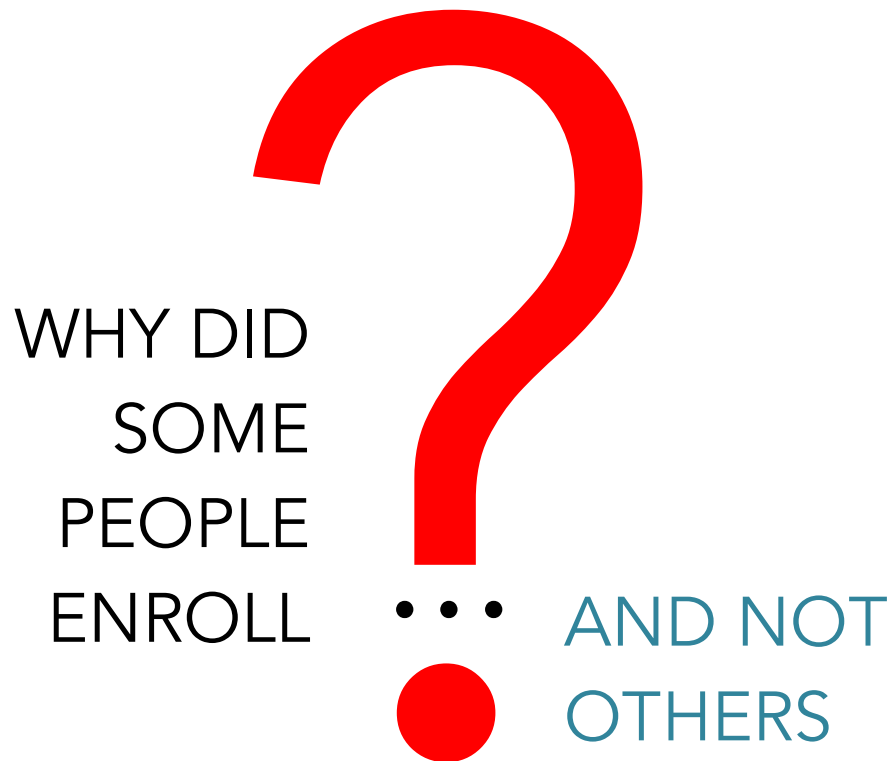


## THE AFFORDABLE CARE ACT'S FIRST ENROLLMENT PERIOD



*May 21, 2014* A new survey for Enroll America, conducted by PerryUndem Research/Communication and funded by the Robert Wood Johnson Foundation and The California Endowment, provides fresh insights into why some individuals enrolled in health coverage during the Affordable Care Act's first open enrollment period and why some individuals did not.

The survey, conducted April 10-28, 2014, among 671 newly enrolled individuals and 853 who remained uninsured, is the first in-depth examination of these populations and explores their attitudes, knowledge, and experiences with enrollment, costs, and health coverage.

# Key Findings

**There was a high demand for health insurance during the Affordable Care Act's first open enrollment period.** Those who enrolled were willing to put time and effort into the process.

**Those who enrolled had more information.** For example, the newly enrolled were more than twice as likely to know about the availability of financial help to low- and moderate-income people than those who did not enroll (56% vs. 26%).

**Individuals enrolled for many reasons, particularly the law/fine.** As many as 40% indicate they might not have enrolled without the mandate. Other important motivations: being able to see a doctor and avoid big medical bills.

**Many newly enrolled individuals felt enrolling was easy – but others faced difficulties.** While 69% of the newly enrolled thought enrolling was “easy,” some of those who tried but did not enroll successfully found it confusing.

**Three-quarters (74%) of the newly enrolled feel confident they can afford their premiums.** They are also more than four times as likely to say their plans have enough doctors than not (56% vs. 13%).

**Healthy people enrolled.** The self-reported health status of those who enrolled and those who did not was similar.

**Most of those who did not enroll (61%) wanted coverage.** They wanted to enroll but could not find anything or say things got in the way of enrolling. Fifteen percent did not even know they could enroll. Only 15% did not want coverage.

**Affordability concerns kept many away.** The top reason why some people did not even look for coverage was the perception that they could not afford insurance.

**Latinos and young adults (18-29) lagged behind in knowledge but wanted coverage.** Latinos particularly valued in-person enrollment assistance. Young adults were more motivated by the fine than others.

**More than eight in ten of the uninsured (84%) may be open to enrolling next time.** Only 14% say they will not look for coverage.

# Detailed Findings

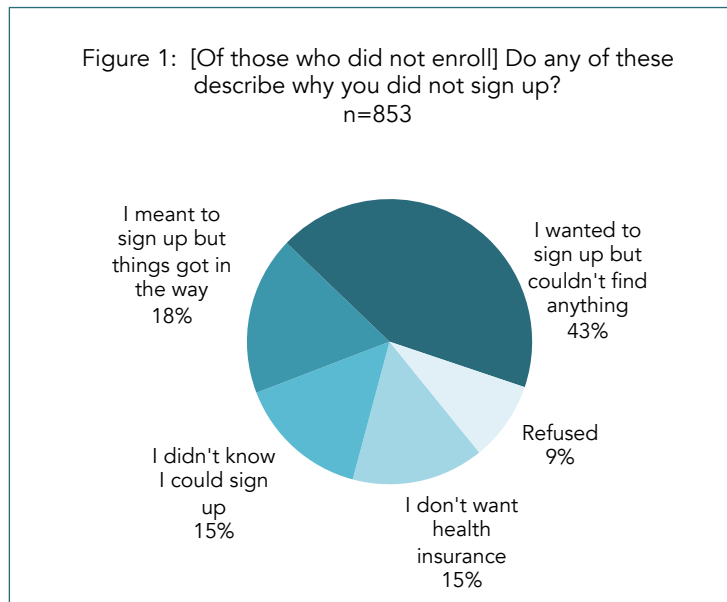
## The Uninsured Want Health Insurance.

