

# Health Insurance and YOU:

Providing Health Insurance  
Resources and Interactive Tools

# Major Trends Affecting Consumers

## Big Market and System Changes

- Affordable Care Act
- Cost Containment vs Quality/Value
- Growth of Consumer Driven/High Deductible Health Plans



## Cost-Shifting to Consumers

- Premium Contributions
- Deductibles
- Copay/Coinsurance

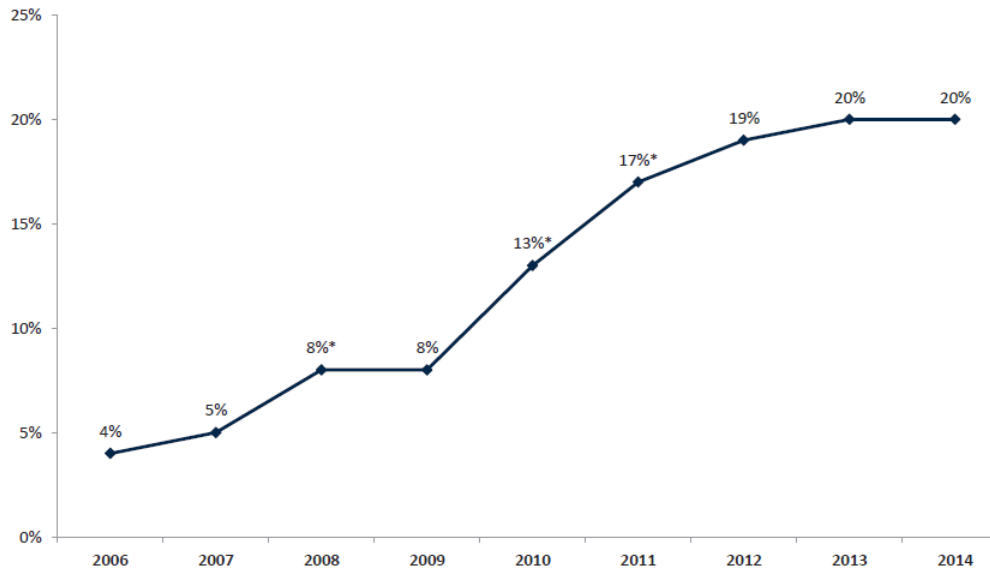
## Changing Delivery Models

- Alternative Care Settings
- Shared-Risk Arrangements
- Patient Engagement



# Growth in Enrollment in HDHPs Signaling Consumers Taking on Increased Responsibility for the Cost of Their Health Care

Percentage of Covered Workers Enrolled in Either a HDHP/HRA or HSA-Qualified HDHP, 2006-2014



\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).  
SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2014.



- About half of large employers offer a CDHP today, 6% have moved to “full replacement”
- Nearly three-fourths (73%) say they will have a CDHP in place within 3 years, 20% say it will be the only choice available to employees

Source: Survey predicts health benefit cost increases will edge up in 2015, Mercer, September 11, 2014

# Consumers Increasingly Becoming More Accountable for Health Care Purchasing Decisions Beginning With Deciding What Level of Coverage They Need

## Health Insurance Marketplaces (State Exchanges)



By 2016, it is expected that 24M will be purchasing coverage through the Health Insurance Marketplaces

## Private Exchanges

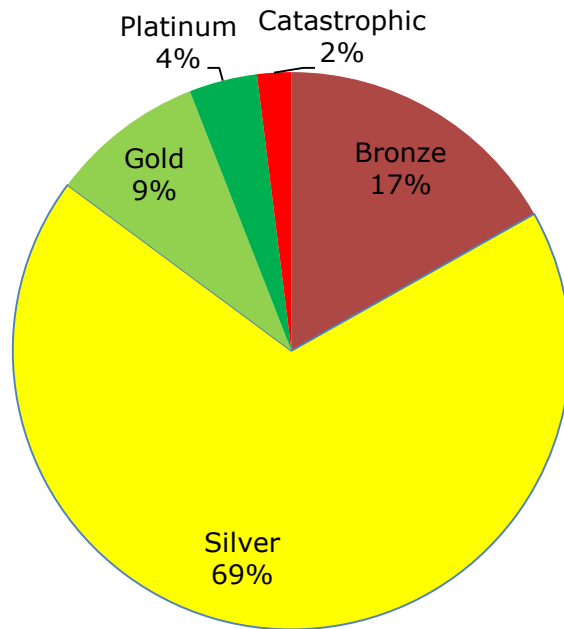


By 2016, it is expected that between 20 and 35M will be enrolling in coverage through Private Exchanges

