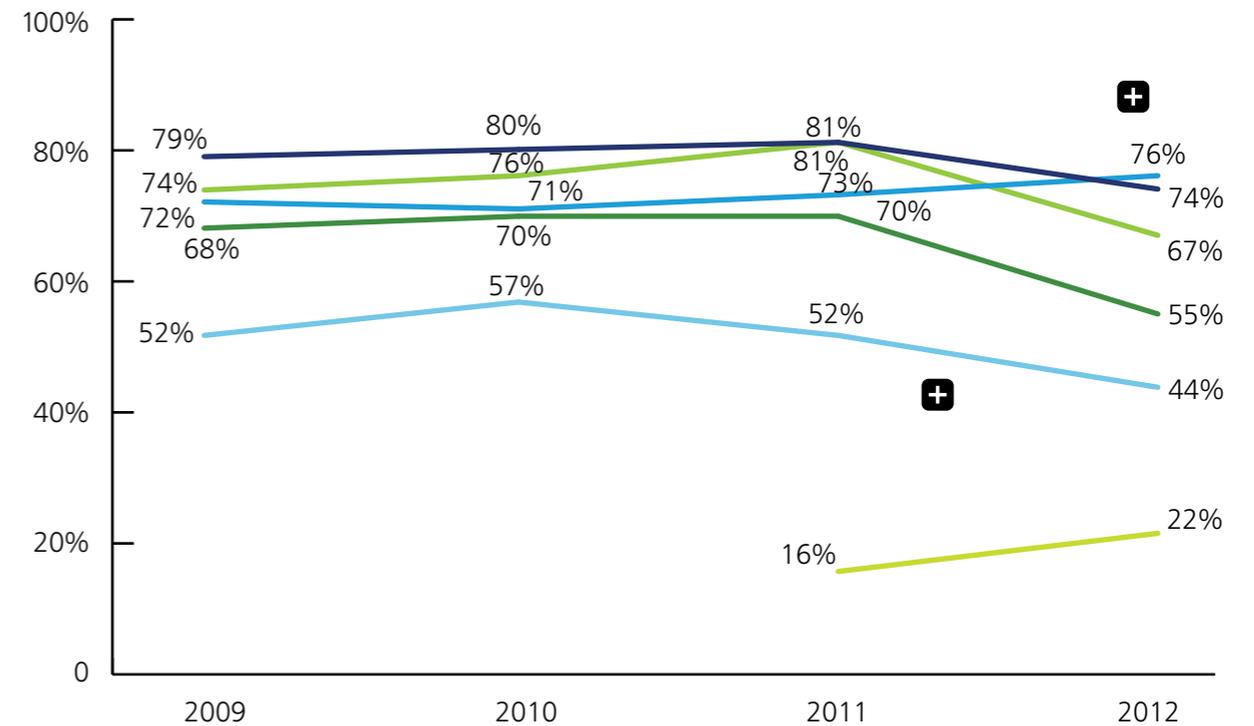
Fewer than half of consumers are satisfied with health plans. Those who feel “well-insured” are giving ground to those who feel “adequately insured” or “under-insured”.

Figure 1: Health insurance status, past 12 months*¹



* Quotas were used to ensure that the insurance status and source distributions of our sample match those observed in the U.S. adult population. Please see the methodology section for more information.

Figure 2: Satisfaction with system elements²



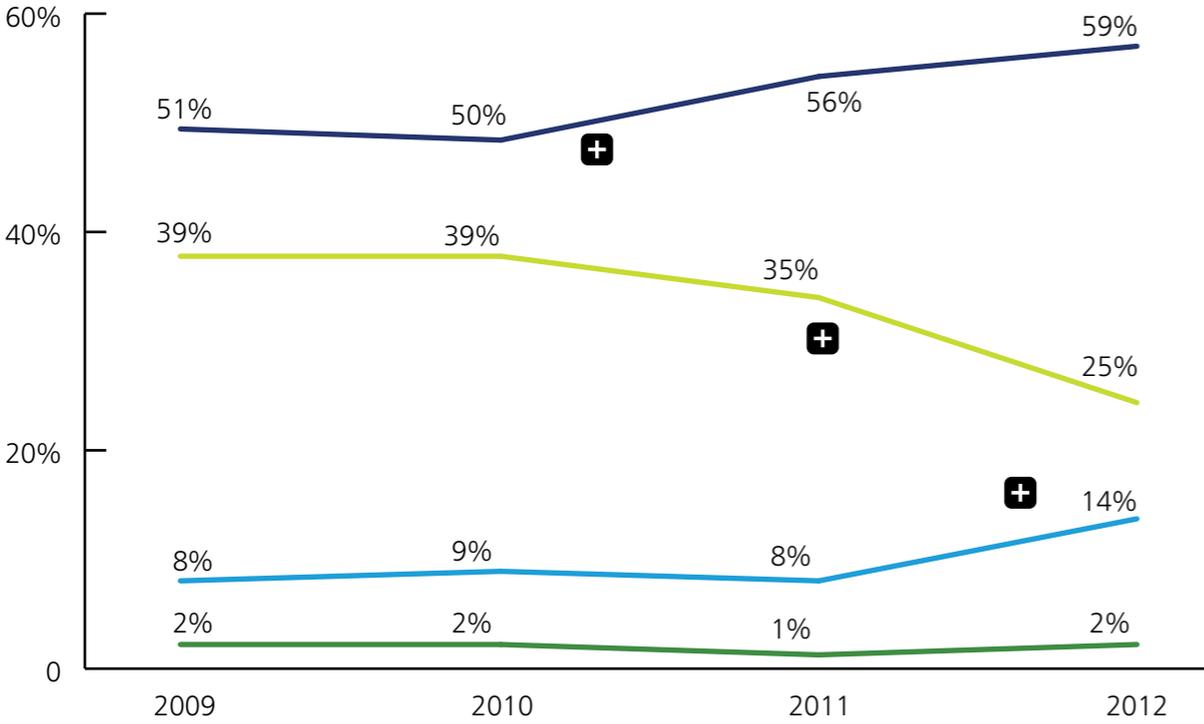
Data are rounded
Rating of 8, 9, or 10 on a 10-point scale where 10 is “completely satisfied”

