



A Framework on Health Insurance Literacy for the Outreach and Enrollment Community

By Sophie Stern

This issue brief describes the connection between health insurance literacy (HIL) and coverage retention, early findings on how to address gaps in HIL from the consumer perspective, and key considerations for stakeholders working to improve retention and consumer comprehension.

Introduction

Until recently, there was limited evidence on when or how to engage consumers about health insurance to help them keep coverage.¹ While more research is needed, this issue brief presents new information about HIL from the consumer perspective — when, how, and from whom consumers want to receive information on health insurance and how it works.

As evidenced during the first two open enrollment periods for the health insurance marketplaces (OE1 and OE2), it is critical to give consumers the information they need and want at the appropriate times

to motivate them to take action. For example, rigorous testing during OE1 and OE2 revealed that it was necessary to give individuals information about financial help in the initial outreach “touch” in order to motivate them to stay engaged and eventually take action. Information about the fine and deadlines was also important to ensure they enrolled, but that information could be provided in subsequent conversations.² Delivering HIL information at the right time and in the optimal way is just as important: It will contribute to increased consumer satisfaction with their coverage and increase the likelihood that a consumer maintains coverage over time.

Substantial gaps in knowledge about health insurance remain, which may result in buyer's remorse, improper utilization of health care services, and/or loss of coverage completely.

But certain questions remain about the most effective methods to engage consumers on HIL. For instance:

- What are the critical pieces of information that need to be shared — details about cost-sharing, the effect of networks on access to care, the importance of paying premiums?
- Who are the most appropriate consumers to reach with this information — individuals who are uninsured, those shopping for insurance, or new enrollees?
- What are the most effective methods for sharing this information — social media, in person, over the phone?

The answers to these questions will help the enrollment community build more effective programs that better empower consumers to find health insurance that meets their needs and budget, to use their coverage, and to keep their coverage over time.

Why Health Insurance Literacy Matters

Enroll America's mission is to help the uninsured get covered and stay covered. In 2014, following OE1, Enroll America administered several consumer surveys that yielded important early findings: We found that newly enrolled individuals

were more knowledgeable about the Affordable Care Act (ACA) than the remaining uninsured, and knowledge about the law was associated with planned behavior necessary to maintain coverage, such as paying premiums and renewing coverage.³ Among marketplace enrollees, we compared those who reported that they had enough information about the ACA — including information about new coverage provisions — to those who said they did not. The former were more likely to report that they would be able to retain their coverage:

1. They were confident that they could pay their premiums (86 percent vs. 56 percent).⁴
2. They expected to keep their insurance (86 percent vs. 74 percent).⁵
3. They planned to renew coverage (73 percent vs. 56 percent).⁶

The ACA significantly improved the individual health coverage shopping and enrollment experience. However, health insurance policies, terms, and concepts remain incredibly complex, and substantial gaps remain in the general public's knowledge about health insurance.⁷ For some, these gaps in knowledge may result in buyer's remorse, improper utilization of health care services, and/or loss of coverage completely.

Consider the following illustrative examples:

Manuel dropped his marketplace coverage mid-year.

In 2014, with help from a tax credit, Manuel enrolled in a marketplace plan for \$84 per month with a \$6,300 deductible.⁸ Manuel picked the plan with the lowest premium in his area. However, he did not know that he should also look at the amount of the deductible, and he later learned that his prescriptions were not covered until after his \$6,300 deductible was met. With his income (sporadic and seasonal), it was very difficult to afford his premium and the costs of his prescriptions entirely out of pocket before the deductible. He stopped paying premiums mid-year because he did not see the value in paying for something he could not use right away. Manuel did not enroll in coverage for 2015.



Tanisha got covered and stayed covered.

On the other hand, Manuel's friend Tanisha purchased a marketplace plan with a premium of \$73 per month and a \$0 deductible, also with the help of a tax credit.⁹ Tanisha sees a dermatologist every six months and is interested in seeing a therapist. Tanisha is a full-time graduate student, and with only a part-time job, she could not afford to pay a lot out of pocket for specialist doctor visits. With help from an **in-person assister**, she selected a plan with no deductible that covered the services she needed and created a monthly budget to figure out what she could afford. During the year, Tanisha received guidance on how to use her coverage through a **text message program** that she subscribed to through her school, which helped her understand the importance of finding an in-network provider. The majority of her mental and physical health care was covered in 2014, saving her money over the course of the year. In December 2014, Tanisha knew that she needed to go back to the marketplace to explore her options during open enrollment because of several **email and phone call reminders** from the assister that originally helped her. Tanisha used an **online plan comparison tool** and found coverage with a lower premium and comparable deductible that would meet her health care needs and budget for 2015.