There was high interest in enrolling in health coverage.

A number of survey findings reveal that people wanted health coverage during the Affordable Care Act's first open enrollment period. Those who enrolled put time and effort into the process, suggesting health coverage was important to them. Six in ten (60%) of the newly enrolled spent more than a week on the process from beginning to end; 55% of those who went to the marketplace website visited it more than three times while enrolling; and 37% spent four or more hours looking at plans and signing up for insurance.

### Six in ten of those who did not enroll wanted coverage.

A clearer picture of interest emerges when looking at those who did not enroll during the first enrollment period. Sixty-one percent wanted coverage but either could not find anything (43%) or things got in the way of signing up (18%). Fifteen percent (15%) did not even know they could enroll. Only 15% said they did not enroll because they did not want insurance. [Figure 1]



#### Box 1: Enrollment Efforts by the Thirty-Five Percent Who Tried to Enroll but Were Unsuccessful (n=345)

- ✓ 59% looked to see if they qualified for financial help
- ✓ 56% looked at the plans that were available
- ✓ 52% tried to get answers to questions
- ✓ 44% started an application
- ✓ 36% created a user account with a password
- ✓ 26% called the customer service number for help

### Even many of those who did not successfully enroll spent time on the process.

One-third (35%) report they looked for insurance during the open enrollment period. Many of these individuals took multiple steps to enroll. [Box 1]

## Many plan to get insurance during the next open enrollment period.

Near the end of the survey, those who did not enroll were asked if they are likely to sign up for insurance for next year if they are still uninsured. Half read details about the mandate and the fine before answering, while the other half did not. The statement that half read is as follows:

*Most people who did not sign up for insurance by March 31<sup>st</sup>, 2014 will have to pay a fine. The fine will be \$95 or 1% of your income – whichever is higher. The fine goes up every year. By 2016, the fine will be \$695 or 2.5% of your income, whichever is higher.*

**As many as 84% seem open to enrolling.** Regardless of whether they read details of the mandate or not, most of those who did not enroll seem open to applying next time. Specifically, four in ten (42%) said they would “definitely” or “probably” get insurance for next year if they are still uninsured and another four in ten are not sure (42%). Only 14% say they will “probably” or “definitely” not apply. [Table 1]

Table 1: Do you think you will get insurance for next year if you are still uninsured?

	Total	Received Mandate Details n=446	Did Not Receive Mandate Details n=407
Definitely	16%	20%	12%
Probably	26%	23%	30%
I'm not sure	42%	41%	43%
Probably not	7%	6%	9%
Definitely not	7%	9%	5%

**Learning about the mandate and the increasing fine increases intensity around enrolling.** Those who read about the mandate and the increasing fine were more likely to say they will “definitely” get insurance next year than those who were not exposed to this information (20% vs. 12%).

**African Americans (48%) and Latinos (46%) are more likely than others to say they will “definitely” or “probably” enroll next year.** Other groups more likely to enroll next year: the college-educated (49%), employed individuals (49%), and 45-64 year olds (48%).

## Knowing Is Half the Battle.

There are knowledge gaps between those who enrolled and those who did not.

**Those who enrolled knew more.** The survey probed knowledge about key issues related to the marketplace, the law, and enrollment. Two insights emerge when looking at responses to these questions: 1) there is a widespread lack of awareness about some important facets of the law that could have impacted decisions about enrollment, and 2) those who enrolled knew more than those who did not. Table 2 provides examples of the knowledge gap.

Table 2: Knowledge Differences between the Newly Enrolled and Those Who Did Not Enroll

	Newly Enrolled n=671	Did Not Enroll n=853
Knew the law gives financial help/tax subsidies to low- and moderate-income Americans	56%	26%
Knew that there is free in-person help with signing up for health insurance	43%	28%
Knew that the health law required plans to cover preventive care for free	41%	24%
Knew that health plans cannot deny people coverage based on pre-existing conditions	67%	42%
Knew the health law says most people have to pay a fine if they do not get insurance	84%	69%

**There was lack of awareness of exceptions for life-changing events.** Sixty-three percent of those who enrolled and 80% of those who did not enroll were unaware that the health law allows people to sign up any time during the year if they have a life-changing event like getting married or having a baby. This is an issue relevant now for those who may be looking for insurance and where additional education could be helpful.

**There also are knowledge gaps when it comes to insurance terminology.**

Frequently used terms in marketplace marketing such as “premium” and “open enrollment” are understood by less than half of those who did not enroll. [Table 3]

**News was the top source of information.** “News” was the main way many learned about new insurance options and HealthCare.gov for

Table 3: Do you know what each of these terms mean?

