



Public health insurance exchanges Opening the door for a new generation of engaged health care consumers

Insights from the Deloitte Center for Health Solutions
2015 Survey of US Health Care Consumers



Executive summary

Public health insurance exchanges (HIX) are beginning to deliver on the promise of transforming the individual insurance market. HIX customers are actively engaging in the buying process, using both “high-tech” and “high-touch” purchasing channels, and putting health plans on notice that they will switch if they are dissatisfied. The exchanges already rank among consumers’ most trusted sources for information, suggesting that they are quickly becoming an accepted way to purchase health insurance.

Through this new buying experience, the exchanges are opening the door for a new generation of actively engaged consumers. Findings from the Deloitte Center for Health Solutions *2015 Survey of US Health Care Consumers* suggest that HIX customers differ from those with other sources of insurance coverage. They are more cost-conscious, price-sensitive, and focused on finding a plan that offers good value and fit. By the time they enroll, HIX customers have a better understanding of plan benefits and costs than individuals with coverage through employers, Medicaid, or Medicare. They are inclined to compare plans, providers, and services on price but show interest in quality measures, too. These early signs suggest that HIX enrollees are becoming savvy, informed consumers who are geared to shop around not just for health insurance, but also for health care services and products.

The exchanges have improved access to care, but affordability remains a problem. Enrollees report getting care they may not have been able to afford without their HIX coverage and are connecting with primary care providers at twice the rate of the uninsured. However, one in three enrollees with coverage for the entire year had trouble paying their out-of-pocket (OOP) health care expenses. Compared to other insured cohorts, HIX enrollees are less confident that they can get affordable care and feel less prepared financially to handle their future health care costs. Potential buyers may need better guidance in selecting affordable coverage and might be open to plans that offer value-based incentives or that swap coverage limits for lower premiums and copayments. Consumers’ willingness to accept limited provider networks for lower prices is on the rise, especially among younger enrollees, signaling that tradeoffs like these may be part of the solution.

Eight in ten renewing enrollees stayed with the same insurance carrier, but plan satisfaction is an issue. Nearly half of renewing enrollees report they switched insurance products, and only 30 percent of all surveyed HIX enrollees say they are satisfied with their current plan, which is significantly lower than other insured cohorts. Switching plans with a carrier is not necessarily a problem. If the consumer is learning about value and switching plans because of a poor initial fit, making a change could lead to better satisfaction and signal to a health plan which product consumers prefer. Price is the most commonly reported driver of dissatisfaction and switching, but switchers also indicate wanting broader coverage or better alignment with personal needs. Responding to the diverse expectations HIX consumers bring to the marketplace is part of the challenge. Satisfaction varies by age, subsidy eligibility, and prior insurance status, reflecting differences in expectations, needs, and preferences. Exchanges and health plans will likely need to give thoughtful consideration to strategies for accommodating these differences as they strive to retain HIX customers and prepare for subsequent waves of enrollees.

What is needed to equip this new generation of health care consumers? Survey findings point to multiple purchasing channels, more reliable information sources, better decision support, and further development of online resources and digital technologies. Improvements in these areas may help HIX enrollees become well-informed health insurance purchasers and more fully engaged health care consumers. Advancements, especially those related

to communication and plan design, may also go a long way towards reaching individuals who remain uninsured. Most of them want coverage, but say they need lower-cost options, better information, security assurances, and an easier enrollment process. By developing effective strategies to improve these aspects of the consumer experience, public health exchanges and health plans can further widen the engagement door they have opened.

What are public health insurance exchanges?

Public health insurance exchanges (HIX), as established by the Affordable Care Act (ACA), are marketplaces that individuals can use to compare and buy coverage offered by competing private health insurance companies. Depending on one's state of residence, individuals use either the federally facilitated exchange (commonly known as HealthCare.gov) or their state's exchange. Currently, 13 states and the District of Columbia operate their own exchanges, while 37 states rely on the federal government to operate their exchange to varying degrees (27 use the federally facilitated exchange, seven operate a state-federal partnership exchange, and three have state-based exchanges that use the federal IT platform).¹

These public exchanges provide consumers with a new way to buy health insurance in the individual insurance market. Potential buyers can log onto an exchange website or contact a call center to learn about their coverage options and see if they qualify for a subsidy or government program such as Medicaid or the Children's Health Insurance Program (CHIP). Consumers cannot be denied coverage based on their health status or any pre-existing conditions, and new limits have been imposed on the factors insurance companies can use to vary health insurance premiums. Multiple plans with various coverage levels are available through the exchanges. Once a

consumer has selected a plan, the website enables them to purchase the coverage and complete the enrollment process. Trained "navigators," insurance company representatives, and insurance brokers are available to provide assistance in person or over the phone. As with other sources of coverage, consumers can sign up or switch plans only during specific open enrollment periods, unless they experience a qualifying life event that allows them to enroll at other times.

Purchasing a complex health insurance product in this novel way – through a transaction that takes place directly with an insurance company without an intermediary (e.g., employer or government program) and preselected offerings – could be daunting for many individuals. Yet, armed with new protections and assistance afforded to them by the ACA, 10.2 million consumers enrolled in a health plan through the public exchanges as of March 2015.²

Results from the Deloitte Center for Health Solutions 2015 Survey of US Health Care Consumers, presented in this report, suggest that consumers are not only embracing this new buying opportunity, they are also on their way to becoming actively engaged consumers of health care services and products.

HIX enrollees versus those with different types of coverage:



Compared to people with coverage through employers, Medicaid, or Medicare, HIX enrollees are more cost-conscious, price-sensitive, and focused on finding a plan that offers good value and fit.

76% of HIX enrollees say the overall amount they have to pay in terms of premiums, deductibles, and copays was an important factor when they chose their current plan

VS

65% in employer plans
62% in Medicaid plans*
69% in Medicare plans

64% of HIX enrollees indicate that finding good value was important to them when they chose their current plan

VS

57% in employer plans
54% in Medicaid plans
59% in Medicare plans

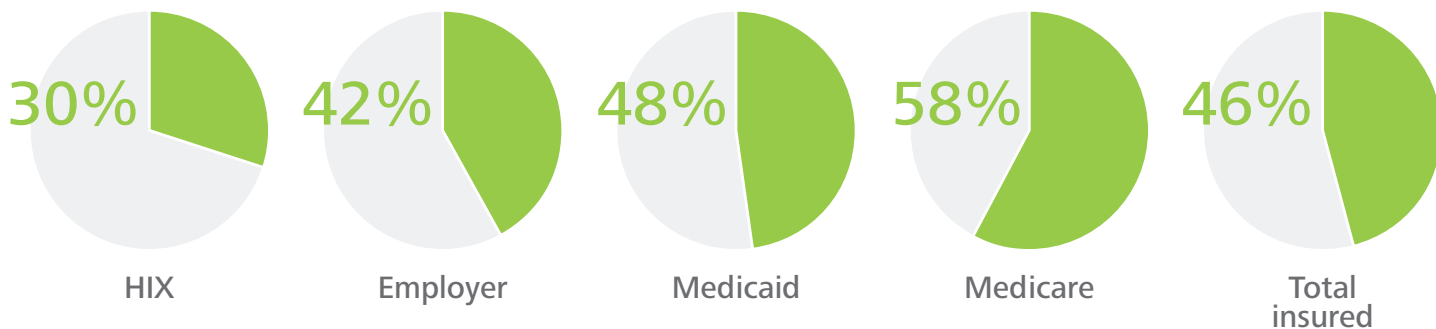
41% of HIX enrollees say the availability of a tool to help them find the best plan based on their personal health, finances, and preferences was an important factor when they chose their current plan

VS

32% in employer plans
37% in Medicaid plans
36% in Medicare plans



Only **30%** of all surveyed HIX enrollees say they are satisfied with their current plan, which is significantly lower than other insured cohorts.



*Note that Medicaid is included as a comparison group in this study. For most Medicaid enrollees, plans are available that do not charge premiums and cost-sharing is de minimis.



HIX enrollees are less confident that they can get affordable care and feel less financially prepared to handle their future health care costs.

24% of HIX enrollees are confident they can get affordable care when they need it

VS

27% in employer plans
36% in Medicaid plans
38% in Medicare plans

16% of HIX enrollees feel financially prepared to handle their future health care costs

VS

24% in employer plans
17% in Medicaid plans
27% in Medicare plans



By the time they enroll, HIX customers have a better understanding of plan benefits and costs than individuals with coverage through employers or Medicaid.

51%

of HIX enrollees

vs.

47%

of employer-plan enrollees and **45%** of Medicaid enrollees felt they had a good understanding of the benefits of their plan at the time they enrolled (Medicare is highest at **59%**)

HIX enrollees

vs.

those enrolled in employer or Medicaid plans

55%

of HIX enrollees

vs.

47%

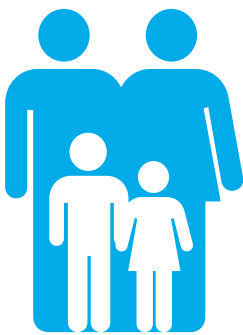
of those enrolled in employer or Medicaid plans felt they had a good understanding of the total costs of their plan at the time they enrolled (Medicare is highest at **60%**)

Experience with the exchanges:



The trust that consumers place in the marketplaces rivals other trusted sources. This suggests that the marketplaces are realizing the vision for being an honest broker for health plan shopping.

35% of HIX enrollees trust exchanges to provide reliable information about health plans, placing them among the most highly-rated sources of information:



38%

family
and friends



36%

health care
providers



36%

independent consumer-
oriented organizations



Enrollees report getting care they may not have been able to afford without their HIX coverage and are connecting with primary care providers at twice the rate of the uninsured.

65% of current HIX enrollees have used their plans to access care or purchase medication

72% of those who used their benefits to get care say they may not have been able to get that care without their HIX coverage

However, **one in three** enrollees with coverage for the entire year had trouble paying their OOP health care expenses



Price is the most commonly reported driver of dissatisfaction and switching, but switchers also indicate wanting broader coverage or better alignment with personal needs.