Generally speaking, people do not need to be health insurance experts to purchase and retain coverage, but like Tanisha in the example above, they do need effective

tools and resources at the appropriate times to make informed decisions so that they can maintain their coverage over time.

Findings on Health Insurance Literacy From the Second Open Enrollment Period

Enroll America’s 2015 Post-Open Enrollment Survey

To better understand the more than 1.2 million consumers on the Get Covered America email list and their experiences looking for and obtaining health insurance, all subscribers were invited to take an online survey after the end of open enrollment in 2015.¹⁰ Although the survey is not nationally representative, the results nevertheless provide insight into the needs of the uninsured and recent enrollees surrounding health insurance concepts and using coverage.^{11 12}

48%
Almost half of the uninsured lack confidence in choosing a plan for themselves.

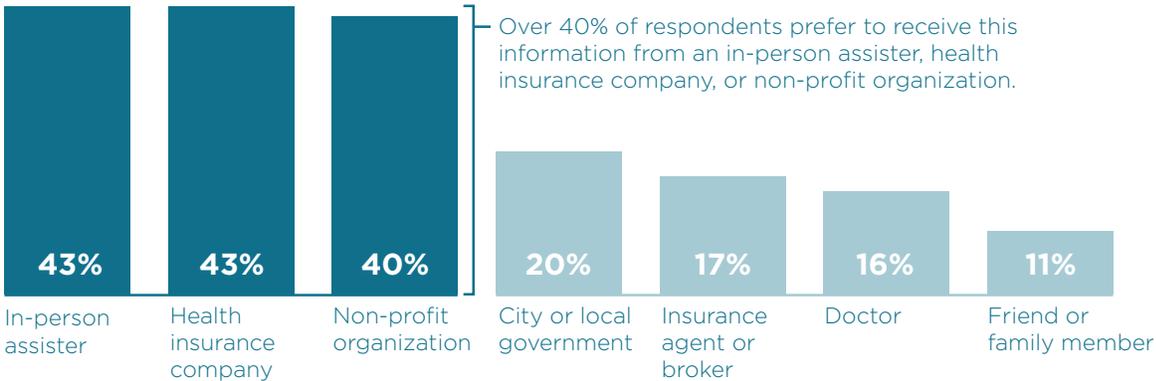
68%
Two-thirds of the uninsured want more information about health insurance terms.

The Uninsured Were Less Confident About Plan Selection and Wanted More Information

Almost half (48 percent) of the uninsured expressed a lack of confidence in choosing a plan for themselves in the future. Two-thirds (68 percent) reported that they wanted

more information about health insurance terms from at least one of the following sources: in-person assisters (43 percent), health insurance companies (42 percent), and nonprofit organizations (40 percent). (See Figure 1.)

Figure 1. Who Do the Uninsured Want to Receive Information From on Health Insurance?



Marketplace Enrollees Were More Confident Than the Uninsured About Plan Selection But Still Want More Information About Health Insurance

Marketplace enrollees — those new to the marketplace and those renewing coverage in 2015 — reported being very or somewhat confident about their ability to choose a plan that would meet their needs and budget at a rate 21 percentage points higher than the remaining uninsured. The experience of enrolling may instill a degree of confidence in the plan comparison process. However, similarly to the uninsured, a significant proportion of marketplace enrollees reported still wanting more information about health insurance.¹³ This is consistent with survey research released by the National Health Council in April 2015, which found that only 42 percent of marketplace enrollees who purchased Gold plans, 37 percent of marketplace enrollees who purchased Silver plans, and 24 percent of marketplace enrollees who