	Newly Enrolled N=671 “Yes”	Did Not Enroll N=853 “Yes”
Open enrollment	69%	47%
Deductible	76%	56%
Co-pay	80%	63%
Premium	70%	48%
Out-of-pocket maximum	71%	48%

both the newly enrolled (39%) and those who did not enroll (44%). Websites/online searches were also important information sources (newly enrolled 36%/those who did not enroll 23%). Finally, friends and family were a valued resource (newly enrolled 21%/those who did not enroll 21%).

**Local TV news was a top source.** Survey respondents who said that “news” was a main source of information were asked to identify their top news sources. In response, they were most likely to say local television news (newly enrolled 42%/those who did not enroll 49%), national/cable television news programs (newly enrolled 25%/those who did not enroll 27%), and online news sources (newly enrolled 19%/those who did not enroll 15%).

**Advertising had an impact on knowledge levels.** Individuals who saw or heard ads about new health coverage options, including HealthCare.gov or their state marketplace, knew more about the law and enrollment than those who did not see or hear ads. They were more likely to have heard of HealthCare.gov, for example, or know about financial help/the tax subsidy.

### Affordability worries kept many from taking a first step.

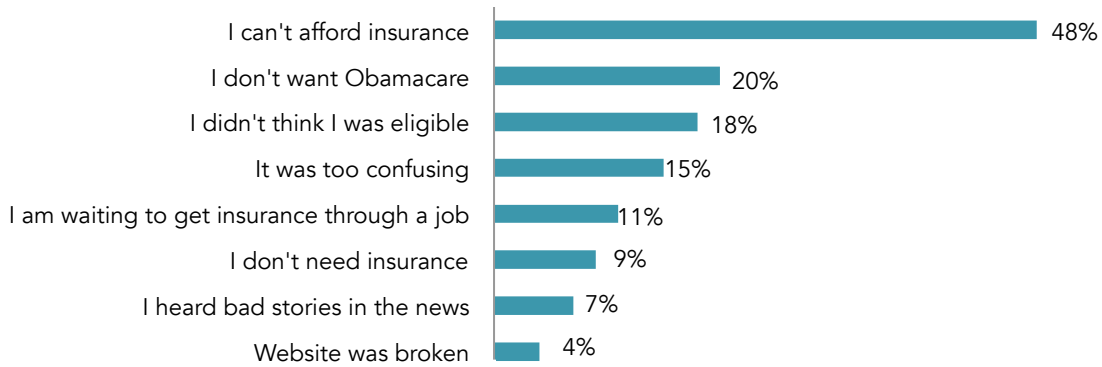
The survey identifies two groups of individuals who did not enroll in health coverage: those who did not look for insurance during open enrollment (63%) and those who tried but were unsuccessful (35%). For both, cost concerns were the main barrier.

**Perceptions they could not afford insurance kept many from looking.** Looking specifically at those who did not try to enroll, a perception that they could not afford insurance was by far the top barrier that kept them from taking the first step toward enrollment. Of note, fewer than 1 in 10 (9%) said that the reason they did not look for insurance was that they do not need insurance. [Figure 2]

**Not knowing about available financial help may have affected affordability perceptions.** It is noteworthy that only one in five (21%) of those who did not try to enroll knew that financial help/a tax subsidy was available to most low- and moderate-income people (while 38% of those who tried to enroll knew this information). Knowing this information may have mattered in whether or not someone took a first step to enroll, particularly since affordability was the top barrier to even looking for coverage.

Figure 2: [Of those who did not try to enroll] What are the most important reasons you didn't look for insurance?

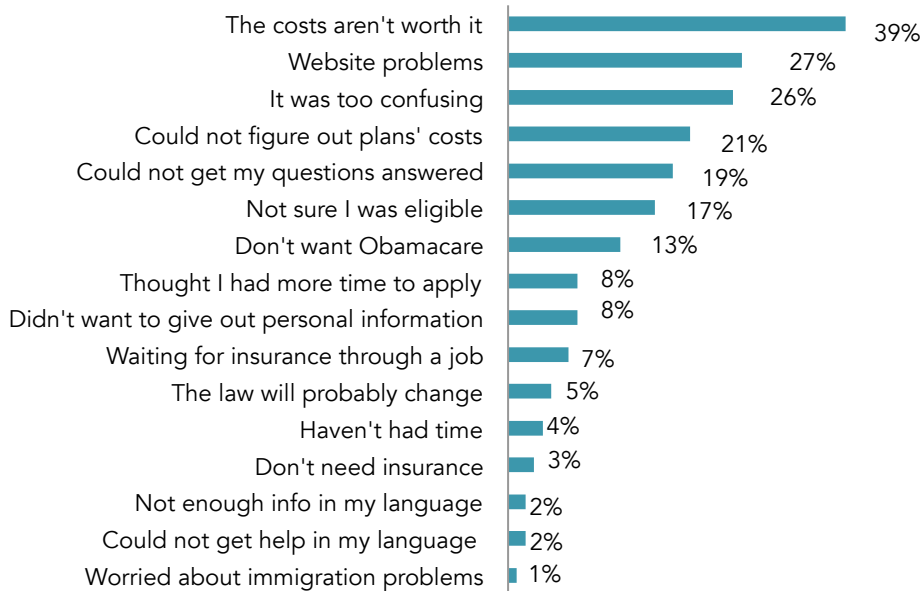
n= 494



**Cost was also a top barrier for those who looked for insurance.** For those who looked for insurance but were not successful, costs (39%), website problems (27%), and confusion about enrollment (26%) were top reasons given for not enrolling. The “website problems” barrier is likely more about overall confusion and frustration with the website and less about technical glitches with the website. [Figure 3]

Figure 3: [Of those who looked for insurance but did not enroll] Why didn't you sign up for health insurance?