35% of dissatisfied HIX enrollees feel they are paying too much for their plan

40% of HIX enrollees who switched plans between 2014 and 2015 switched to get a lower price

Trends across all coverage groups:

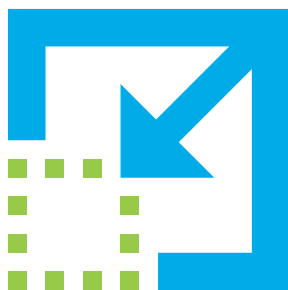


Consumers' use of digital health technologies is growing, but gaps between use and interest indicate there is unmet demand for technologies that can support engagement in personal health monitoring, communication with providers, and administrative transactions like paying medical bills online.

More than two-thirds of HIX enrollees are **INTERESTED** in using digital technologies to...

Less than one-third, however, has **USED** websites, mobile apps, and personal devices in the last year to...

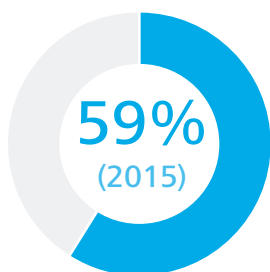
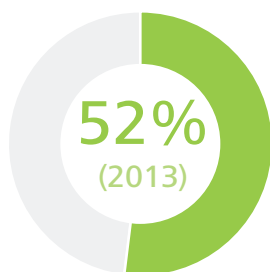
72%	Pay medical bills	32%
72%	Communicate with providers	17%
68%	Access their records	19%
67%	Track changes in their health	21%



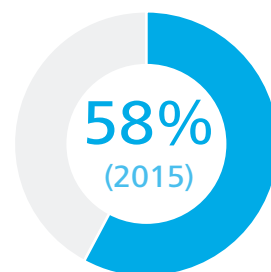
Consumers' willingness to accept limited provider networks for lower prices is on the rise, especially among younger enrollees, signaling that tradeoffs like these may be part of the solution.

The percentage of insured enrollees who say they would be willing to accept a smaller network of hospitals or doctors in exchange for lower payments rose from 2013 to 2015

Smaller network of hospitals



Smaller network of doctors



Survey findings

HIX consumers appear to be moving faster towards becoming fully engaged health care consumers than other insured cohorts – they are more focused on price and value, informed about plan benefits and costs, inclined to use online resources, and interested in using health technologies

Price remains consumers' top consideration when choosing a health plan, but HIX enrollees also point to the importance of value, fit, and online systems

Insured consumers, especially HIX enrollees, rank price at or very near the top of the factors that are important to them when choosing a plan (Figure 1). Scope of coverage (benefits and network) and value follow closely behind. Brand/reputation, customer service, and assistance from navigators* appear to be second-tier choice factors, and quality ranks even lower, not yet emerging as a major factor.

More than other insured cohorts, HIX enrollees cite criteria that focus on determining whether coverage is worth the cost (value) and finding a plan that meets one's personal needs, preferences, and financial circumstances (fit). Demand for capabilities that can strengthen consumer engagement is sizeable: nearly half of the HIX cohort (less in other cohorts) says online systems facilitating interactions between consumers and plans are important; more than one in three (in every cohort) indicates that health management programs and resources factor into their choice.

* Navigators are federally trained individuals who provide in-person assistance to consumers to help them apply and enroll in a HIX plan. They also provide outreach and education to raise awareness about the exchanges.

Figure 1. Factors important to plan choice by insurance source*

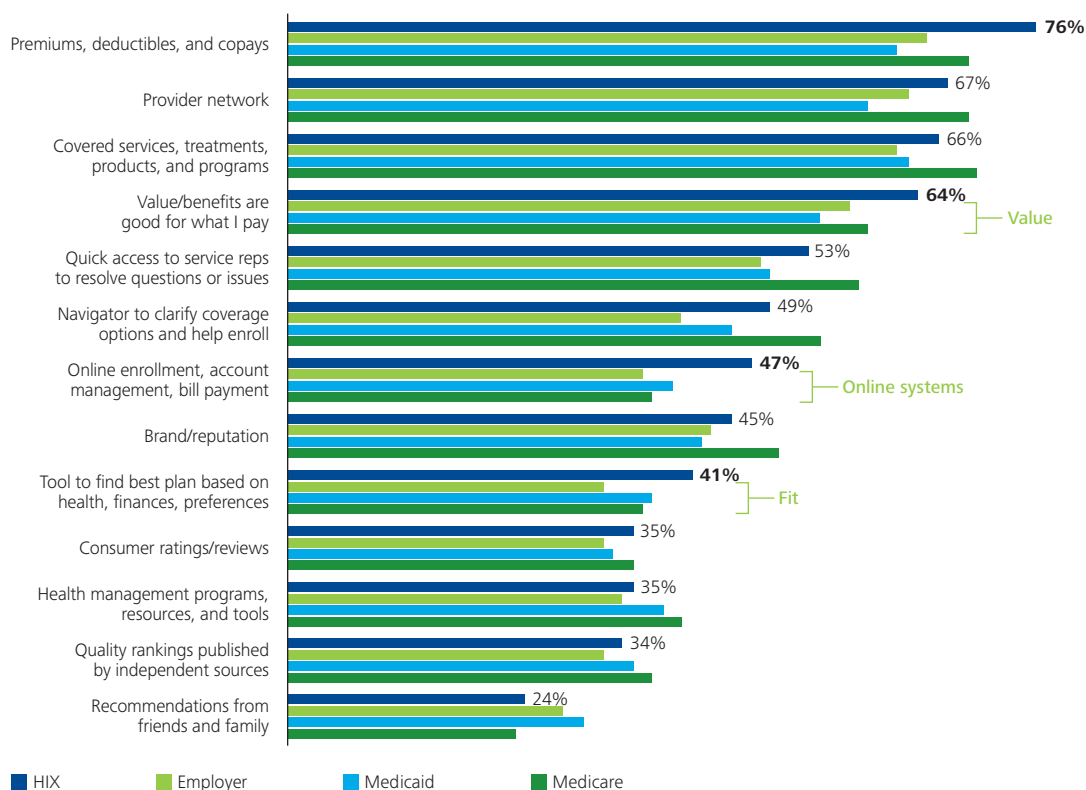


Chart shows percentage of respondents who rated importance of factor as 8, 9, or 10 on a 10-point scale, where 1 is "not at all important" and 10 is "extremely important."

Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

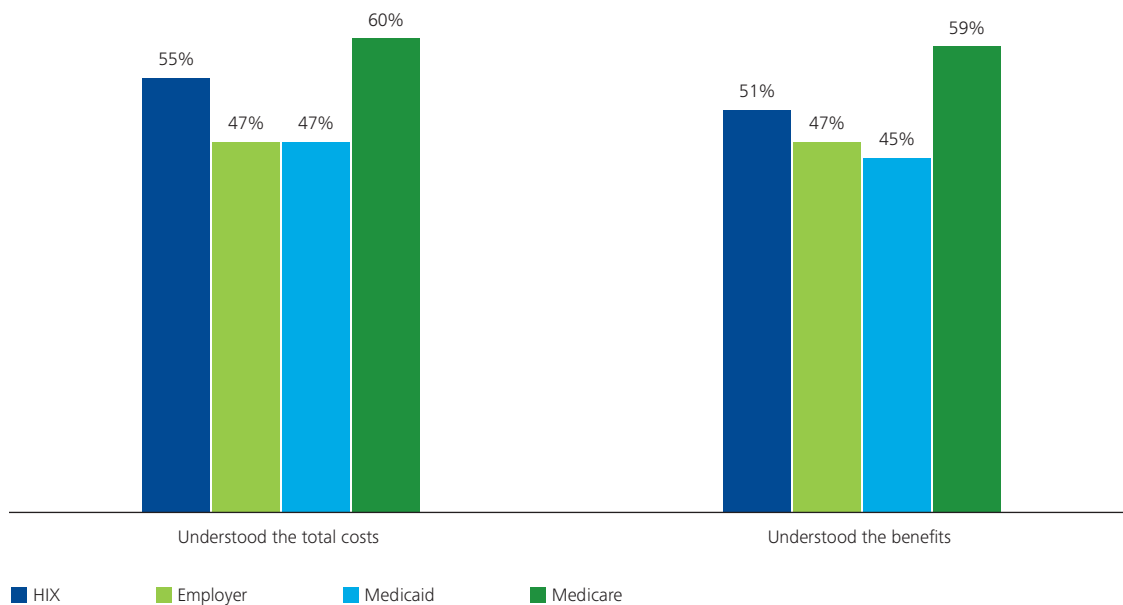
*Note that Medicaid is included as a comparison group in this study. For most Medicaid enrollees, plans are available that do not charge premiums and cost-sharing is de minimis.

HIX enrollees express greater understanding of plan costs and benefits than individuals in employer plans and Medicaid (but understanding is not strong)

HIX enrollees are more likely to say they understood the costs and benefits of their plan at the time of purchase than those with coverage through employers or Medicaid (Figure 2). Just around half of HIX enrollees say they felt they had a good understanding.

Enrollees who renewed or switched plans between 2014 and 2015 are considerably more likely to say they understood their plan's costs and benefits than those who obtained new coverage. However, levels of understanding do not exceed 60 percent among even the experienced subgroups, reflecting a potential need for better information, communication, and education on coverage details. Individuals who received a subsidy express better understanding than respondents who paid the full price.

Figure 2. Understanding of plan costs and benefits at time of purchase by insurance source



Charts shows percentage of respondents who gave a rating of 8, 9, or 10 on a scale of 1 through 10, where 1 is "did not understand" and 10 is "fully understood."

Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

HIX enrollees show signs of using online resources and paying greater attention to health care costs and quality than individuals with other sources of coverage

HIX enrollees rely on online resources and health plan websites to a greater extent than enrollees with other forms of coverage (Figure 3). They also report greater use of and interest in cost and quality information and generally express more cost-sensitive attitudes. On quality, respondents across all surveyed insurance cohorts more commonly say they are *likely* to use information about quality than have actually looked for this type of information.