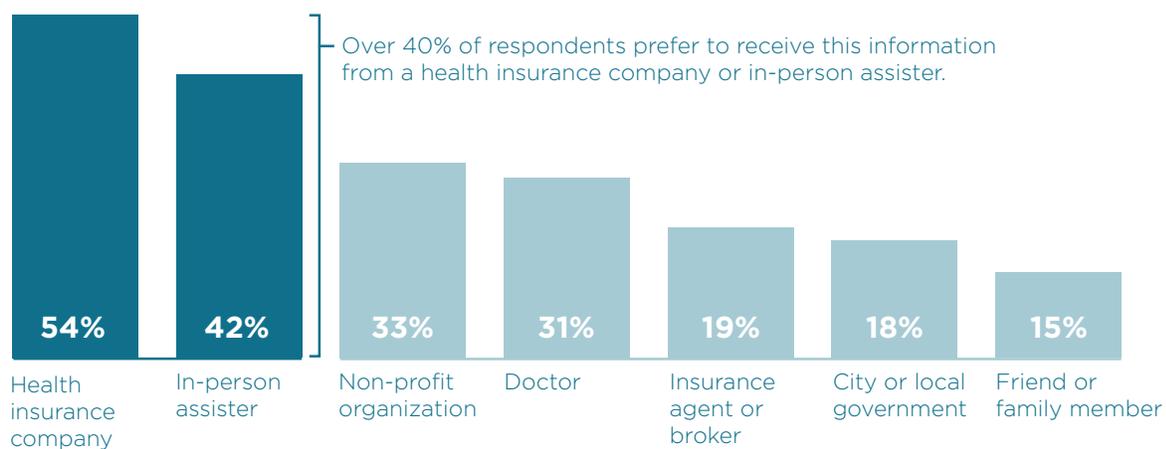


9 out of 10
marketplace enrollees want more information about how to use their coverage.

purchased Bronze plans reported having the information they needed when selecting coverage.¹⁴

Furthermore, almost 90 percent of marketplace enrollees wanted more information about how to use their coverage. The majority wanted this information from their health insurance company (54 percent), an in-person assister (42 percent), or a nonprofit organization (33 percent). (See Figure 2.)

Figure 2. Who Do Marketplace Enrollees Want to Receive Information From on How to Use Their Coverage?



Some Marketplace Enrollees and Uninsured Individuals Reported Not Wanting to Receive Any Information About How Health Insurance Works

Not surprisingly, some respondents reported not wanting to receive information about how health insurance works. For some, this may be because they were more confident about their knowledge of health insurance concepts to begin with: Among the uninsured and marketplace enrollees, those that reported not wanting more information were more likely to report that they knew the definitions of complex health insurance terms, such as cost-sharing and co-insurance (42 percent and 28 percent, respectively). However, this does not mean that respondents actually knew these definitions. Research conducted by the American Institutes for Research found that individuals are often overconfident about their understanding of health insurance terms and concepts.¹⁵

It is also just as likely that some individuals reported not wanting this information because they do not want to know the ins and outs of health insurance until they actually use their coverage — when looking for a doctor in their provider network or when trying to understand their explanation of benefits after a health care visit, for example.

Additional Findings: Definitions of Health Insurance Terms and Concepts Sent by Email Did Not Significantly Affect Consumer Behavior or Self-Reported Knowledge

During OE1, the biggest enrollment gains were among consumers who could be reached by both phone and email:

Consumers who received phone and email follow-up enrolled at a 10 percent higher rate than a control group that was not contacted by email.¹⁶ And email remains an effective way to engage and educate consumers on the availability of affordable coverage.

During OE2, Enroll America conducted a randomized controlled test to determine whether providing information about health insurance terms and concepts through email would motivate consumers to take action or improve their confidence about related terms and concepts.¹⁷ For the HIL test, individuals that subscribed to emails through Get Covered America were divided into two groups. Individuals in the test group received six emails over six weeks with information on health insurance concepts in addition to Get Covered America's standard email content about affordability, enrollment deadlines, and in-person help. (See Appendix for HIL email content.) Individuals in the control group continued to receive standard email communication from Get Covered America that did not include more detailed health insurance information. The test group received emails with information that consumers were less likely to know, such as cost-sharing and provider networks, based on findings from the Kaiser Family Foundation survey conducted in November 2014.¹⁸ Then, all subscribers were invited to take an online survey after the end of open enrollment.

Compared to members of the control group in the HIL test, individuals that received

Simply providing written information in plain language is not enough to move the needle on HIL.

emails with HIL content did not report any measurable difference in knowledge or enrollment status. Furthermore, between the two groups, there was no measurable difference in consumer behavior. These findings, while not nationally representative, suggest that even though consumers desire more information about health insurance and how it works, simply providing written information in plain language is not enough to move the needle on HIL.¹⁹ (See discussion on page 7.)

Discussion and Recommendations

Sending emails or distributing fliers with HIL-specific content to newly enrolled consumers is not sufficient. While further testing in this space is needed over a longer period of time, the results from the HIL survey and the HIL email test indicate that in order to make measurable progress on HIL, organizations will need to explore various methods of information sharing through a broader lens, and follow up with consumers to determine what the most effective methods of engagement were that helped them select a plan and keep coverage.