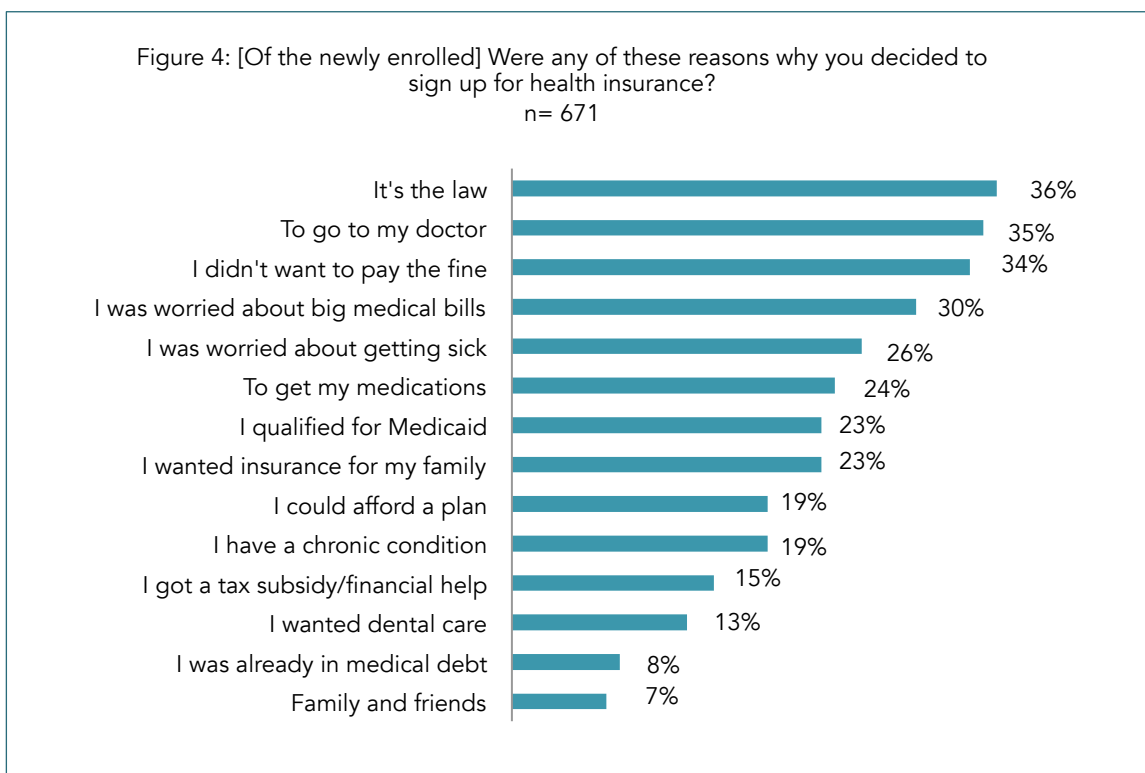
n=345



## The Law and Opportunity Drove Enrollment.

Many factors influenced enrollment decisions – the mandate, wanting access to care, and wanting to avoid medical bills.

**The newly enrolled weighed many factors when making decisions about enrollment.** When asked why they decided to sign up for health insurance – and allowed to select multiple responses – the law and wanting to see their doctor come out on top followed by the fine and avoiding medical bills. [Figure 4]



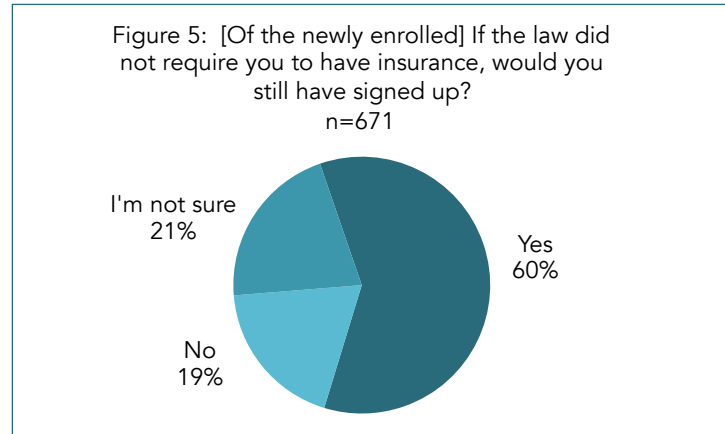
**Of note, wanting to access health services was an important motivation to enroll.** This not only includes wanting to see a doctor (35%) but also wanting to get care when sick (26%) and being able to get medications (24%). Of note, accessing care seemed more important to women than men: women were more likely than men to say they enrolled because they wanted to go the doctor (40% vs. 30%).