Figure 3. Use of online resources and attitudes related to cost and quality information by insurance source

	HIX	Employer	Medicare	Medicaid
Sample	406	1,611	703	397
Using online resources				
Looked online for health- or care-related information of any kind*	58%	55%	51%	49%
Used a health plan website to look up general information†	50%	34%	26%	28%
Used a health plan website to review personal information§	39%	32%	20%	17%
Focused on price				
Believe doctors should provide and explain total treatment costs	64%	58%	60%	57%
Likely to use an online tool that would tell you how much your health plan would pay for certain services	63%	53%	51%	44%
Likely to use an online tool that could help you compare and negotiate prices with doctors and hospitals	51%	45%	36%	40%
Asked about pricing before agreeing to treatment	20%	15%	12%	11%
Looked online for costs/prices of services	19%	16%	8%	12%
Moving toward quality				
Likely to use an online quality rankings, satisfaction ratings, and patient reviews for doctors and hospitals	52%	47%	49%	46%
Looked online for information about the quality of care provided by a specific doctor or hospital	18%	15%	13%	15%
Looked at health plan scorecard or report card	14%	10%	8%	12%

Note: reported behaviors that occurred during the last 12 months

* Includes looking for information related to any of the following: wellness, prevention, or healthy living; an illness, injury, or health problem (symptoms, tests, treatment, or follow-up); quality of care provided by a doctor or hospital; costs or prices of services; choosing a hospital)

† Includes information related to plan choices and costs, health care providers, health problems, treatment choices, special programs

§ Includes information related to coverage details, bills/claims, health assessments, care management plans

Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Gaps between use and interest point to consumer demand for digital technologies that can further enhance their engagement

More than two-thirds of HIX enrollees are interested in using digital technologies to pay medical bills, communicate with providers, access their records, and track changes in their health (Figure 4). Less than one-third, however, has used websites, mobile apps, and personal devices for those health-related purposes in the last year. The untapped interest suggests HIX enrollees are inclined to become more digitally engaged as technologies supporting health improvement, care management, and administrative transactions are further developed and enrollees become familiar with what is available.

Figure 4. Use of and interest in digital technologies for health-related purposes

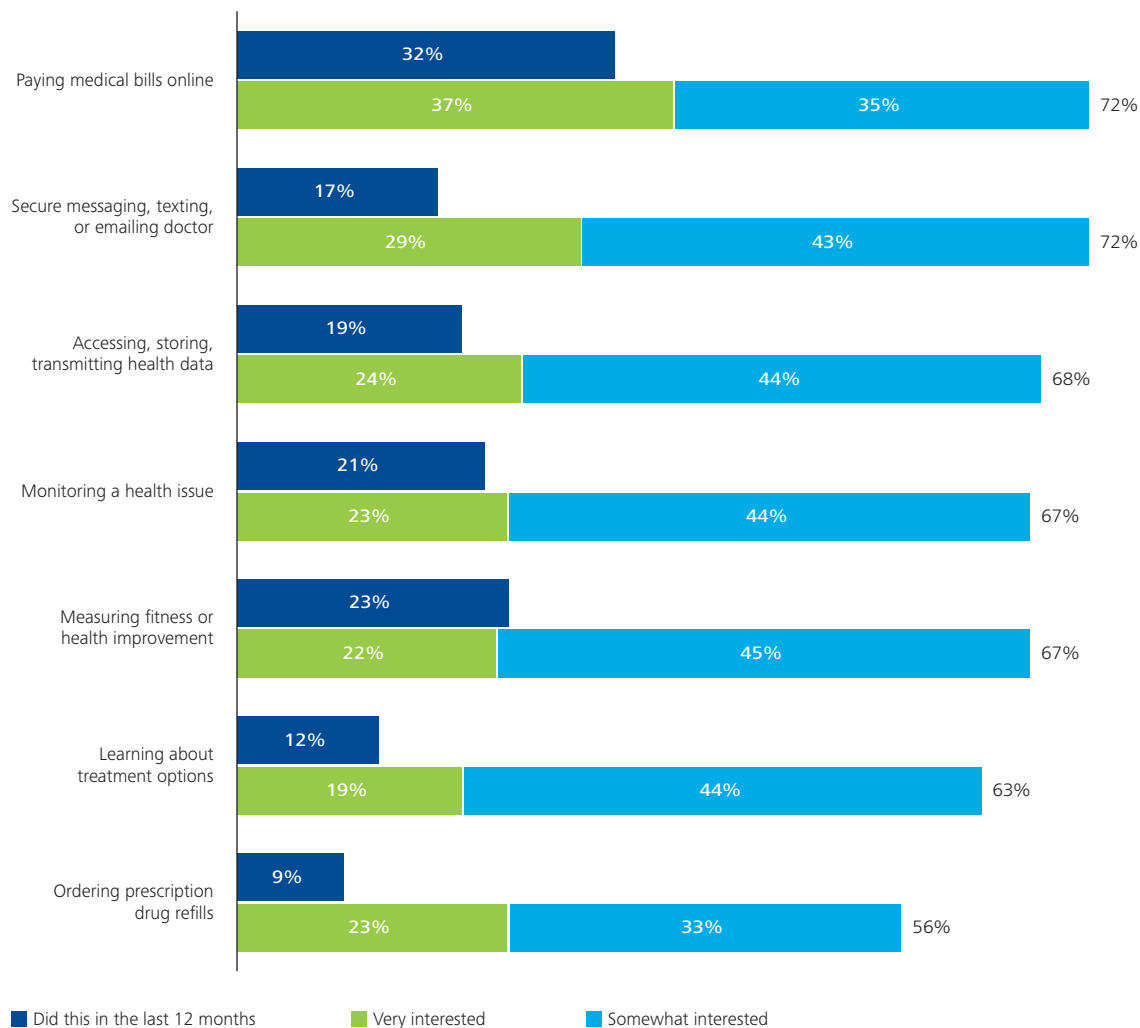


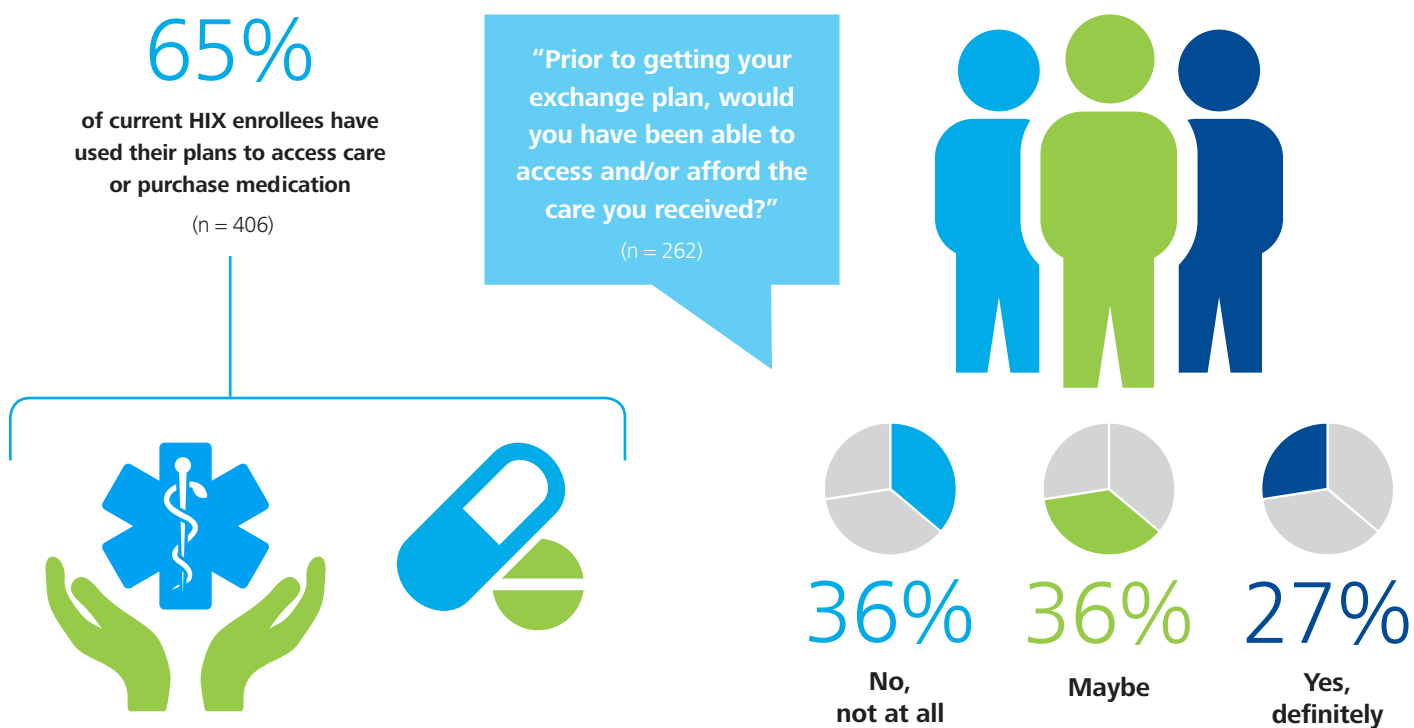
Chart shows percentage of HIX enrollees (n = 406) who used a website, mobile application, or personal device in the last 12 months and percentage who are interested in using in the future

Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Public health insurance exchanges have had success in improving access to care, but affordability issues remain

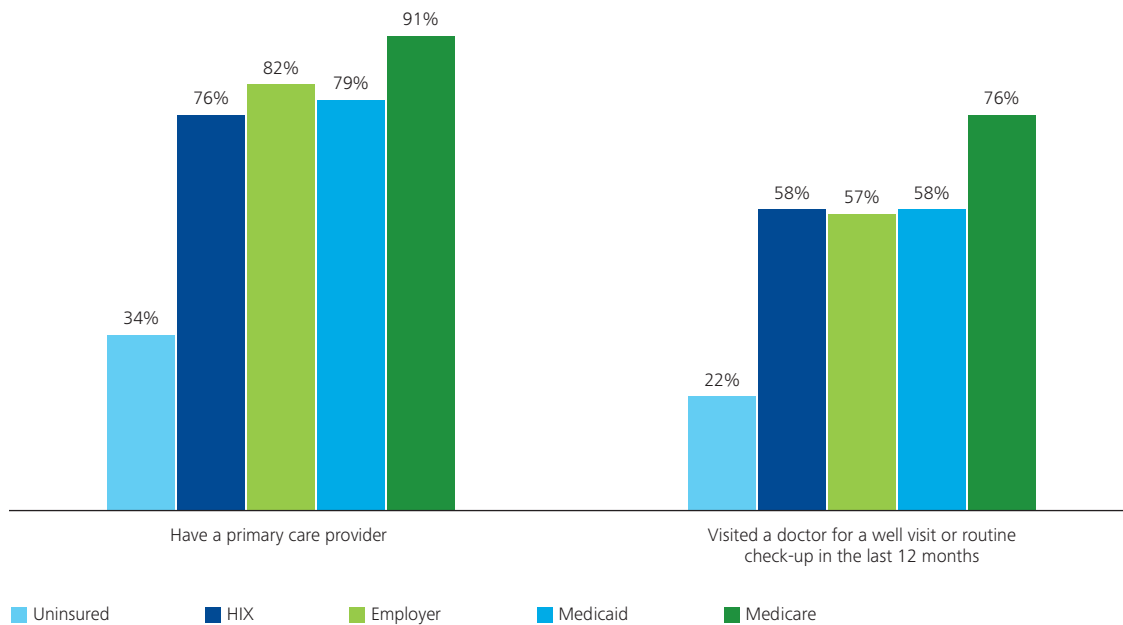
HIX enrollees are getting care they may not have been able to afford before and are more than twice as likely as the uninsured to have a primary care provider

Nearly two-thirds of HIX enrollees say they have used their plan benefits, and nearly three-fourths of benefit users believe that they may not have been able to afford those services without their HIX coverage.