- Satisfied with outpatient hospital care (% of users)
- Satisfied with inpatient hospital care (% of users)
- Satisfied with primary care provider (% of those with a PCP)
- Satisfied with emergency hospital care (% of users)
- Satisfied with health plan (% of insured)
- Satisfied with overall system performance

Consumers want more: satisfaction, coverage and benefits

A shift from feeling “well-insured” to feeling either “adequately insured” or “under-insured” is evident.

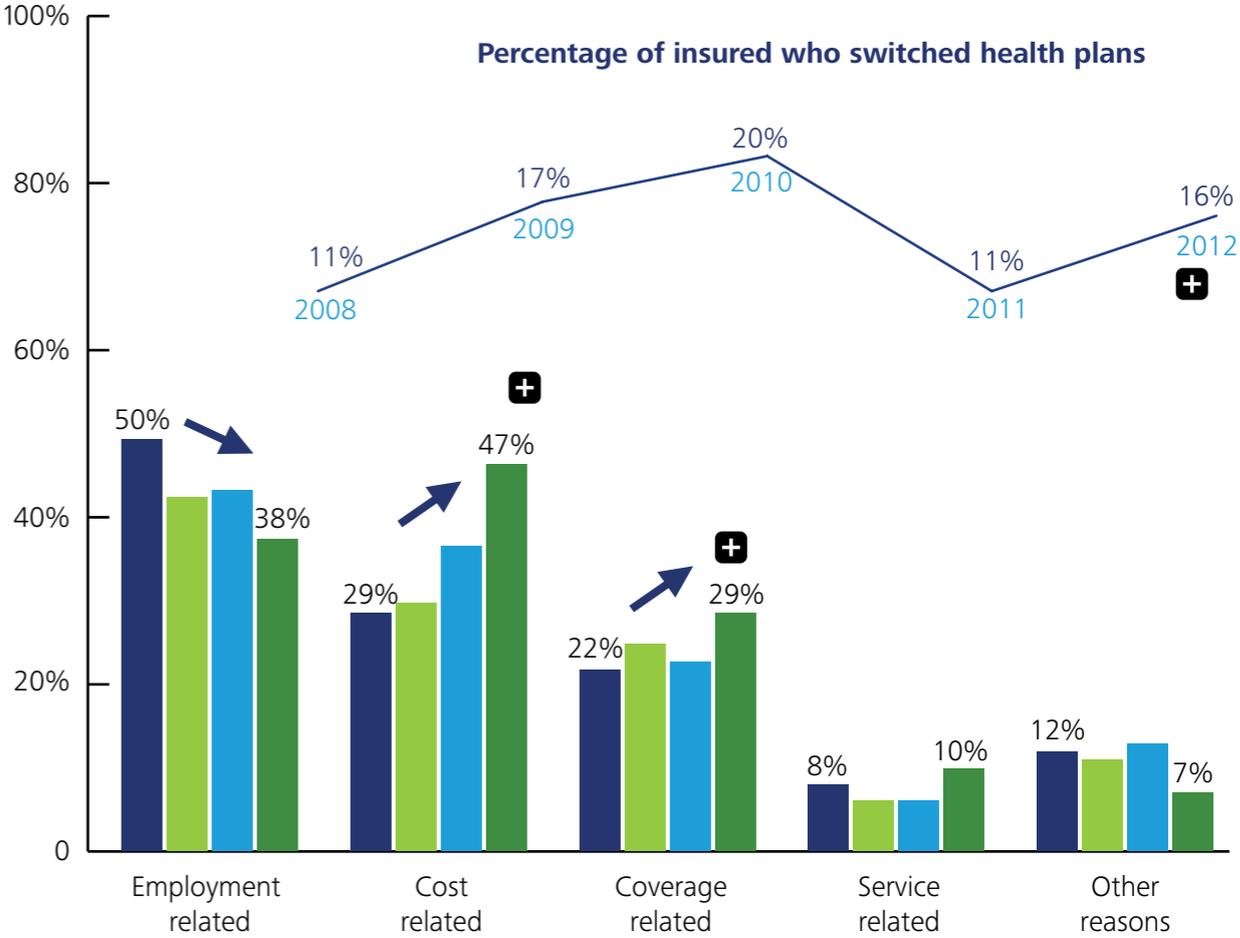
Figure 3: Insured consumers’ ratings of the adequacy of their insurance, 2009-2012²



Data are rounded

- Adequately insured
- Well-insured
- Under-insured
- Not sure

Figure 4: Reasons consumers switched health plans, 2009-2012⁴



Data are rounded
Percentage of insured who switched health plans. Respondents could select more than one item.

- 2009
- 2010
- 2011
- 2012

Consumers want more: satisfaction, coverage and benefits

In 2012 among those with no coverage, cost was the primary reason for not having insurance (Figure 5).