**Avoiding the fine was more important to young adults (18-29) while the “law” mattered more to Latinos and older adults (45-64).** Young



adults (18-29 years old) were more likely to say “avoiding the fine” was a reason they enrolled (42%). Similarly, Latinos (42%) and people ages 45-64 (41%) were more likely to say a reason they enrolled was because “it’s the law.”

**Four in ten might not have enrolled without the mandate.** While six in ten of the newly enrolled (60%) report they would have signed up for insurance without the mandate, four in ten indicate they would not have enrolled (19%) or are unsure if they would have enrolled (21%) without the law. [Figure 5]



**Access to Medicaid was critical for the newly enrolled.** Of the newly enrolled, nearly one quarter (23%) cited “I qualified for Medicaid” as a reason they enrolled and over half of that population said it was the main reason.

## Latinos and Youth: Interest Is There, but So Are Knowledge Gaps.

**Latinos faced more barriers to enrollment.**

**Latino survey respondents show lower awareness levels of key aspects of the law.** They were much less likely to know about the availability of financial help/tax subsidies or that health plans could not deny them because of pre-existing conditions. [Table 4]

**The lower levels of awareness may be related to less recent experience with health insurance.** More than seven in ten Latinos who enrolled in coverage (72%) were uninsured before signing up compared to 51% of whites and 65% of African Americans. Of those who did not enroll, Latinos were also more likely to have been uninsured for more than a year (Latinos 87%, whites 76%, and African Americans 71%).

Table 4: Knowledge Differences by Race

	White n=896	Latinos n=341	African- Americans n=179
Knew the law gives financial help/tax subsidies to low- and moderate-income Americans	47%	25%	37%
Knew that there is free in-person help with signing up for health insurance	33%	37%	40%
Knew that the health law required plans to cover preventive care for free	35%	28%	28%
Knew that health plans cannot deny people coverage based on pre-existing conditions	64%	37%	51%
Knew the health law says most people have to pay a fine if they do not get insurance	82%	71%	68%

**Latinos were more likely to say the process was confusing or be unsure about their eligibility.** Like other individuals, the biggest reason Latinos did not look for coverage was the perception they could not afford it (Latinos 41%, whites 58%).<sup>1</sup> However, Latinos who did not look for coverage are more likely to say the process was too confusing (Latinos 20%, whites 9%) and to believe that they were not eligible (Latinos 26%, whites 7%).

**Latinos were more likely to enroll in person.** In terms of the enrollment process, Latinos who are newly enrolled stood out in being more likely to say they received in-person enrollment assistance than others (Latinos 34%, whites 12%) and much less likely to enroll online on their own (Latinos 30%, whites 57%), suggesting that in-person enrollment was important to this population. Latinos overall – both those who enrolled and those who did not – were more likely to know that free in-person assistance was available than white enrollees (Latinos 37%, whites 33%).

**Latinos who did not enroll wanted or meant to get health coverage.** They are just as likely as other groups to say that they wanted coverage but could not find anything or that they wanted coverage but things got in the way (Latinos 61%, whites 61% and African Americans 60%). Only 13% of Latinos who did not enroll said they did not want coverage. In terms of the next open enrollment period, 46% of Latinos say they are definitely or probably going to look for insurance.

<sup>1</sup> The sample size for African Americans was too small to compare for some questions.

**Latinos and African Americans enrolled later in the enrollment period.** Both African-American and Latino consumers went from 25% of enrollees in the first three months of open enrollment to 38% of enrollees in 2014.

### The young knew less but wanted insurance.

**Young adults (ages 18-29) were less aware about the specifics of the law and insurance terminology.** For example, among enrolled individuals, only 45% of 18- to 29-year-olds knew of the availability of financial help/subsidies, compared with 63% of 30- to 44-year-olds, and 60% of 45- to 64-year-olds. Three in ten (30%) 18- to 29-year-olds knew that new plans now offered free preventive care – while more than 45% of older adults knew this. While nearly eight in ten (77%) knew about the fine, this still trails 30- to 44- (90%) and 45- to 64-year-olds (86%). Young adults also are less familiar with insurance terminology. While 60% knew what “deductible” means, older adults (30- to 44-year-olds 77%, 45- to 64-year-olds 87%) are much more familiar with the term.

**The mandate was a top motivator for young adults.** Forty-two percent said they enrolled to avoid the fine and 32% said they enrolled because it was the law. Still, more than one-quarter of young adults enrolled because they wanted to go to the doctor (29%) or were worried about getting sick (25%).