Seventy-six percent of HIX enrollees currently have a doctor, nurse practitioner, physician assistant, or other health care professional they consider to be their primary care provider, compared to only 34 percent of those who have remained uninsured (Figure 5). Nearly 60 percent of HIX enrollees report visiting a doctor for a well visit in the last year, which is similar to individuals covered by employer plans or Medicaid.

Figure 5. Access to primary care



Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

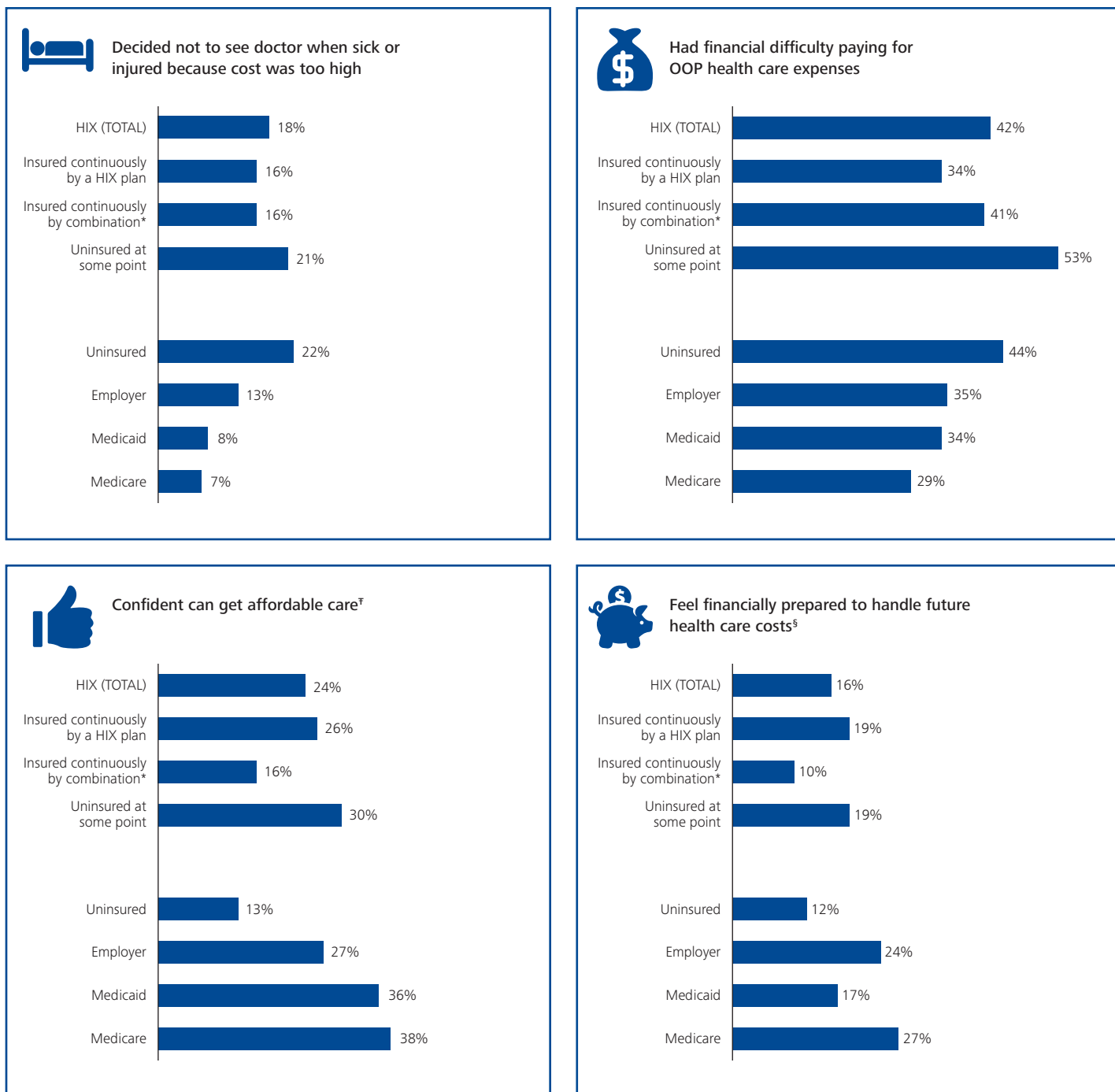
Substantial numbers of HIX enrollees are having trouble paying OOP expenses and are skipping care because of cost. HIX enrollees also are less confident about getting affordable care and paying for future health care expenses than other insured consumers

One in three enrollees who were continuously covered by a HIX plan through 2014 reports financial difficulty paying OOP health care expenses. While this is far lower than the rate reported by those who were uninsured at some point during the year, the sizeable share of HIX enrollees experiencing financial difficulty signals that consumers may need assistance in budgeting for anticipated costs and better information and guidance to help them select a plan with lower OOP exposure.

Cost concerns led 16 percent of continuously covered HIX enrollees to skip seeing a doctor when they were sick or injured (Figure 6). This is slightly higher than rates reported by employer plan enrollees and double the rates reported by Medicare and Medicaid enrollees, suggesting that the comparatively higher cost-sharing associated with HIX plans may be influencing consumers' decisions to seek care.

Only 24 percent of HIX enrollees believe that they can get affordable care when they need it. Like individuals in employer plans, HIX enrollees are twice as likely as the uninsured to express confidence, but these insured groups are significantly less confident than the Medicaid and Medicare cohorts. Only 16 percent feel financially ready to handle their future health care costs, which is significantly lower than those with coverage through employers and Medicare.

Figure 6. Financial challenges and attitudes by insurance status and source during the last 12 months



* These respondents were covered by some other source of insurance and then enrolled in a HIX plan within the last 12 months.

† Percentage who rated confidence as an 8, 9, or 10 on a 10-point scale, where 1 = "not at all confident" and 10 = "completely confident."

§ Percentage who rated preparedness as an 8, 9, or 10 on a 10-point scale, where 1 = "not at all prepared" and 10 = "completely prepared."

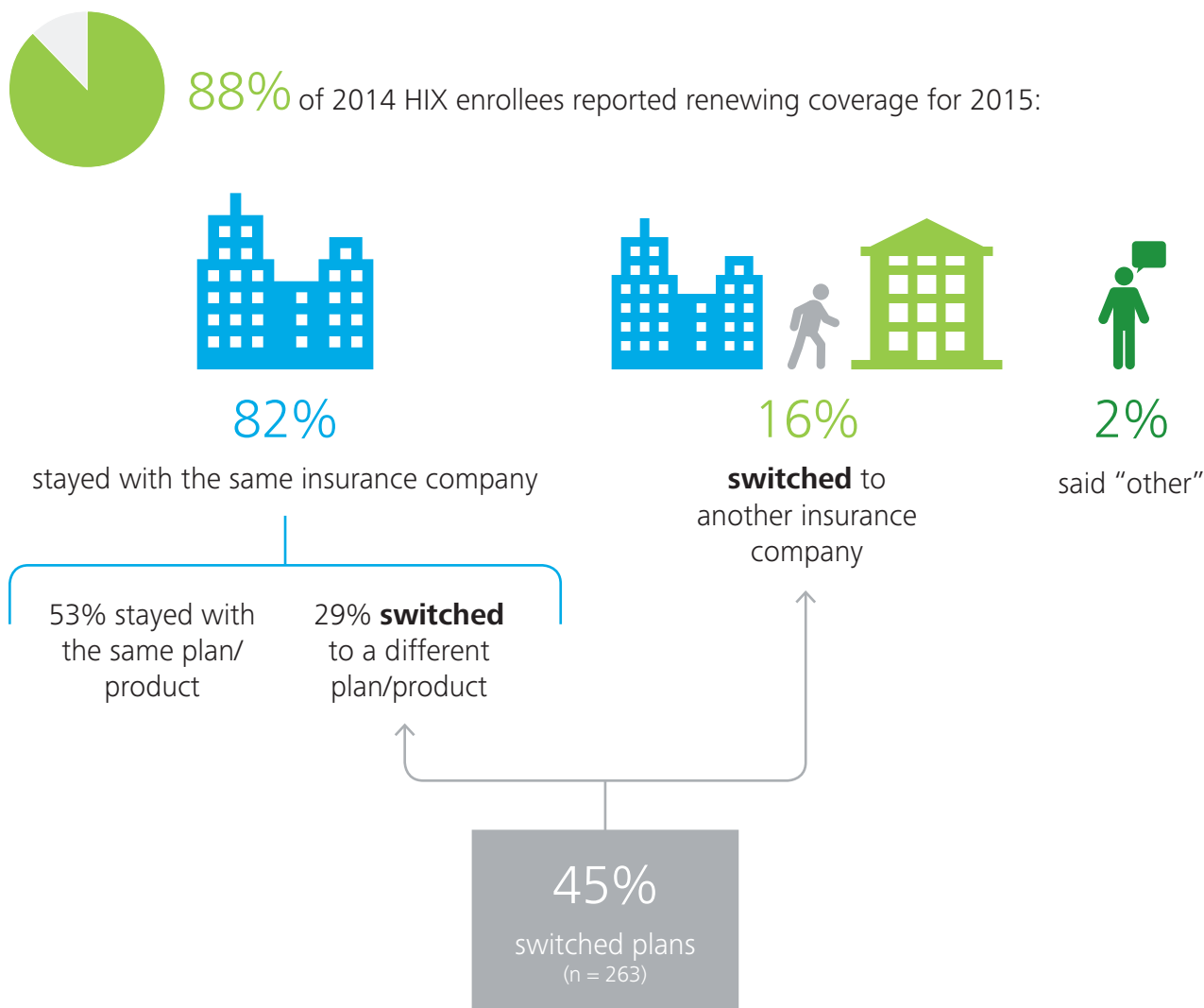
Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

HIX consumers will switch plans if they are dissatisfied and many are unhappy with their current plan, mostly due to price but coverage is a concern for some

Nearly half of renewing enrollees made a change to their coverage

Among those who had HIX coverage in 2014 and renewed for 2015, 82 percent say they stayed with the same insurance company, while 16 percent switched to a new carrier (Figure 7). However, not all of those who stayed with the same insurance company kept the same insurance product – 29 percent report they switched to a different product offering. Combining these people who stayed with the same company but chose a different insurance product and people who switched insurance companies, we found that 45 percent of renewing enrollees switched to a new plan.