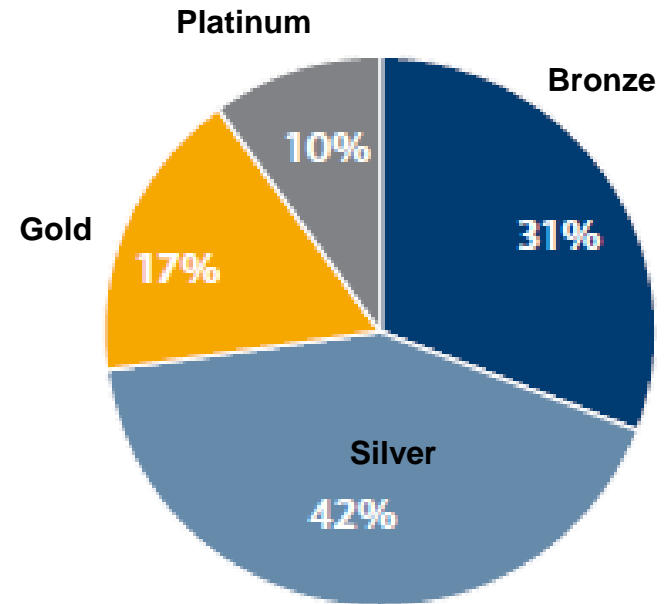
Source: CBO, Updated Estimates of the Effects of the Insurance Coverage Provisions of the Affordable Care Act, April 2014; Examining Private Exchanges in the Employer Sponsored Insurance Market, Kaiser Family Foundation, September 2014

# State and Private Exchanges Are Expected to Accelerate Enrollment in High Deductible Plans

## 2014 Enrollment in State Exchanges



## Aon 2014 Corporate Exchange Results



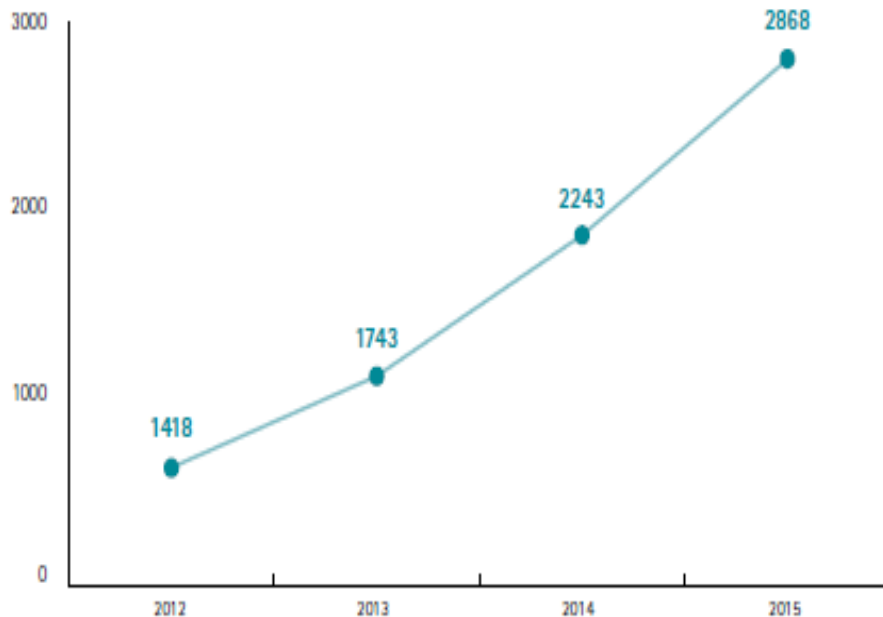
Source: Health Insurance Marketplace: Summary Enrollment Report for the Initial Annual Enrollment Period, ASPE, May 2014

Source: Year-Two Enrollment Results Show Private Health Exchanges Can Mitigate Costs and Create Greater Individual Accountability, Aon

# Urgent Care and Retail Clinics Availability Will Give Consumers More Choices of Where to Go For Primary Care Needs

## Projected Growth in Retail Clinics

20-25% growth from 2013 to 2015



Source: Accenture Analysis

Source: Accenture, 2013  
<http://199.200.17.56/SiteCollectionDocuments/PDF/Accenture-Retail-Medical-Clinics-From-Foe-to-Friend.pdf>



## Growth of Urgent Care

**9,000 urgent care centers in the United States**

40% expect to expand or add a new site

85% expect to see new patient growth

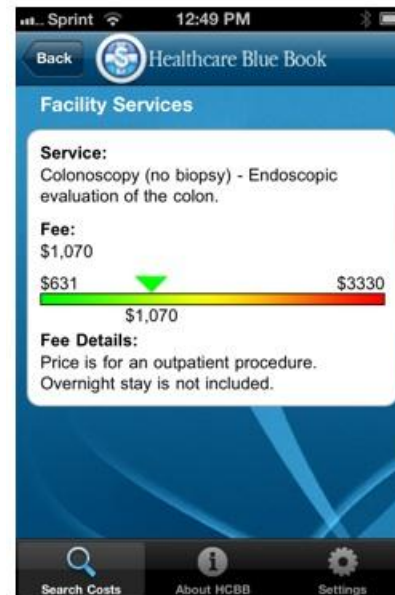
50% are free standing

50% are in retail shopping centers

Source: Data from Urgent Care Association of America (2012) and National Association of Ambulatory Care