Consumers need information and tools that will help them make informed choices at the appropriate decision-making points (e.g. when selecting a plan and when using their coverage). Sharing personalized information with consumers will likely have the greatest impact on

consumer knowledge, confidence, and retention. During OE1 and OE2, personalized information (e.g. using the Get Covered Calculator to give individuals an estimate of their premium cost with financial help) had the most powerful effect on consumer behavior.²⁰ However, in order to share personalized information with consumers about health insurance and how it works, information about provider networks and formularies needs to be more readily accessible to consumers and stakeholders working to improve retention and consumer comprehension. The U.S. Department of Health and Human Services (HHS) is taking steps in this direction by requiring health insurance issuers operating in federally facilitated marketplace states to submit formulary information to HHS in a machine-readable format for the 2016 plan year, and has increased provider network transparency requirements that will require health insurance issuers to submit data to HHS in a standardized format.²¹

Not all consumers will want to receive information on health insurance and how it works, but they might still benefit from well-placed tools that provide the right information at the right time. Therefore, it is just as important that tools, such as a plan comparison tool that helps consumers compare costs and benefits across plans, are made available at the appropriate times — without the consumer having to ask — during enrollment and renewal. This way, individuals who are interested in finding

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and keeping coverage, but who do not necessarily want to learn about complex health insurance terms and concepts, still have the information they need to make informed decisions.

The enrollment community must empower the remaining uninsured with tools and well-timed information to help them shop for and enroll in coverage that meets their needs and budget. This being said, because health insurance terms and concepts do not necessarily motivate individuals to take action to enroll, stakeholders should focus on first providing information to the uninsured that motivates them to explore their coverage options — information surrounding financial help, for instance — and then consider when and how (e.g. during an appointment with an in-person assister) to provide more granular information on health insurance.

Health insurance issuers, in-person assisters, relevant nonprofit and community-based organizations, providers, and county and local government are key players in improving health insurance literacy. These stakeholders will need to collaborate more in the future in order to ensure that consumers receive the information and support they need at the right time, depending on where they are in health coverage continuum (uninsured, shopping for coverage, or enrolled).

Conclusion

To keep America covered, the outreach and enrollment community has a large role to play in identifying the best

Five-Point Framework for Future Work on Health Insurance Literacy

1. Understand the most persistent HIL knowledge gaps among the remaining uninsured and newly enrolled.
2. Define what information consumers value about health insurance and how to use coverage.
3. Uncover the best times to expose consumers to information about health insurance in order to positively affect their behavior (e.g. when shopping for coverage or during the coverage year).
4. Discover how and under what circumstances consumers are interested in receiving new information about health insurance and how to use coverage.
5. Determine what messengers consumers want to hear from about health insurance and how to use coverage (family, doctor or other health care provider, in-person assister, health insurance company, etc.)

methods for engagement on HIL. This effort will require continued attention so that consumers receive the information they need — at the appropriate times and with tested messages and mechanisms for information-sharing — to empower them to make informed decisions about plan selection and to help them keep their coverage.

Appendix

The screenshots below show two of the six health-insurance-specific emails that were sent to consumers in the HIL test group. To see all health-insurance-specific emails sent to the HIL test group, visit www.enrollamerica.org/hil-emails.

To: First Last <user@example.com>
From: Get Covered America Team <admin@getcoveredamerica.org>
Reply-To: admin@getcoveredamerica.org
Subject: Words to know before you enroll



**GET COVERED.
STAY COVERED.** 

Hey there,

It's time to get serious about shopping for health insurance. [The February 15th deadline will be here before you know it!](#)

Before you shop, here are a few terms to know:

- **Premium:** The amount you pay each month to your insurance plan
- **Deductible:** The amount of your medical costs you pay each year before your plan begins to pay
- **Coinsurance:** The percentage of your medical costs you pay once you've met your deductible
- **Co-pay:** The set amount you pay per visit

Depending on how much money you make, you might qualify for financial help with your monthly cost. You may also be able to get lower deductibles, coinsurance, and co-pays if you qualify for a "cost-sharing reduction."

[Want to learn more about out-of-pocket costs before you shop?](#)

[Learn More](#)

More soon,
The Get Covered America team

To: First Last <user@example.com>
From: Get Covered America Team <admin@getcoveredamerica.org>
Reply-To: admin@getcoveredamerica.org
Subject: How to pick a plan



**GET COVERED.
STAY COVERED.** 

Hey there,

Time is running out to enroll in Obamacare! February 15th is the last day to sign up, or you might have to pay a fine.

[But how do you choose the right plan? There are four types of plans: Bronze, Silver, Gold, and Platinum.](#)

- Most Bronze plans have lower monthly premiums. But you will likely have a higher deductible, so you'll pay more when you visit the doctor or fill a prescription.
- Most Platinum plans have higher monthly premium but will likely have lower deductibles. If you choose a Platinum plan, you will likely pay less when you go to the doctor or fill a prescription.
- Silver and Gold plans fall in the middle.