Figure 7. Switch rates among enrollees who had HIX coverage in 2014 and renewed for 2015



HIX enrollees are less satisfied with their current health plan than individuals with other sources of coverage

When asked to rate how satisfied they are with their current health plan, only 30 percent of HIX enrollees report being satisfied. The HIX rate is lower than rates reported by the other surveyed insurance cohorts, which range from 42 percent of enrollees in employer plans to 58 percent of enrollees in Medicare (Figure 8).

Figure 8. Ratings of overall satisfaction with current health plan

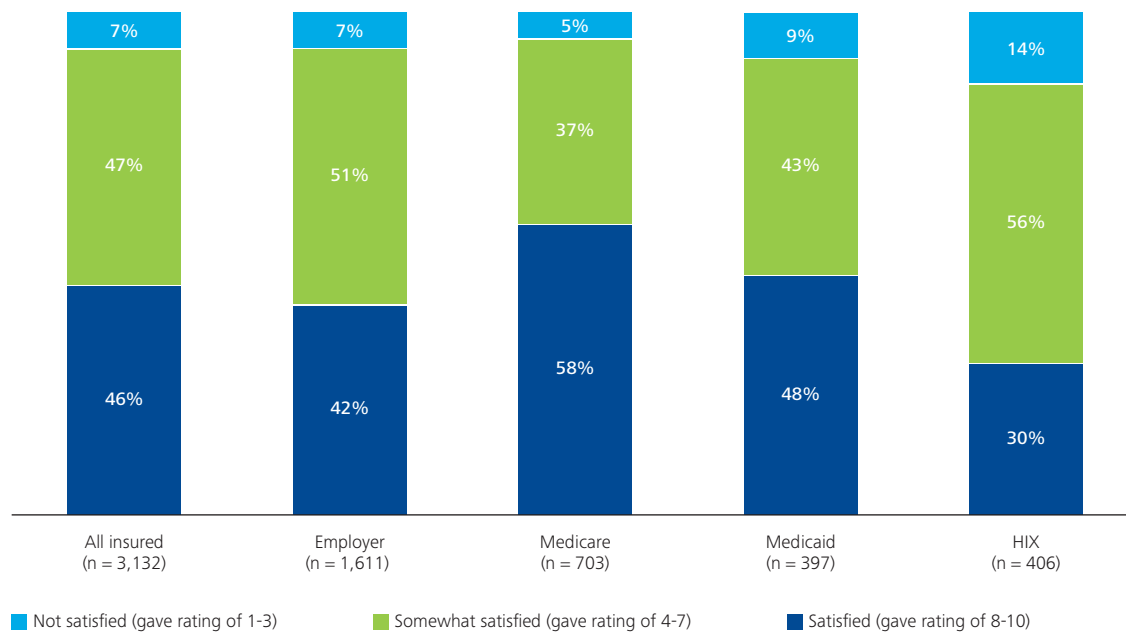


Chart shows percentage of respondents who rated their satisfaction on a 10-point scale, where 1 = "not at all satisfied" and 10 = "completely satisfied."

Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Satisfaction varies – younger enrollees are the most satisfied, as are enrollees with a year of HIX experience, the opportunity to switch to a more suitable plan, and financial assistance

Only around two in five HIX enrollees say they are satisfied with the total costs of their plan, the benefits their plan includes, and the experience of buying a plan through an exchange (Figure 9).

Looking within the HIX cohort, enrollees in the first wave report higher satisfaction with their current plan (32 percent) than enrollees in the second wave (24 percent). First-wave enrollees have had HIX coverage for a longer period of time: those who renewed the same plan have likely become familiar and experienced with what their plan offers, and those who switched plans may prefer their current plan more than their original one. Benefits – more than costs – appear to be a key factor contributing to lower satisfaction among second-wave enrollees; only 34 percent of them rated benefits highly compared to 46 percent of first-wave enrollees.

Renewing enrollees and those switching from one HIX plan to another give the highest satisfaction ratings for benefits and the buying experience. Individuals who switched into a HIX plan from a non-HIX plan are least satisfied.

Enrollees who received a subsidy express greater satisfaction than those who didn't, likely reflecting a tendency for consumers to feel more satisfied by something that costs less. Younger enrollees express higher satisfaction with all facets of their plan compared to older enrollees.

Figure 9. Ratings of satisfaction with current plan overall, total costs, plan benefits, and buying experience

	Satisfied with current plan overall	Satisfied with total costs	Satisfied with benefits	Satisfied with buying experience
HIX enrollees (Total)	30%	37%	43%	43%
First wave (enrolled in HIX for 2014 coverage)	32%	38%	46%	45%
Second wave (enrolled in HIX for 2015 coverage)	24%	35%	34%	37%
Newly insured in 2015 (previously uninsured)	20%	42%	34%	42%
Renewals (stayed in same HIX plan)	34%	37%	46%	44%
Switchers from one HIX plan to another HIX plan	33%	36%	50%	48%
Switchers from a non-HIX plan into a HIX plan	27%	29%	34%	32%
Received subsidy	33%	43%	47%	48%
Did not receive subsidy	19%	21%	32%	32%
18 to 34 years old	43%	49%	53%	47%
35 to 54 years old	27%	35%	41%	41%
55 + years old	28%	35%	40%	43%

For overall plan satisfaction, table shows percentage of respondents who rated their satisfaction on a 10-point scale, where 1 = "not at all satisfied" and 10 = "completely satisfied."

For total costs, benefits, and buying experience, table shows respondents who gave a rating of 8, 9, or 10 on a 10-point scale, where 1 = "very dissatisfied" and 10 = "very satisfied."

* These respondents were covered by some other source of insurance and then enrolled in a HIX plan within the last 12 months.

Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Price is the most commonly reported driver of plan switching and dissatisfaction, but some consumers want broader coverage or better alignment with personal needs

Price-related factors top the list of reasons why HIX enrollees switched plans last year: 40 percent say they moved for a lower price, and 25 percent say eligibility for a subsidy motivated them. Just over 20 percent report they had to switch because their former plan was canceled or discontinued; just under 20 percent say they were seeking better coverage for certain providers or services. Less than 10 percent cite customer service problems, quality concerns, job-related changes, or recommendations from others.

Price is also the primary reason why HIX enrollees are dissatisfied with their current plan (Figure 10). When asked to identify the key reason, 35 percent of unhappy enrollees say they feel that they pay too much. Price is followed by concerns about insufficient financial protection (24 percent) and network limits (19 percent). HIX enrollees are more dissatisfied with their provider network than individuals with employer or Medicare coverage, but less dissatisfied with various aspects of customer support, including information received about benefits and costs, the claims process, customer service, and online tools and programs that can help individuals improve their health.

Figure 10. Most important reason insured consumers are dissatisfied with their current health plan

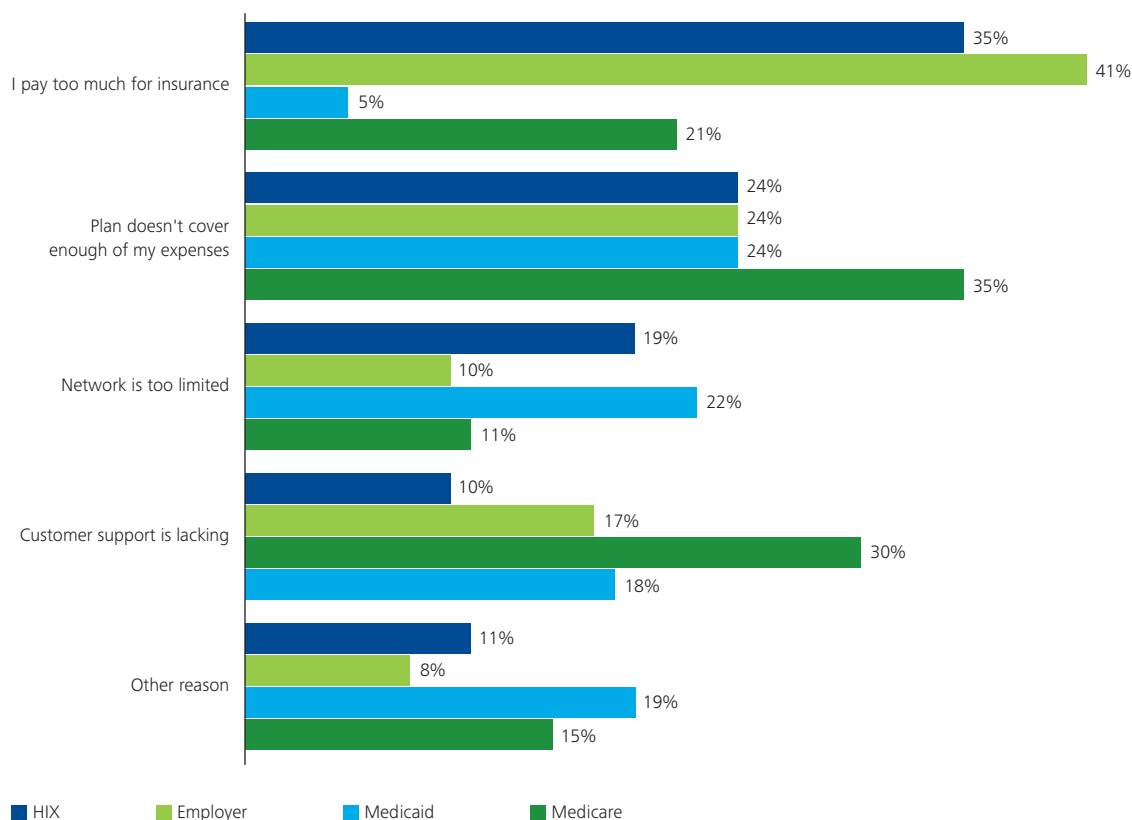


Chart shows percentage of dissatisfied enrollees who selected each factor as the most important reason (respondents could select only one).

Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Addressing affordability is a core challenge – plans that restrict networks in exchange for lower prices may be part of the solution for a growing number of consumers

Willingness to accept limited networks in exchange for lower premiums and copays has reached a new high – younger people are significantly more willing than older people, especially within the HIX cohort

Up to 60 percent of insured consumers are now “willing” or “somewhat willing” to accept a smaller network of hospitals or a smaller network of doctors for a lower price, and just over half (52 percent) express some willingness to accept a network that does not include their current primary care provider. These levels are higher than levels reported in recent years (Figure 11), suggesting that the average consumer is becoming more open to accepting network-price tradeoffs.

Figure 11. Increase in willingness to accept network-price tradeoffs among insured consumers

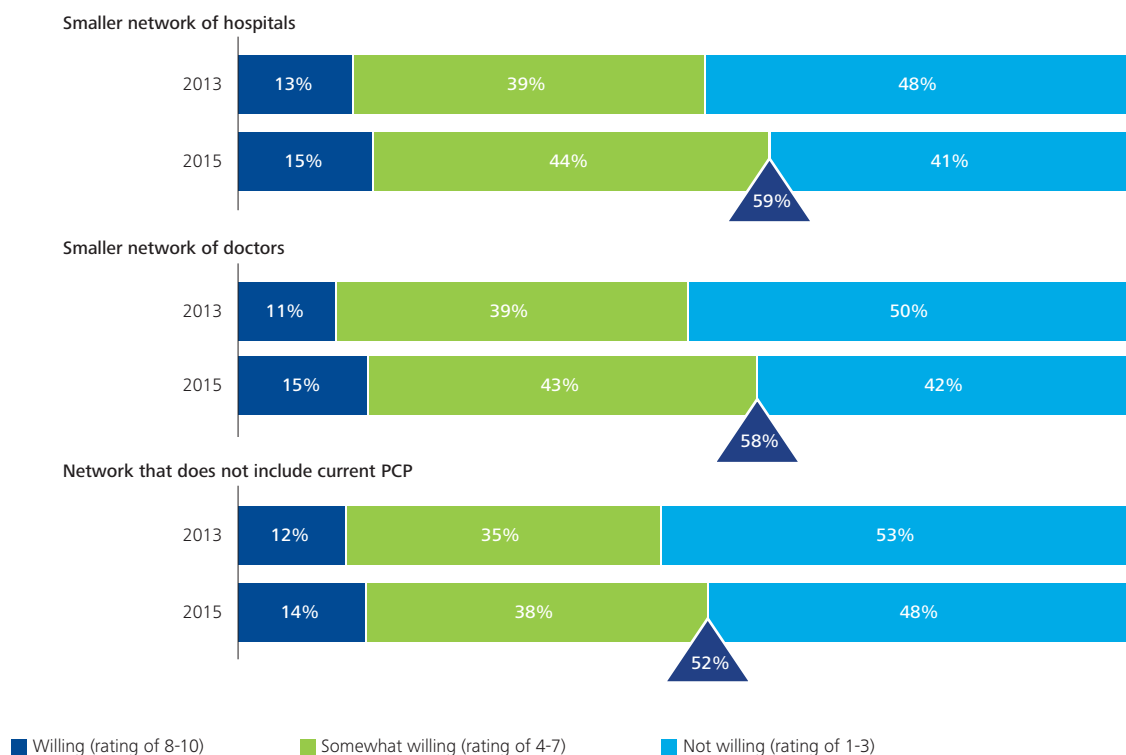


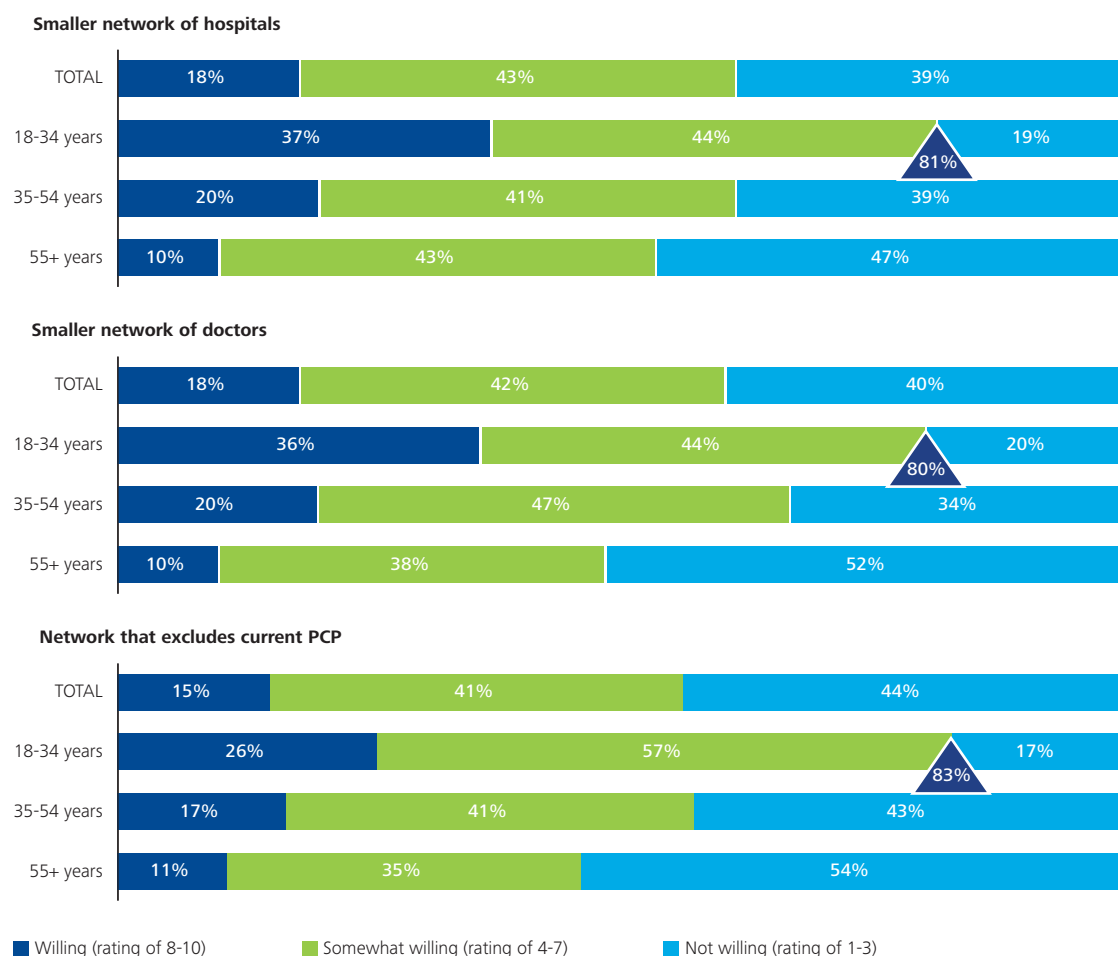
Chart shows responses for survey participants who reported being insured through HIX, direct purchase, an employer, Medicare, Medicaid, or some other source (n = 3,339 in 2013 and n = 3,132 in 2015).

Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Willingness does not vary significantly by income (as might be expected with price considerations) but it does vary by age. Younger buyers are significantly more willing to accept coverage-price tradeoffs than older buyers, and this age difference is especially pronounced in the HIX cohort (Figure 12). Up to 83 percent of 18-to-34 year olds are at least somewhat willing to accept a network that does not include their current primary care provider, and nearly that many are open to smaller provider networks in exchange for lower premiums and copays. Younger individuals may find these tradeoffs easier if they have not yet established relationships with specific providers, as many older individuals have.

Within the HIX cohort, recently uninsured individuals express the greatest openness to network-price tradeoffs. HIX enrollees who renewed their coverage or switched from one HIX plan to another HIX plan between 2014 and 2015 appear more willing than those who were covered by some other source before enrolling in a HIX plan for coverage in 2015.

Figure 12. Willingness to accept network-price tradeoffs among HIX enrollees by age



Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Familiarizing consumers with affordable coverage options could be essential for reaching the uninsured, who also say they need an easier enrollment process, better information, and assurances that personal information will be protected

Most individuals who have remained uninsured would like to be covered

Seventy-six percent of the uninsured express attitudes that suggest they would like to be covered but they face hurdles related to affordability, eligibility, information, coverage adequacy, process complexity, and privacy and security concerns (Figure 13). Only 24 percent indicate they do not want health insurance, either because they feel they don't need it and/or they would rather pay for care when the need arises.

Many of the 57 percent who think health insurance is unaffordable may not be aware of subsidies. In a February 2013 Deloitte survey conducted prior to the start of the exchanges, 44 percent of all uninsured respondents were aware that the ACA would offer tax credits to help eligible individuals afford health insurance.³ Younger adults (18 to 34 years) were less aware than older adults (40 percent versus 48 percent). Just over a year later, in April 2014, 53 percent of uninsured young adults (19 to 34 years) reported knowing about government subsidies.⁴ Awareness has likely continued to rise with the exchanges now in their second year, but the low baselines suggest a gap probably still exists.