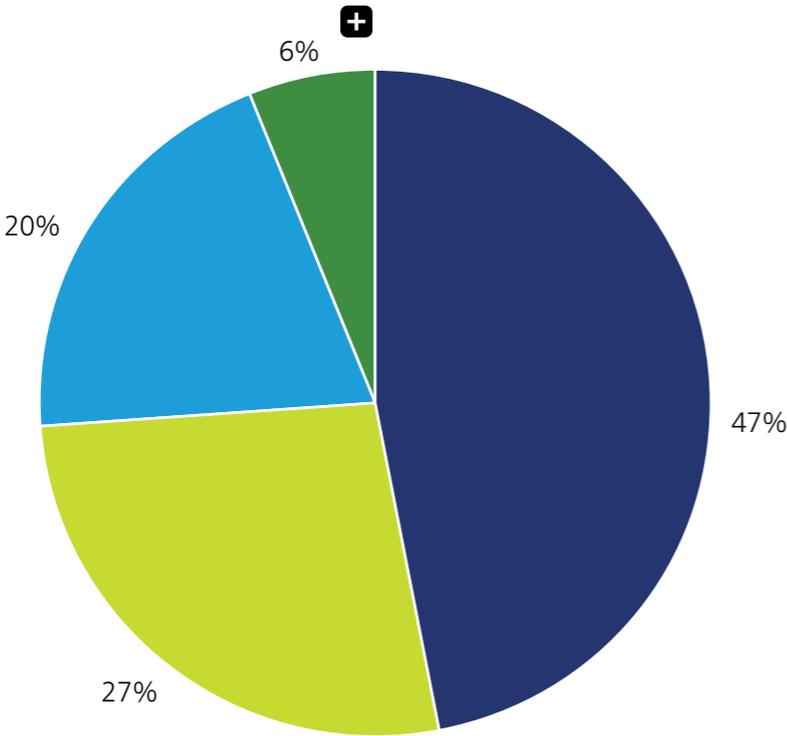
Figure 5: Top three reasons for not having health insurance⁵

Health insurance is too expensive – I cannot afford to pay for it, or do not want to pay for it	61%
I had health insurance through an employer but I no longer work there	26%
My current employer does not offer any insurance	19%

Consumers want choice and customization when purchasing health insurance

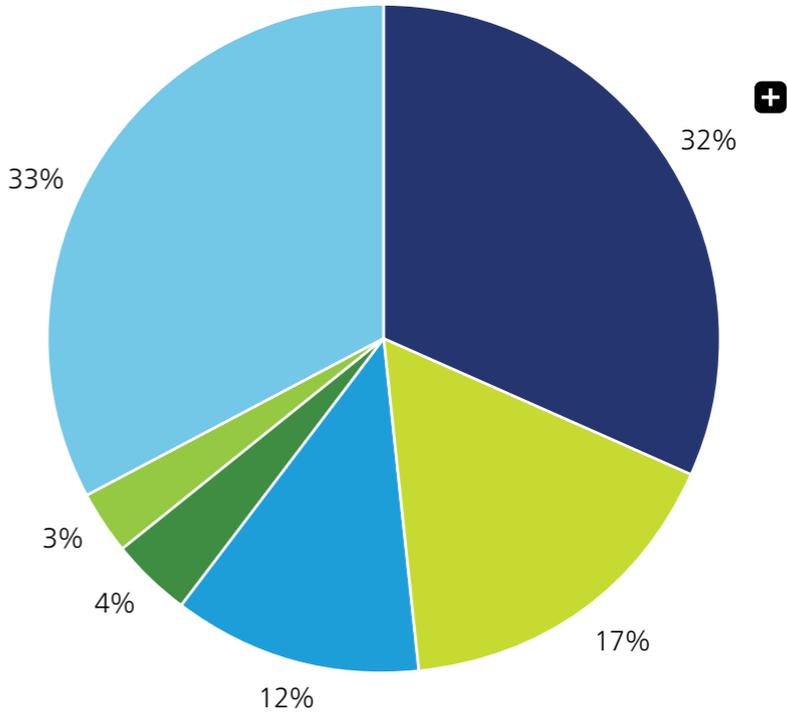
Consumers show more interest in actively selecting and purchasing their health care coverage. Younger consumers in particular want to customize their plans with a choice of styles and options. But, consumers are divided about the tradeoffs they are willing to make when that flexibility affects premiums, out-of-pocket costs, and provider access.

Figure 6: Current source of insurance⁶



- Employer-based
- Government program
- Uninsured
- Direct purchase from insurance company or through exchange, connector, or website

Figure 7: Preferred source of insurance⁷



- Select from options offered by an employer
- Select from options through government programs
- No opinion/preference
- Some other approach
- Do not wish to obtain a health plan under any circumstances
- Shop on my own (through online sources or exchanges, brokers, or direct contact with insurers)

Consumers want choice and customization when purchasing health insurance

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Figure 8: Preferred types of health plans⁸