# As Consumer Out-of-Pocket Costs Increase So Does the Need for Meaningful Price Information

- Much work remains to ensure that the majority of residents in the United States have access to essential information on prices of health care
- Tools are beginning to emerge that may help consumers



Source: Report Card on State Price Transparency Laws, Catalyst for Payment Reform/Healthcare Incentives Improvement Institute, March 2014

# For Consumers: It's Hard to Know Which Way to Turn



- Consumers are ill-prepared to navigate the health care marketplace
  - Only 44% of consumers targeted by the Health Insurance Marketplaces understand all 5 basic health insurance terms related to cost<sup>1</sup>
  - Only 23% understand the difference between HDHP, Preferred Provider Organization, and Health Maintenance Organization plan designs<sup>2</sup>
  - Only 30% of consumers with a Health Savings Account understand what it is or how to use it<sup>2</sup>
- Tools and resources to help people shop for health care are still emerging. Many are not aware or don't know how to use them
  - Price Transparency
  - Quality Information
  - Value Assessments

1. Public Understanding of Basic Health Insurance Concepts on the Eve of Health Reform (Five basic terms: Premium, Deductible, Copayments, Coinsurance, and Maximum Annual Out-of-Pocket Spending), Health Reform Monitoring Survey, Urban Institute, Health Policy Center, December 2013. 2. Alegeus Technologies, [www.alegeus.com/resources/infographics/2014-consumer-and-employer-healthcare-benefits-surve](http://www.alegeus.com/resources/infographics/2014-consumer-and-employer-healthcare-benefits-surve). Accessed October 28, 2014.



# Health Literacy and Health Insurance Literacy

## Health Literacy<sup>1</sup>

Capacity to obtain, process, and understand basic health information and services needed to make appropriate health decisions

More than half of the uninsured American adults have either basic or below-basic health literacy.<sup>2</sup>

## Health Insurance Literacy<sup>3</sup>

Capacity to find and evaluate information about health plans, select the best plan given financial and health circumstances, and use the plan once enrolled

Many individuals will be buying health insurance for the first time.<sup>3</sup>

***Enrollment in a health insurance plan is a complex task.<sup>3</sup>***

1. Ratzan SC et al. Introduction. In: *National Library of Medicine Current Bibliographies in Medicine: Health Literacy*. NLM Pub. No. CBM 2000-1. 2. Martin LT et al. *JAMA*. 2011;306:874–875. 3. American Institutes for Research. Developing a measure of health insurance literacy: understanding consumers' ability to choose and use insurance, Issue Brief February 19, 2013.

# Consumers React With a Range of Emotions



**Confused**

**Embarrassed**

**Frustrated**

**Angry**

**Fearful and Afraid**

***“My doctor tells me to get an Rx, the pharmacy says it’s not covered. The insurance company tells me I can’t have a drug I’ve been taking for years? Nobody is clear and I still need my medication.”***

# CONFUSED

## People can't understand the changes to their plans

- Confusion can happen at any stage of the process but almost always at the time a policy first changes.
  - Many people claim that the information provided about the policy change was difficult to understand.
  - They also claim that information is sometimes conflicting.
    - *“The whole system is confusing. My doctor tells me to get a prescription, the pharmacy says it’s not covered. The insurance company tells me I can’t have a drug I’ve been taking for years? Nobody is clear and I still need my medication.”*
- For those who are new to Rx deductibles, there is confusion over how the deductible works and how this would impact the cost of their prescriptions before the deductible was met.
  - *“I don’t know what my deductible is. I just know I haven’t met it. My \$20 prescription turned into \$125!”*



# EMBARRASSED

## People don't want others to see their plight

- Even those who know about a policy change can be totally unprepared for the actual increase at the time of purchase.
  - *“I found out at the pharmacy. I knew the cost would increase but not the actual cost. I didn't have the money; I was embarrassed. There were people in line behind me. I just paid on credit card.”*
- Shame can also come into play.
  - *“I was embarrassed that I let myself get this way.”* (Referring to her diabetes.)