[Want to learn more about the plan types available?](#)

[Learn More](#)

More soon,
The Get Covered America team

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Endnotes

¹ A working definition of HIL was developed in 2011 by a roundtable of experts convened by Consumers Union: “HIL measures the degree to which individuals have the knowledge, ability, and confidence to find and evaluate the information about health plans, select the best plan for their financial and health circumstances, and use the plan once enrolled.” Consumers Union, Measuring Health Insurance Literacy: A Call to Action, February 2012. Available online at: http://consumersunion.org/pub/Health_Insurance_Literacy_Roundtable_rpt.pdf.

² Enroll America, State of Enrollment: Helping America Get Covered and Stay Covered, 2014-2015, February 2015. Available online at: http://www.enrollamerica.org/soe_report_2015/.

³ Enroll America & PerryUndem, Voices from the Newly Enrolled and Still Uninsured: A Survey about the ACA’s First Open Enrollment Period, July 2014. Available online at: <http://www.enrollamerica.org/resources/public-education/voices-from-the-newly-enrolled-and-still-uninsured/>.

⁴ Ibid.

⁵ Data is from an Enroll America follow-up survey of consumers who interacted with the Get Covered America campaign during open enrollment. June 2014.

⁶ Ibid.

⁷ Kaiser Family Foundation, Assessing Americans’ Familiarity With Health Insurance Terms and Concepts, November 2014. Available online at: <http://kff.org/health-reform/poll-finding/assessing-americans-familiarity-with-health-insurance-terms-and-concepts/>; Enroll America and PerryUndem Research, Voices from the Newly Enrolled and Still Uninsured: A Survey about the Affordable Care Act’s First Open Enrollment Period, op. cit.; Consumers Union, Measuring Health Insurance Literacy: A Call to Action, op. cit.

⁸ This scenario is for a 27-year-old non-smoker with an annual income of \$23,000 living in Hillsborough County, Florida, and represents the actual premium and deductible of a Bronze plan in the service area for the 2015 plan year.

⁹ This scenario is for a 27-year-old non-smoker with an annual income of \$19,000 living in Hillsborough County, Florida, and represents the actual premium and deductible of a Silver plan in the service area for the 2015 plan year.

¹⁰ Get Covered America is Enroll America's consumer-facing campaign.

¹¹ Enroll America's post-open enrollment survey (n=1,617). February 28 - March 4, 2015. Respondents are more likely to be over 55, female, and White (non-Hispanic). Full analysis is available upon request.

¹² Those most likely to be uninsured are young adults, Latinos, and African Americans. New York Times, Obama's Health Law: Who Was Helped Most, October 2014. Available online at: <http://www.nytimes.com/interactive/2014/10/29/upshot/obamacarewho-was-helped-most.html>.

¹³ Enroll America's post-open enrollment survey, op. cit.

¹⁴ National Health Council, What Patients Think About & Want From the Insurance Marketplace, April 2015. Available online at: <http://www.nationalhealthcouncil.org/sites/default/files/Measuring-Patient-Experience-in-Exchanges.pdf>.

¹⁵ American Institutes for Research, A Little Knowledge Is a Risky Thing: Wide Gap in What People Think They Know About Health Insurance and What They Actually Know, October 2014. Available online at: http://www.air.org/sites/default/files/Health%20Insurance%20Literacy%20brief_Oct%202014_amended.pdf.

¹⁶ Enroll America, State of Enrollment: Helping America Get Covered and Stay Covered, 2014-2015, op. cit.

¹⁷ The results from this test are from a survey taken by participants in the HIL experiment (n=972). February 28 - March 4. Full analysis is available upon request.

¹⁸ Kaiser Family Foundation, Assessing Americans' Familiarity With Health Insurance Terms and Concepts, op. cit.

¹⁹ Knowledge and enrollment were assessed in an online follow-up survey after the end of open enrollment in 2015. Knowledge was based on self-reported confidence surrounding health insurance terms and concepts, and enrollment was based on self-reported coverage status. Consumer behavior was measured by the number of emails that were opened, the number of individuals that unsubscribed from the Get Covered America email list, and the percentage of individuals that moved on to start the enrollment process.

²⁰ Enroll America, State of Enrollment: Helping America Get Covered and Stay Covered, 2014-2015, op. cit.

²¹ Department of Health and Human Services, Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2016, February 2015. Available online at: <https://s3.amazonaws.com/assets.enrollamerica.org/wp-content/uploads/2013/11/HHS-Notice-of-Benefit-and-Payment-Parameters-for-2016.pdf>.