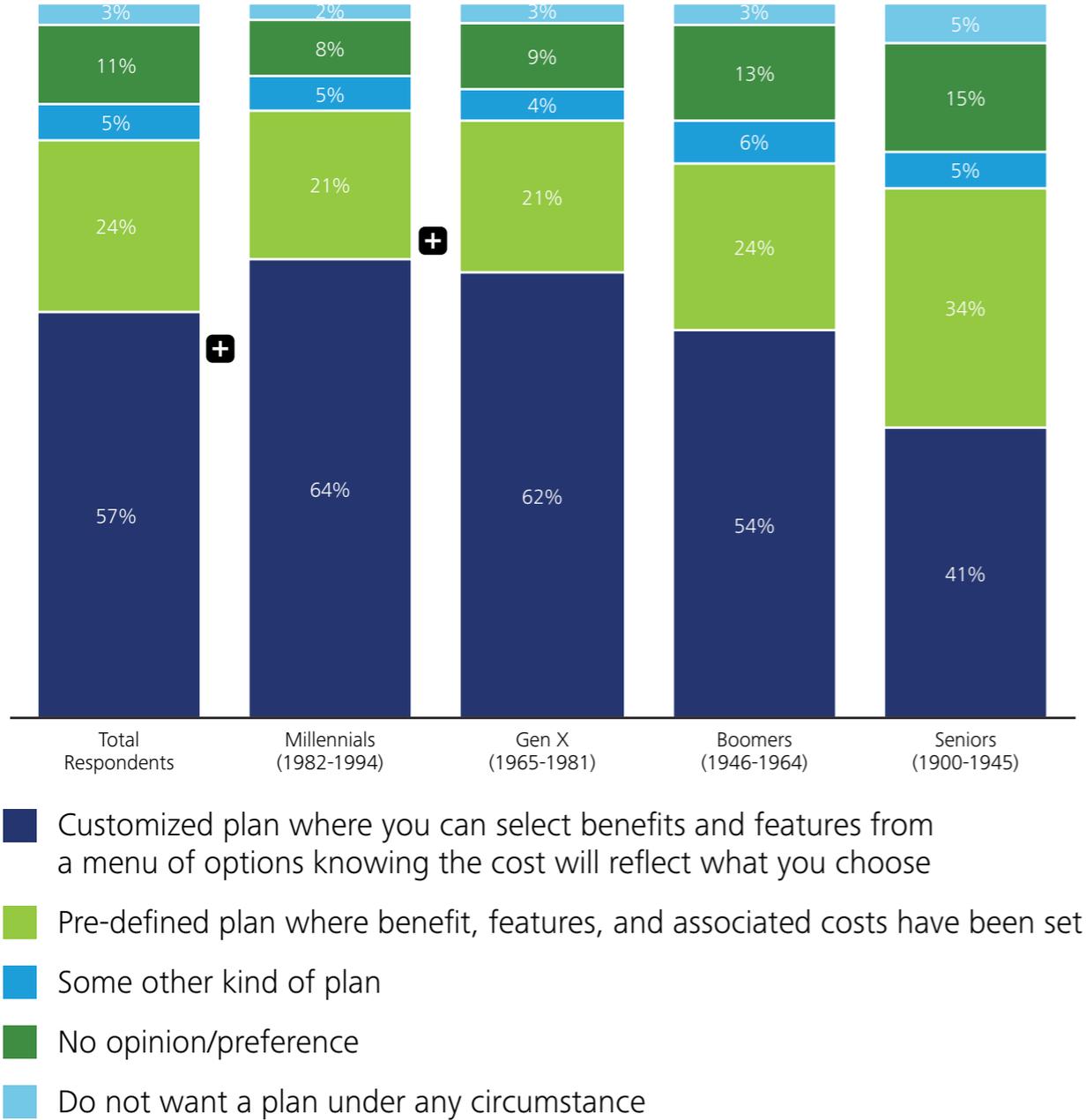
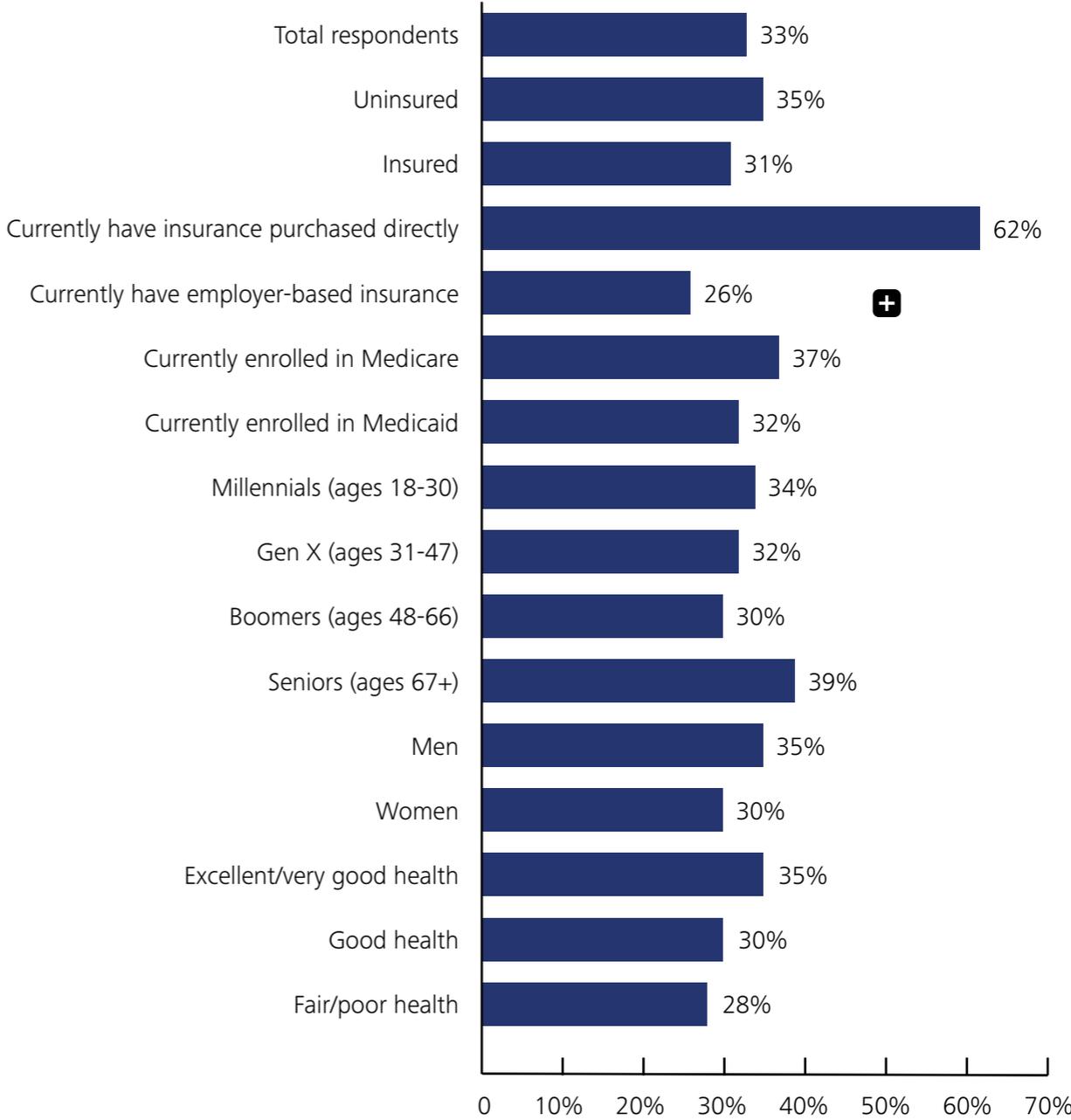