Figure 13. Reasons for not having coverage cited by those who are currently uninsured

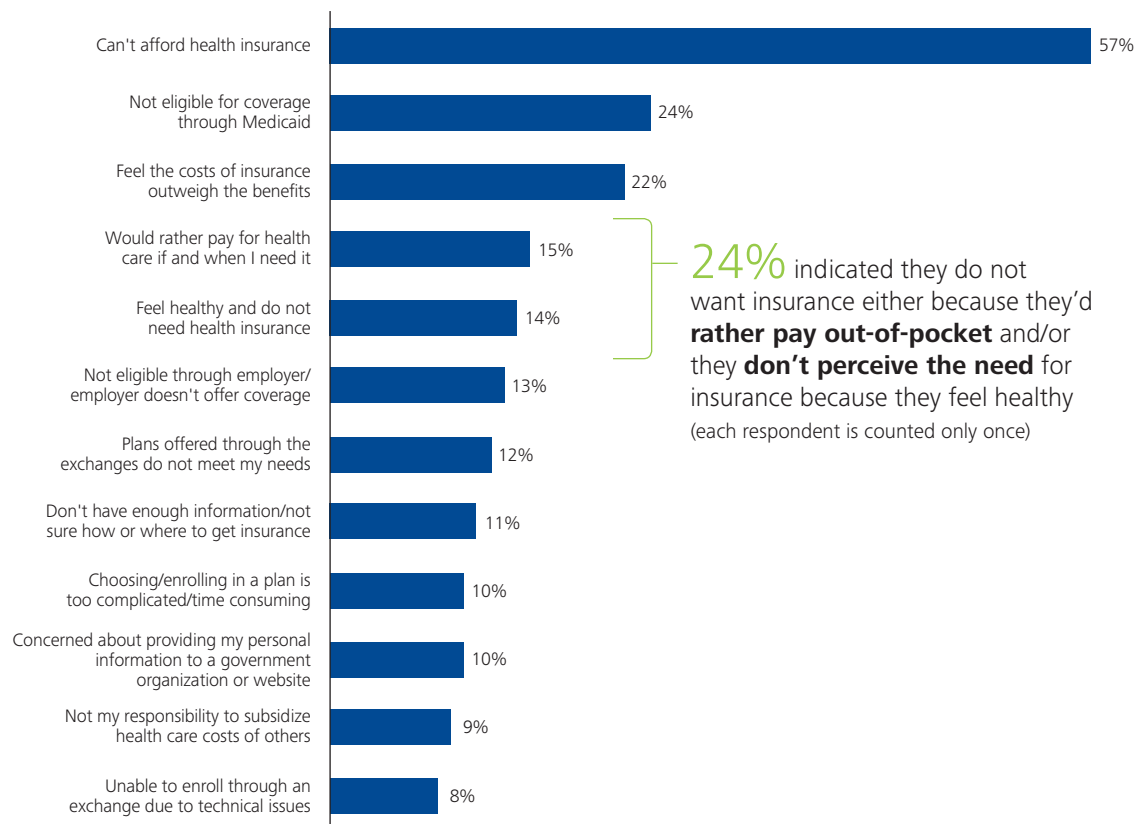


Chart shows percentage of currently uninsured respondents (n = 484) who reported each of these reasons for not having health insurance (respondents could select more than one).
Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Reasons differ between those who had been uninsured for more than a year versus less than a year. The longer-term uninsured more commonly say they cannot afford health insurance (64 percent versus 43 percent) or selecting a plan is too complicated and time-consuming (12 percent versus seven percent). The newly uninsured are more likely to say they do not have access to insurance through an employer (17 percent versus 11 percent) or that exchange plans do not meet their needs (16 percent versus 10 percent).

Potential buyers report facing substantial technical and usability barriers, and need better decision-making support. Half of the uninsured say they visited an exchange website, but three in four failed to find all the information they needed and two in five had technical difficulties that contributed to their decision not to enroll (Figure 14).

Fourteen percent of the uninsured website visitors say they learned they were eligible for a subsidy, and nine percent discovered they were eligible for Medicaid. They ultimately decided not to enroll, suggesting a substantial portion of individuals are not signing up even as other reports indicate a sizeable share is “coming out of the woodwork” to sign up for Medicaid.⁵

Figure 14. Experiences reported by currently uninsured respondents who visited an exchange website

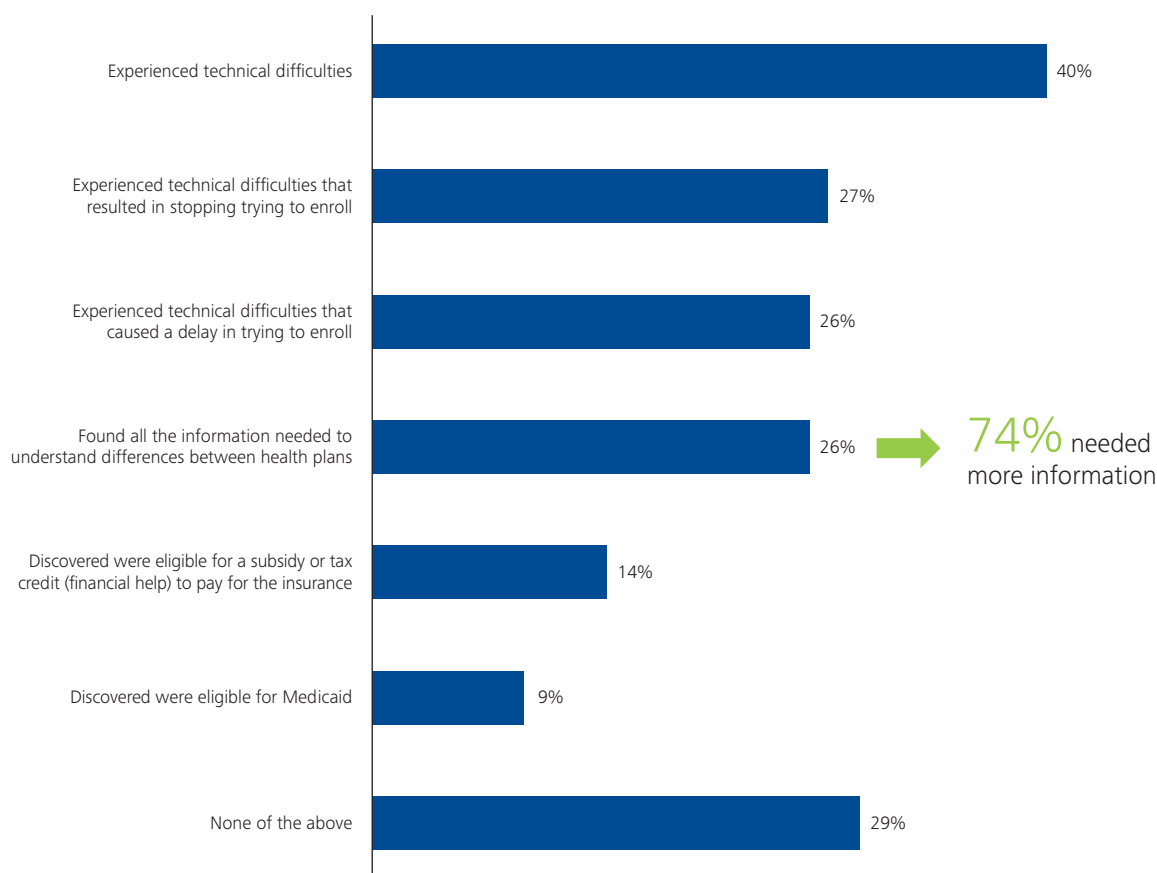


Chart shows percentage of currently uninsured respondents who visited an exchange (n = 239) who reported these experiences (respondents could select more than one).

Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Among the half who did not visit an exchange, only one in 10 says they are likely to buy insurance through an exchange in the future. Top reasons these uninsured are reluctant to use an exchange include cost (25 percent) and lack of information about how exchanges work (17 percent). One in seven is concerned about the privacy and security of their personal information if they were to buy health insurance online. Other reasons include challenges related to figuring out what to buy (14 percent), understanding plan differences (11 percent), and finding a plan that meets their personal needs (10 percent). Less than 10 percent state they would prefer to get insurance through another source, are waiting until technical issues are resolved, or feel current options do not provide enough value for what they would have to pay.



Supporting multiple purchasing channels and strengthening trust in information sources might be critical for advancing individual insurance market transformation

Consumers shopped for HIX plans in both “high-tech” and “high-touch” ways – counter to stereotypes, younger enrollees relied on navigators more than older enrollees, and older enrollees were just as comfortable with website shopping as the younger, “online generation”

Nearly three in five consumers report they shopped online through federal, state, or insurance company websites, while one in four used phone channels, one in seven relied on a navigator, and one in eight used an insurance agent (Figure 15). Most enrollees (84 percent) report using only one channel, but seven percent tapped two channels, and five percent tapped three or more in the course of shopping for a plan (four percent could not recall or were not sure).

Age breakouts reveal the unexpected finding that a substantial portion of the young, “high-tech” generation may prefer a “high-touch” buying experience, while many in the older generations are comfortable using online purchasing channels. Younger enrollees (18 to 34 years) say they were more likely to use navigators than older enrollees; 35-to-54 years olds were more likely than other age groups to use websites; and older enrollees (55 years or older) were more likely than younger enrollees to use phone channels.

Figure 15. Shopping channels

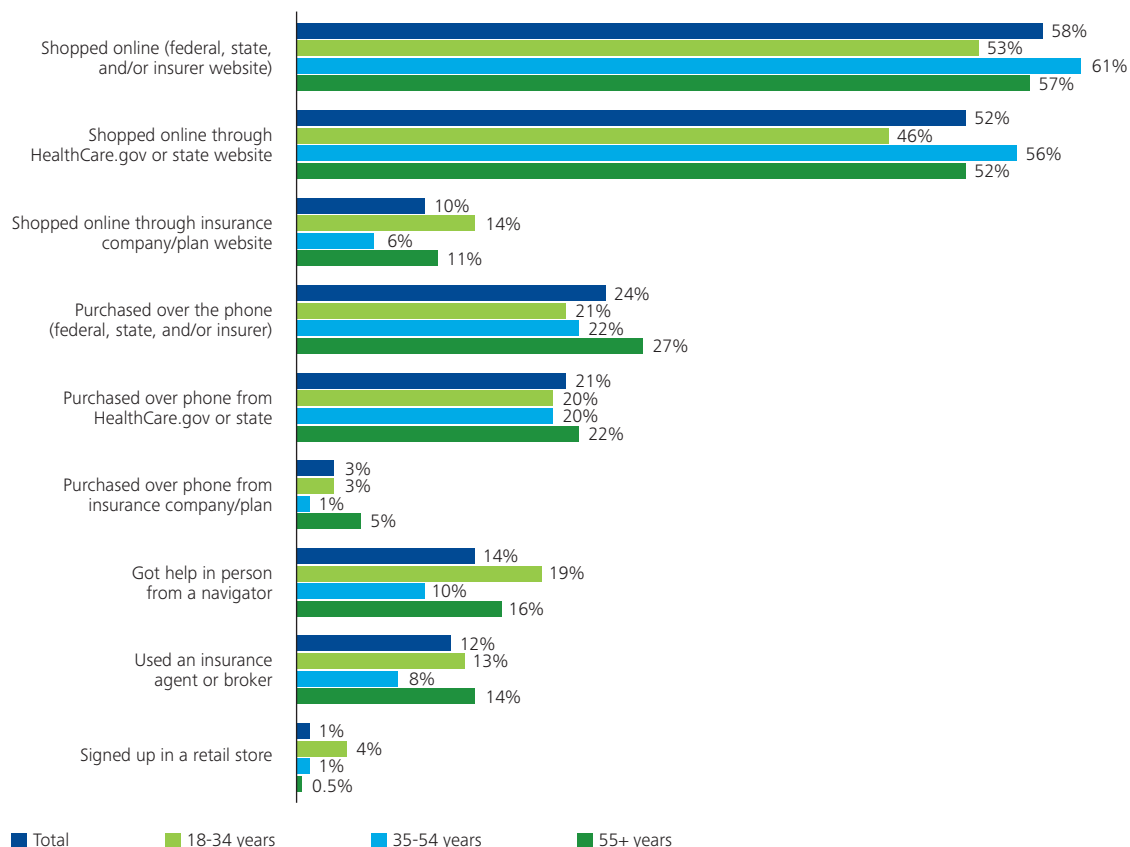


Chart shows percentage of respondents (n = 406) who reported using these channels in the course of buying insurance through an exchange (respondents could select more than one)
Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Exchanges have emerged as trusted sources for reliable information that can help consumers choose a plan – but trust remains low across the board, suggesting consumers may feel that the quality and usefulness of available information could be improved