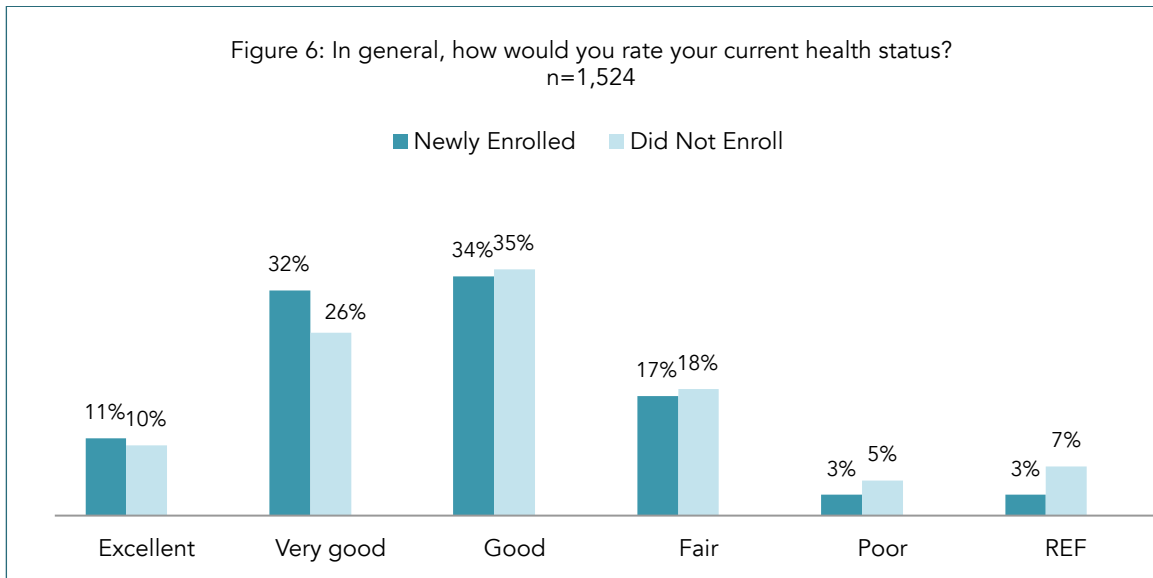
**More than half of young adults who did not enroll during open enrollment wanted coverage.** Forty percent said they wanted to sign up but could not find anything and 18% said they meant to enroll but things got in the way. Only 17% of young adults said they did not want coverage. Looking ahead, 43% of uninsured 18-29 year olds say they will definitely or probably sign up for insurance next year.

## The Healthy Want Insurance Too.

### The healthy were just as likely to enroll in insurance.

**The self-reported health status of those who enrolled looks similar to the self-reported health status of those who did not enroll.** If anything, the newly enrolled are more likely to report their health is “very good” than those who did not enroll. While this is only self-reported health status, it questions the conventional wisdom that sicker individuals would be more motivated to enroll.

[Figure 6]



## Many Perceived Enrolling to Be “Easy,” but Was It?

The majority described enrolling as “easy,” including specific components of enrollment – but the process took time.

**Half enrolled online on their own.** The most common enrollment method for the newly enrolled was online on their own (52%), followed by telephone (20%), in person (18%), paper (14%) or some other way (9%). Men were more inclined to enroll online than women (57% vs 47%), while women were more likely to enroll over the phone (24% vs 15%).

**Family and friends were key to enrollment.** While 44% of the newly enrolled said that no one helped them in the process, one-third (33%) said a family member or friend helped them enroll. Others who provided help: insurance agents (13%), someone from a local organization who was trained to help them (10%), or a telephone customer service representative who worked at the marketplace (9%). Of note, “moms” were particularly important to the enrollment of young adults 18-29 (19% said “mom” helped them enroll).

**The majority of the newly enrolled said enrolling was easy.** The way they enrolled mattered on this question. Those who enrolled in person are most likely to say the process was easy (75%) while those who enrolled by phone were least likely to say this (59%). One-quarter to four-in-ten newly enrolled say the process was hard. [Table 5]

	Easy	Hard
Online	69%	31%
In-person	75%	25%
Phone	59%	41%
Paper Application	68%	32%
Other	72%	26%

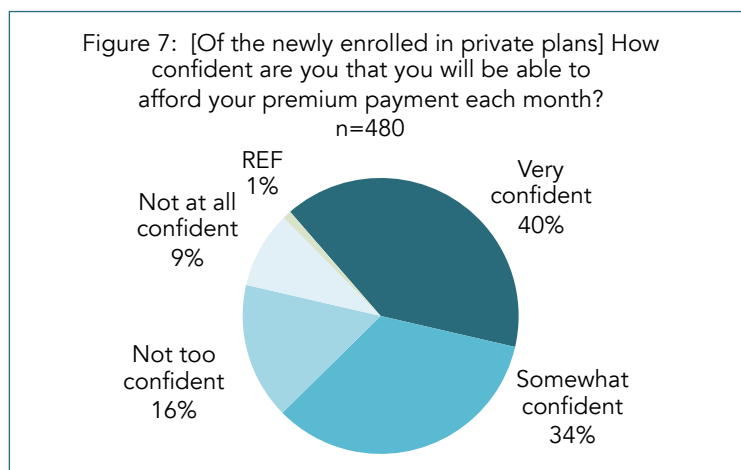
When asked about specific enrollment tasks, the majority of the newly enrolled also described them as “easy.” Among the easier steps were proving their identity, calculating their income, figuring out their potential costs, and creating a user account with a password. Those steps deemed more difficult (although a majority still considered these tasks easy) include finding what doctors participated in plans, finding out what plans covered, choosing a plan, and figuring out next steps once they completed the process.