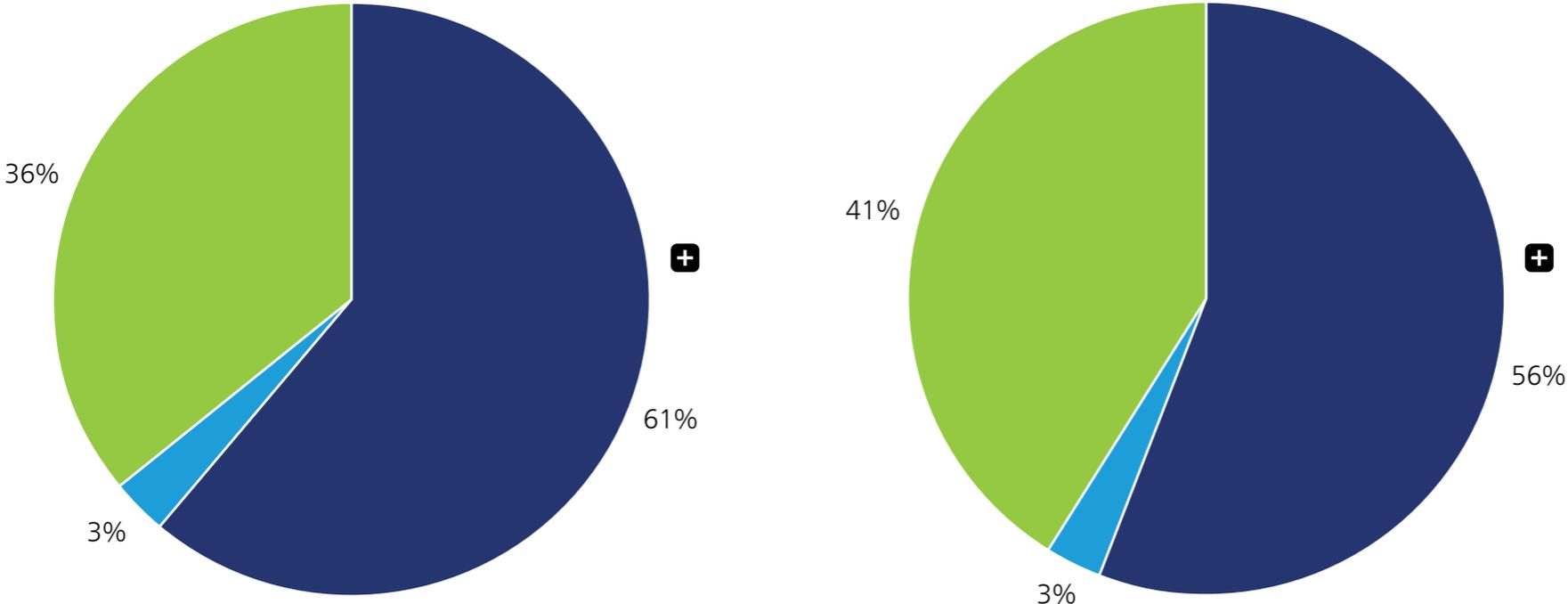
Figure 9: Preference to shop on their own for insurance if given the choice⁸



Consumers want choice and customization when purchasing health insurance

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Figure 10: Preferred types of health plans⁹