Consumer trust in sources of information about health plans is generally low, with less than 40 percent giving any source a favorable rating (Figure 16). However, consumers’ trust in exchanges is just as strong as their trust in other top-rated sources, including friends and family, providers, and independent consumer-oriented organizations. Fewer say they trust navigators, insurance companies, and employers, but that may be due, in part, to a lack of opportunity or experience in using those sources.

Encouraging older individuals to share information and advice with their younger relatives and associates may be an effective outreach strategy, as younger enrollees are more trusting of friends and family (47 percent) than other sources. Additionally, younger enrollees express higher-than-average levels of trust in Internet search engines (30 percent versus 20 percent), employers (30 percent versus 21 percent), and social networking sites (21 percent versus 11 percent), suggesting these communication channels may be effective in reaching and educating younger individuals about health plan options. Nearly three in ten in the younger group have a higher level of trust in insurance companies than the average consumer (29 percent versus 23 percent), indicating that direct-to-consumer strategies may potentially be well-received by younger enrollees.

Figure 16. Trust in sources to provide reliable information and advice about health plans

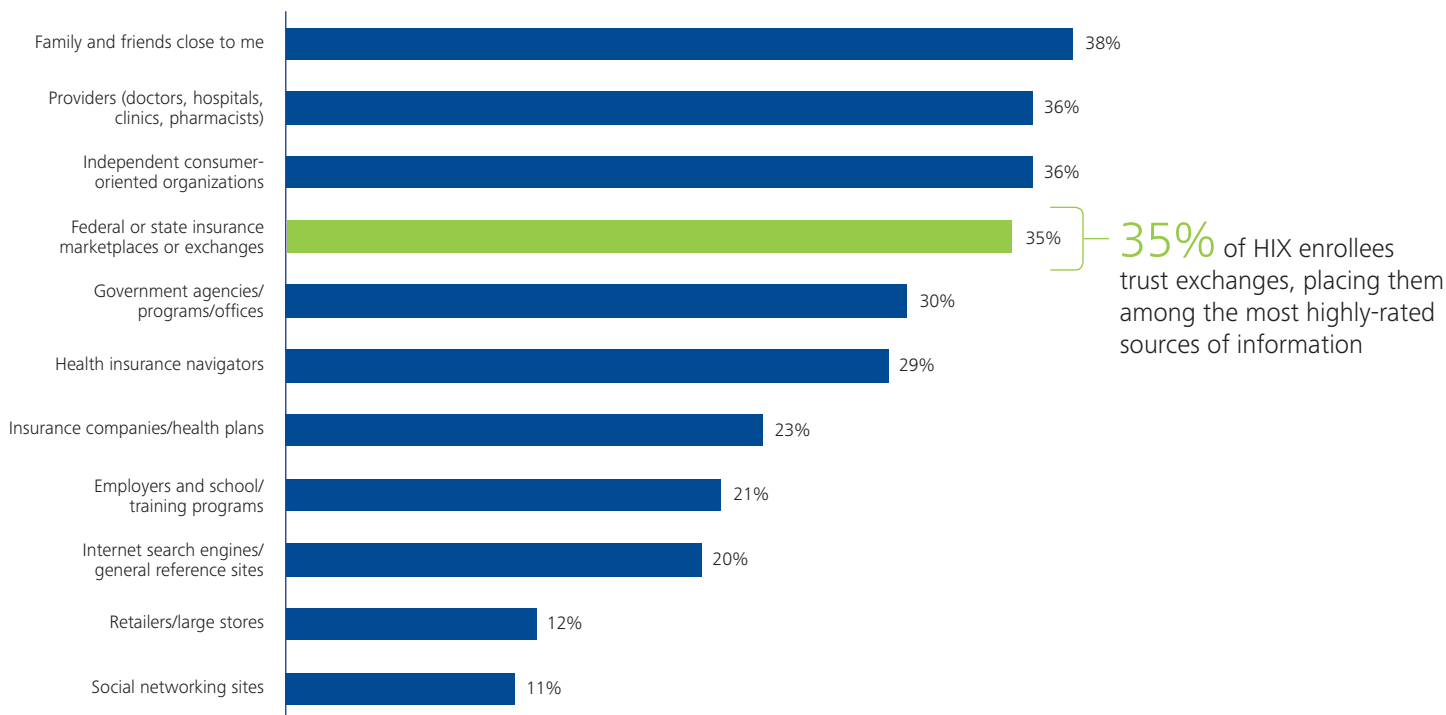


Chart shows percentage of respondents (n = 406) who gave a rating of 8, 9, or 10 on a 10-point scale, where 1 is “no trust” and 10 is “complete trust” in each source to provide “reliable information and advice regarding the best health plans for you and your family.”

Source: Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

Implications

To support the continued transformation of individual insurance markets into thriving online marketplaces and customers into engaged consumers of both health insurance and health care services, public health exchanges and the health plans offered through them should consider taking these steps:

- **Focus plan design on affordability and value:**

Plan designs that optimize coverage-price tradeoffs and align closely with consumers' personal coverage preferences may help to attract new enrollees and reduce churn within insurers' books of business. Given their focus on price and interest in digital resources, HIX enrollees may be especially receptive to value-based benefit structures that incorporate incentives, programs, and tools supporting consumer engagement in health improvement and chronic care management.

- **Maintain multiple purchasing channels:** Many HIX buyers are comfortable using online purchasing channels but substantial numbers still rely on phone and face-to-face interactions and a meaningful share tapped more than one channel while making a purchasing decision. To reach consumers with different shopping preferences and those who remain uninsured, exchanges and health plans likely will need to continue supporting both online and in-person processes for potential buyers to learn about their options, select a plan, and enroll.

- **Provide better information and decision support:**

For potential buyers to find the plan that suits them best, they need to become more familiar with coverage options, possible subsidies, and plan differences. Improving the quality of comparative information, resolving lingering website technical issues, and reducing enrollment process complexity may help consumers make better decisions and increase trust in exchanges and health plans. Some consumers may also need additional guidance and assistance to select a plan that matches their needs, preferences, and financial circumstances.

- **Close the digital gap:** HIX enrollees seem generally more inclined than other insured cohorts to rely on online resources. Directing them to digital technologies that can help them understand how to use their benefits, compare and select providers and services, and take steps to improve their health may enable them become more active consumers. Addressing existing gaps between interest and use likely will increase consumer engagement and help to establish and strengthen long-term relationships between insurers and HIX enrollees. Even with improved access to online resources and health technologies, however, a substantial share of consumers (young and old alike) may still prefer to interact personally with plan representatives as they make decisions that affect their coverage, care, and health.

Survey methodology and sample

Since 2008, the Deloitte Center for Health Solutions has annually polled a nationally representative sample of US adults about their experiences and attitudes related to their health, health insurance, and health care and their views about the health care system. The general aim of the survey is to track changes in consumer engagement over time and investigate key questions of interest to the health plan, provider, life sciences, and government sectors. The 2015 survey included 3,887 adults (18 years

and older). The national sample is representative of the US Census with respect to age, gender, race/ethnicity, income, geography, insurance status, and insurance source. A subsample of 406 respondents reported getting coverage through HealthCare.gov or a state health insurance marketplace, exchange, or connector. Respondents in the HIX subsample varied with respect to demographic characteristics, prior insurance status, subsidy status, and type of exchange used (see the table).

Characteristics of the HIX sample	Number of respondents	Percentage of the HIX sample (n = 406)
Geographic region		
Midwest	97	24%
Northeast	87	21%
South	139	34%
West	83	20%
Age		
18 to 34 years	70	17%
35 to 54 years	143	35%
55 years or older	193	48%
Race/ethnicity		
Non-Hispanic White	307	76%
Hispanic	37	9%
Non-Hispanic Black	31	8%
Non-Hispanic Asian	21	5%
Non-Hispanic Other	10	2%
Employment status		
Employed with paid work 30 or more hours/week	137	34%
Employed with paid work < 30 hours/week	104	26%
Not employed, not looking for work	114	28%
Not employed, looking for work	51	13%

Characteristics of the HIX sample	Number of respondents	Percentage of the HIX sample (n = 406)
Income		
Less than \$25,000	109	27%
\$25,000 to \$49,999	151	37%
\$50,000 to \$74,999	76	19%
\$75,000 to \$99,999	27	7%
\$100,000 or more	25	6%
Prefer not to say	18	4%
Insurance status at time of enrollment		
Uninsured	213	52%
Insured	193	48%
Subsidy		
Received a subsidy	277	68%
Did not receive a subsidy	89	22%
Don't know/not sure	40	10%
Type of exchange		
Federally-facilitated model	275	68%
State-based model	118	29%
State switched type between 2014 and 2015	13	3%

Endnotes

1. Kaiser Family Foundation. "State health insurance marketplace types, 2015." <http://kff.org/health-reform/state-indicator/state-health-insurance-marketplace-types/> Accessed on 6/3/2015.
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