**Those who did not successfully enroll may not agree the process was easy.** In Figure 3 (p.6), reasons why individuals did not enroll suggest the process was hard for some: website problems (27%), it was too confusing (26%), could not figure out plans’ costs (21%), and could not get my questions answered (19%).

## How the Newly Enrolled Feel about Their Coverage.

**The majority of private plan enrollees feel confident about paying their premiums.**

**Three-quarters are confident they can afford their monthly premiums.** When it comes to paying premiums, the survey shows that 40% of the newly enrolled are very confident and 34% are somewhat confident they



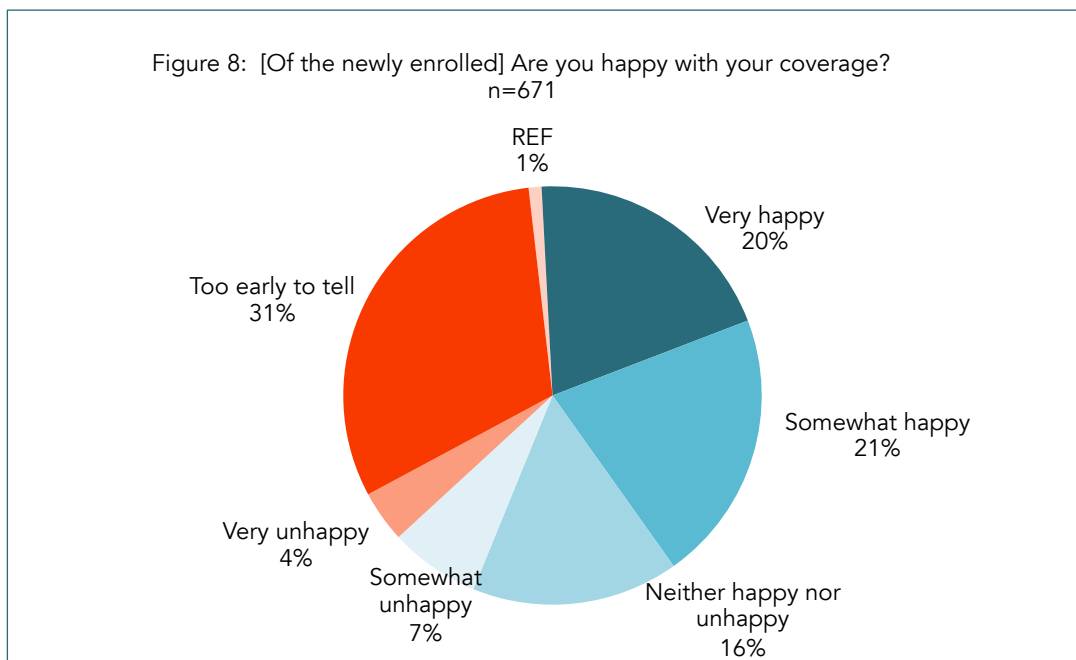
can afford their premiums. [Figure 7]

**The newly enrolled in private plans are split on whether their premium amounts are more or less than expected.** Thirty-one percent say their monthly premium is more than they expected, 25% say it is less than they expected, and 28% say it is about what they expected (15% are not sure). Those most likely to say their premium amount is higher than expected includes 30- to 44-year-olds (38%), college-educated individuals (37%), married individuals (36%), and those who are unemployed (35%).

**There is low awareness that some may have to pay money back.** A challenge for those newly enrolled in private plans is the low awareness of what happens if their income goes up during the year. The majority (54%) is unaware they may have to pay money back if their income goes up, while 22% believe they will have to pay money back and 23% believe they will not have to pay money back.

**Most of those who have used their insurance have not faced access problems.**

**They are more likely to be happy than unhappy with their new plans.** Those newly enrolled in private health plans or Medicaid who have been able to form an opinion are much more likely to feel “happy” about their new coverage (41%) than unhappy (11%). [Figure 8]



**The newly enrolled feel “relief.”** The feeling that best expresses how the newly enrolled feel about having health insurance is “relieved” (47%), followed by “in control” (12%), “financially stressed” (12%), and “confused” (10%). Seventeen percent say having insurance “does not really affect me.”

**Few have faced access problems.** While half of the newly enrolled have not yet used their coverage (49%), 42% report they have had no problems accessing care so far and 9% report they have faced problems.

**The majority feels their plans have enough doctors.** Fifty-six percent of the newly enrolled believe their plan has enough doctors and providers to choose from while 13% feel there are not enough doctors. Thirty percent are unsure still.

**The newly enrolled plan to use their health care.** Of note, the newly enrolled are more likely to be planning to use health care services in upcoming months than those who did not enroll in coverage. Specifically, in the next few months, the newly enrolled are more likely to say they will get a checkup (58% vs. 33%), pay for a prescription (32% vs. 18%), or see a specialist (23% vs. 6%).