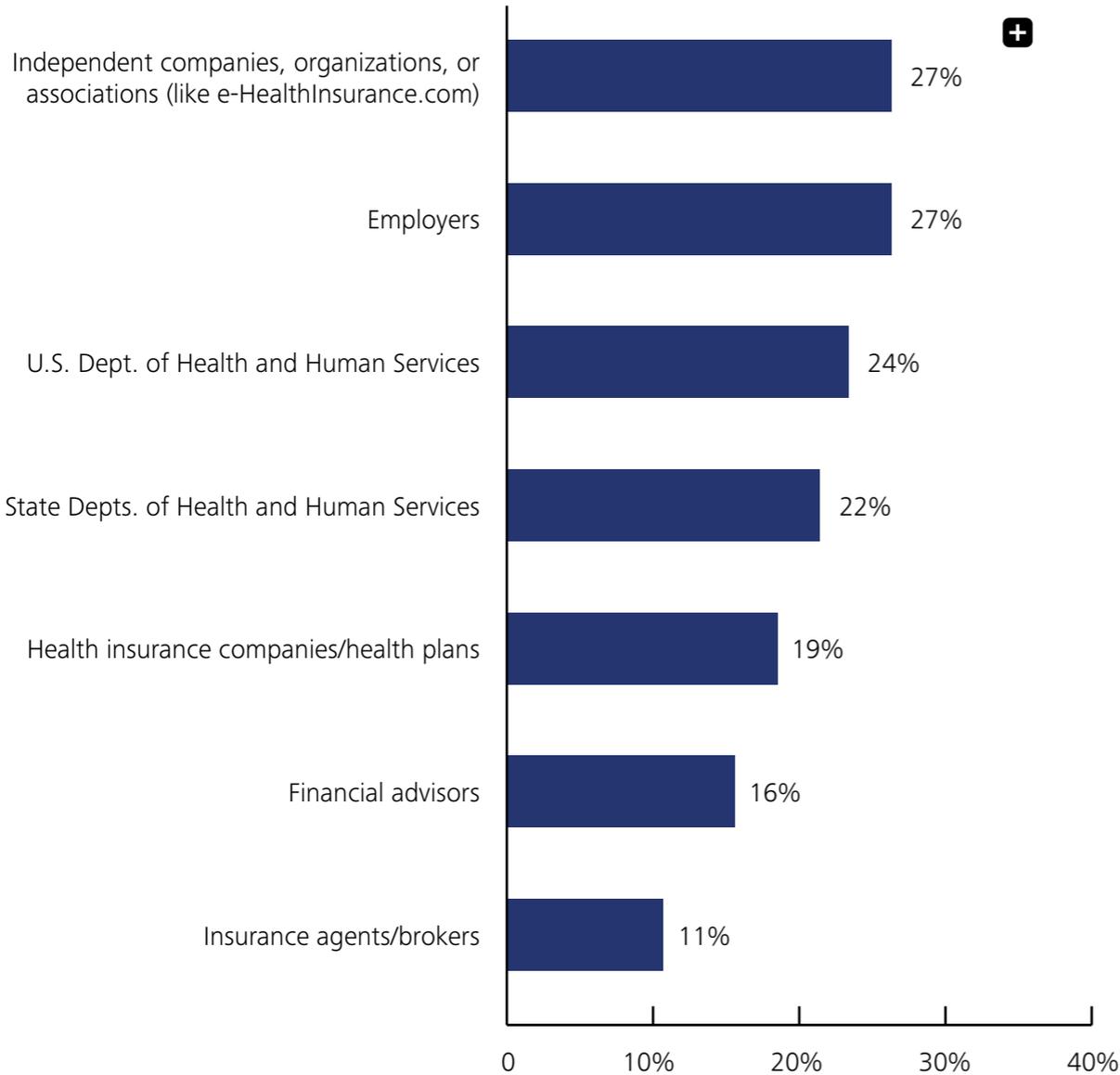
- Prefer lower cost plan in exchange for smaller network of covered doctors and hospitals
- Do not wish to obtain health plan under any circumstances
- Prefer higher cost plan in exchange for larger network of covered doctors and hospitals

- Prefer to pay a higher price up front (higher premium) and then pay less at the time care is needed (lower deductibles, copays)
- Do not wish to obtain health plan under any circumstances
- Prefer to pay a lower price up front (lower premium) and then pay more at time care is needed (higher deductibles, copays)

Trusted sources of information

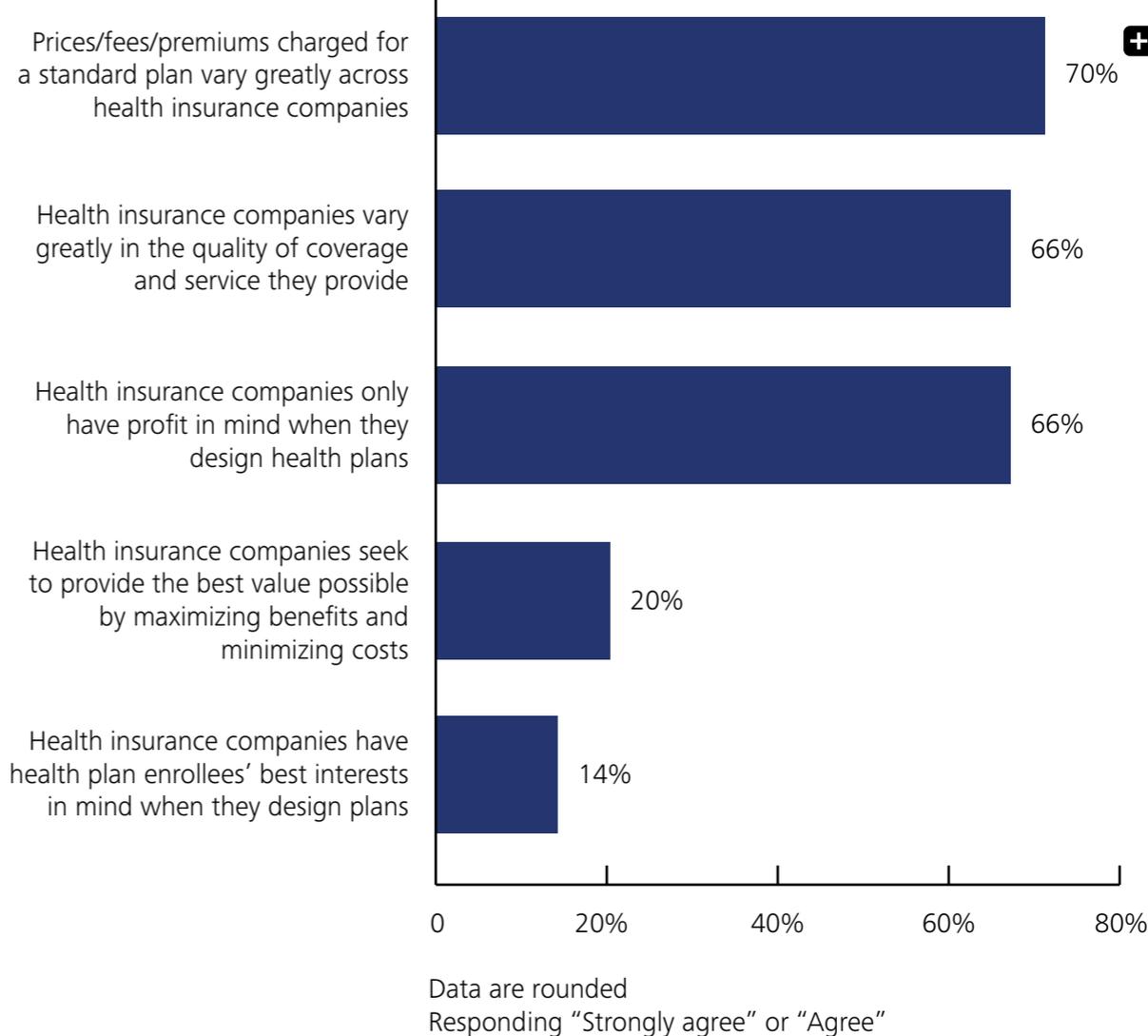
Consumers trust independent organizations the most when they seek information to compare insurance benefits and costs. Consumers see variation in cost and quality of plans, and, they're skeptical about health plans' objectives.

Figure 11: Trusted sources of information¹⁰



Data are rounded
 Rating of 8, 9 or 10 on a 10-point scale
 where 10 is "completely trust"

Figure 12: Views on health plans¹¹



Data are rounded
 Responding "Strongly agree" or "Agree"

Stakeholder considerations

Consumers don't all have the same needs, and many are not satisfied with the traditional choices in health plans. They want more choice and flexibility as they pursue greater health and financial security. As the health care industry and health insurance coverage continue to transform as a result of continued cost pressures, delivery system transformation, and health reform, more and more consumers will be responsible for identifying, comparing, and ultimately selecting their own health care coverage.

This shift towards a retail market will encompass individuals in many cohorts: Medicare members (Medicare Advantage and Part D plans), Medicaid members (as states move to Medicaid managed care), the individual exchange markets (starting in October 2013), and the group market (as employers move to defined contribution approaches and public and private health insurance exchanges for employer-provided coverage continue to emerge). To accommodate these shifts, health plans will have to understand and engage with consumers in new ways and meet consumers on their terms. Their customers are ready and willing to participate more actively in their health and their purchase of health insurance, but in many cases they don't feel they have the information they need to do so effectively.

For health plans, this will mean that they must help consumers understand and recognize the value they can deliver. They will need better communications and relationships with members so they can help them make more informed decisions. This will be no easy task, because many health plans need to overcome current feelings of consumer dissatisfaction and recast their traditional customer interactions to create a new experience for members. The new way of doing business must be member-centric, and support members through improved access to data and information, better care management programs and tools, and increased support as they navigate a complex and confusing health care system.

Stakeholder considerations

Among important considerations:

- 1.** How can health plans make the most of the “customer experience”? There is an unmet need for effective customer service, including the relentless pursuit of quality, patient safety, and care coordination. Plans must take the lead in establishing resources and structures that will provide consumers with advice and information to help them successfully navigate the system and better manage their own health.
- 2.** How best can health plans work with providers and consumers to improve health outcomes and embed value-driven and consumer-oriented systems? They will need new business models that incorporate competencies such as real-time integration of clinical and claims data for better decision-making; payment systems that align with outcomes; a focus on enhanced clinical effectiveness; information and decision-support tools; consumer-oriented information, accountability and incentives that align with care goals; and integration of care pathways and use of tools and technologies such as monitoring devices.
- 3.** A new customer base of individual health insurance purchasers may emerge. This suggests a considerable opportunity to create a transaction-based consumer experience both within traditional health plan organizations and with new market entrants such as Health Insurance Exchanges. Features may range from a “bare-minimum” retail shopping-type service to a robust, end-to-end consumer experience that takes consumers from shopping to enrolling, with a broad range of product options that vary in price and design as well as a range of value-added services. Consumers are showing more and more interest in using tools like online enrollment, variety in plan designs and choices, and quality and patient satisfaction ratings. They are alert to the purchasing trade-offs it will take to match health care needs with financial affordability.