## How Medicaid Enrollees and Private Plan Enrollees Differ.

### There Are Differences in When, How, and Why Medicaid Enrollees Signed Up for Coverage.

Of the newly enrolled in the survey, 69% signed up for a private plan and 31% enrolled in Medicaid.<sup>2</sup> There are a number of differences between these populations. For example, private plan enrollees were more likely to enroll at the end of the open enrollment period (i.e., March 1-April 15, 2013) than Medicaid enrollees (44% vs. 28%), who seem more dispersed in their enrollment. Likewise, private plan enrollees were more likely to enroll through HealthCare.gov or the state marketplace than Medicaid enrollees (67% vs. 34%).

**Medicaid and private plan enrollees emphasized different enrollment methods.** Private plan enrollees primarily enrolled online on their own (60%), followed by phone (23%), in person (13%), or by paper (8%). Medicaid enrollees also primarily enrolled online on their own (35%) but were much more likely to have

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<sup>2</sup> Those enrolled in private plans are drawn from those who signed up for “marketplace” plans (72%) as well as people who purchased plans outside of the marketplace (28%).

enrolled through paper application (28%) or in person (27%). Only 13% said they enrolled by phone.

**Half of Medicaid enrollees thought they would qualify when they applied.** Fifty-two percent of those who enrolled in Medicaid thought they would qualify for the program when they started looking for insurance. However, 25% did not think they would qualify and 21% did not think about it either way.

**There was also a difference in motivation.** The top three reasons for private plan enrollees to sign up for coverage were to get insurance for their family, wanting to avoid the fine, and it is the law. For Medicaid enrollees, the top reasons to sign up were "I qualified for Medicaid," wanting to go to the doctor, and avoiding the fine.



# Looking Forward

What lessons can be learned from the Affordable Care Act's first open enrollment period and how can enrollment be improved for the next one?

This survey adds to the growing body of knowledge about why some people enrolled in health coverage and why others did not enroll during the law's inaugural open enrollment period. It shows there was a high demand for health coverage, even among those who ultimately did not enroll. It identifies knowledge and perception barriers to enrollment, which may be hard to overcome. But perhaps most critical, the survey suggests there could be a large consumer market for the next open enrollment period – 84% of uninsured survey respondents seem at least open to looking for coverage.

Based on these survey findings, the following are recommendations from Enroll America and PerryUndem for the next open enrollment period:

- 1. Recognize that most uninsured individuals want affordable health coverage.** The survey suggests this is true and that individuals are willing to put time and effort into enrolling. They want insurance.
- 2. Understand that the law and fine (and how it is increasing) motivated many to enroll.** Talking more explicitly about the mandate and the increasing fine may encourage more people to enroll next time. However, this will not be enough. Being able to see a doctor and avoid big medical bills were also important motivators and should be part of the conversation.
- 3. Address affordability perceptions/misperceptions.** The belief that insurance is not affordable kept many from even looking for coverage. This is the barrier that must be addressed. Part of the issue may be the low awareness that financial help was available to low- and moderate-income individuals. Continuing to raise awareness about the tax subsidy may be important.

- 4. Keep educating.** There were many knowledge gaps about key aspects of the Affordable Care Act – and about insurance – that still need to be addressed. Those who enrolled knew more; knowledge may be a factor in enrollment.
- 5. Use the “news” to educate.** For better or worse, “news” is where most survey respondents get their information on this topic – particularly local TV news programs and online sources. It may be important to consider the role of these sources in relaying important information about the law and enrollment to the remaining uninsured. Advertising may also be an effective tool – those who saw ads knew more facts about the law and enrollment.
- 6. Provide Latinos with more details and enrollment help.** They were more likely than others to find enrolling confusing and to question whether they were eligible or not. They also seem to value in-person enrollment assistance more than others.
- 7. Activate moms (and other family members and friends) to enroll young adults.** Moms played an important role in enrollment for young adults. Also important is talking about the mandate and the increasing fine with this age group.
- 8. Improve the enrollment process.** While enrolling was easy for many, it was not for others. Many of those who did not successfully enroll dealt with website problems and confusion and could not find answers to questions. Perhaps educating this population about free in-person enrollment assistance could help – people who enrolled this way were more likely to find the process “easy.”

For more details about this survey, contact Mike Perry at [mike@perryundem.com](mailto:mike@perryundem.com).

## Survey Methods

PerryUdem Research/Communication conducted a nationally representative online survey from April 10-28, 2014. The survey had n=1524 total respondents; n=671 respondents were newly insured/enrolled, and n=853 respondents were currently uninsured. The margin of error for the total sample is +/- 2.9%. For the newly insured/enrolled sample, the margin of error is +/-5.2%; the margin of error for the uninsured sample is +/-3.8%. The survey was conducted in both English and Spanish.

Newly enrolled/insured respondents had to have private insurance or Medicaid, and must have enrolled in health insurance during open enrollment through the marketplace or outside of the marketplace (October 1, 2013 – April 15, 2014). Uninsured respondents had to be currently uninsured, and could not have supplemental health care like Veterans benefits.

The national survey was conducted online using GfK's KnowledgePanel, the only probability-based web panel designed to be representative of the United States. The web panel is constructed with probability-based sampling from the U.S. Postal Service's Delivery Sequence File, which allows for an estimated 97% of households to be covered. Respondents took the survey online; those who did not have access to a computer were provided with one to take the survey.

This report is the first release from the survey. There will be additional reports focusing on specific subpopulations.