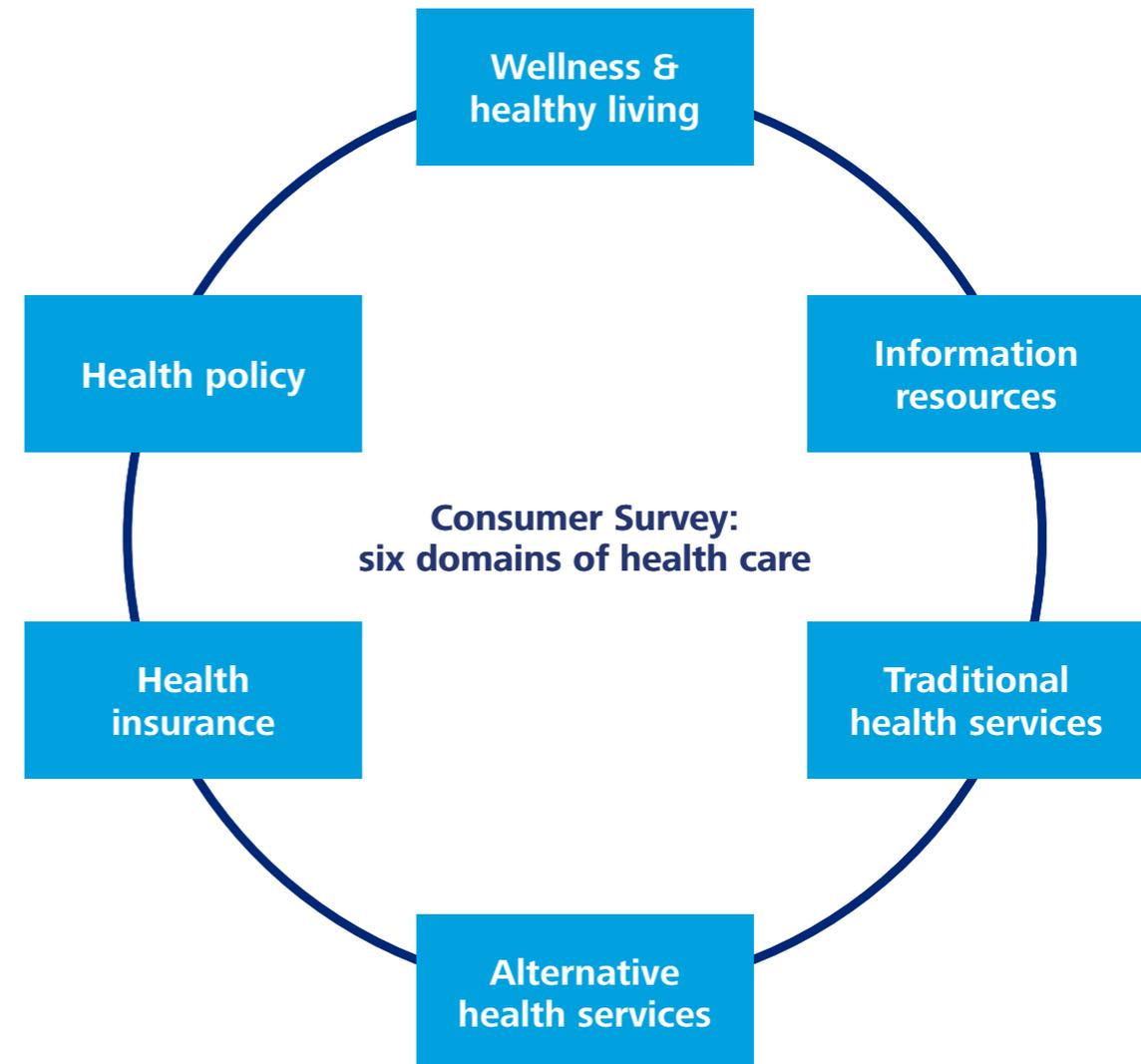
About this research

Since 2008, the Deloitte Center for Health Solutions has annually polled a nationally representative sample of the U.S. adult population (up to 4,000 U.S. consumers) about their experiences and attitudes related to six domains. These online surveys have queried adults in varied health status, income, and insurance cohorts to gauge the degree to which individuals are engaging with the health care system as “patients” or “consumers.”

In 2012, a nationally representative sample of 4,012 U.S. adults, aged 18 and older, was surveyed in February, using a web-based questionnaire. The sampling frame was based upon quotas reflective of the 2010 U.S. Census to provide proportional representation of the nation’s adult population with respect to age, gender, race/ethnicity, income, geography, insurance status (insured or uninsured), and primary insurance source (employer, direct purchase, Medicare, Medicaid, and other).* This marks a change from 2008-2011, when fewer quotas were used and supplemented by cell weighting to achieve a representative sample. In those earlier years, the survey results were weighted with respect to basic demographics (age, gender, race/ethnicity, and income), but not additional variables such as insurance status and source. To achieve even closer sample alignment with insurance status and source distributions in the U.S. population, a more extensive set of quotas was used in 2012 and additional weighting was not necessary to achieve a representative sample. Differences reported in insurance status and source between 2008-2011 and 2012 are due largely to this adjustment in sampling.

The margin of error is +/- 1.6% at the .95 confidence level. The survey consisted of 65 questions addressing specific behaviors

* Source: Quotas for insurance status and insurance source distributions were based on KCMU/Urban Institute analysis of the 2011 ASEC Supplement to the CPS, presented in slides published by the Kaiser Family Foundation (<http://slides.kff.org>).



and attitudes, with 39 potential follow-up questions and an additional 20 questions asking about demographic and health-related characteristics. English and Spanish versions were available. Participants were asked about behaviors before attitudes within each topic area to reduce response bias.

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To learn more about the Deloitte Center for Health Solutions, its projects and events, please visit www.deloitte.com/centerforhealthsolutions.

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