# FRUSTRATED

## People feel out-of-control

- When consumers cannot obtain concrete answers or find help, they feel very frustrated
  - *“I never really had the time to call and have my insurance explain it to me. I asked several coworkers but they didn't know how it worked either. Plus, most of them were on their spouses' insurance, which was not with my employer.”*
- They are also frustrated when policy changes happen without warning:
  - *“I am frustrated. I was never notified of the new deductible. I always paid a percentage of my prescription cost and now I have to pay the full amount until the deductible is met.”*



# ANGRY

## People feel angry when:

- First learning about the increase, and they can be quick to point fingers.
  - *“I was very upset and called the insurance company. I couldn't believe the cost went up so much.”*
- They find out the actual amount of the increase, often at the pharmacy.
  - *“I was surprised; I hadn't heard about the deductible on prescriptions. I found out about the deductible at the pharmacy. Not cool.”*
  - *“I am angry. You work hard but you can't afford not to have insurance.”*
  - *“It kills you to be sick!”*



# FEARFUL

## People are worried

- Some fear how they will manage increased costs NOW.
  - *“I’m scared. No one knows how high costs will go.”*
- Most fear how they will manage costs in the FUTURE.
  - *“Getting older and needing more meds is the big fear. Also, retiring or worse, losing my job. Without my health insurance my meds would cost in the thousands. Then I would probably just have to stop taking them.”*
- Some fear how these decisions will impact their health.
  - *“I tried to spread it out by not taking it as directed to make it last, and suffered health problems. There was nothing else I could do at the time.”*



# RESPONSE:

## Help Consumers Understand Health Insurance

The screenshot displays the MerckEngage website interface. At the top, there is a navigation bar with the MerckEngage logo, social media share buttons, a search bar, and links for 'Merck products & resources', 'For health care professionals', 'En Español', and 'Log in'. Below this is a secondary navigation bar with categories like 'Health Planning', 'Condition Library', 'Healthy Conversations', 'Caregiving', 'Medicine Matters', and a 'View our YouTube Channel' button. The main content area features a large heading 'I am here to learn about:' with a subtext '(select one to get started)'. Below this heading is a grid of clickable options: 'Special offers', 'Reaching my weight goal', 'Eating well, feeling well', 'Living with diabetes', 'Vaccines information', 'Health insurance', 'Another condition', 'Staying on track with my medicine', 'Merck products', and 'Recursos en Español'. A 'GoodStart' banner offers 'Free positive health messages when and how you want them.' with 'Sign up' and 'Sign up with Facebook' buttons. To the right, there is a purple box titled 'MerckEngage Health Support for ME.' listing benefits like recipes, tracking tools, and articles. Below that is a blue box titled 'Health Insurance' with a cartoon character holding a sign that says 'KNOW YOUR HEALTH INSURANCE'. It includes text about needing help choosing a plan and understanding costs, and a call to action to visit 'KnowYourHealthInsurance today!'.

### Support Informed Choices

- Leverage Merck’s consumer-facing platform [www.MerckEngage.com](http://www.MerckEngage.com)
- Emulate best-in-class online resources
- Use entertaining and interactive tools to teach consumers about options aligned with their families’ financial and health care needs
- Use “responsive design” for viewing on tablet and smartphone platforms
- Available in Spanish



# MARKET SCAN:

## Emulate best-in-class online resources

**There is an overwhelming number of sources dealing with health insurance**

**No one clear model to follow – no real “Best In Class”**

None of the sites we assessed scored consistently high on all evaluation criteria

**Those with a vested interest scored best**

The best examples came from private insurers and those who had a specific action they wanted the HCC to take:

- AARP/GoLong
- Health insurance providers
- Healthcare.gov

**Few educational sites scored well**

- One exception—Rite Aid/ACA

**Employer benefits often offer valuable tools to their employees**

- HooPayz and Choicelinx

**Audit validates the need for an effective, nontransactional resource**

# Know Your Health Insurance

## A Consumer Guide to Health Insurance

Based on 4 questions that help consumers select and use a plan:

1. What are my choices?
2. How do I get it?
3. What will it cost?
4. How do I use it?



**Plus:** Help, guidance, and definitions from:

- Frequently Asked Questions
- Glossary of common terms and acronyms



# What Are Your Choices?

**Consumer Insight:** “Saw a silly ad for a health insurance company with the headline: ‘Are you confused about today's health care choices?’ Who is NOT confused?”

## Get Started With Information on:

- Where to get coverage
- The types of plans available
  - From employers and private insurers
  - On the Public Exchanges
  - From government sources
- What plans might be right
- And, why get health insurance?





# How Do I Get It?

**Consumer Insight:** “So I really, really need some advice. Is there anything I can do to get other insurance? Additional insurance? **BETTER** freaking insurance?”

## Where to Go for Coverage:

- Who to get coverage from
  - With help from “Tina” 
- When to sign up
  - Employer-sponsored plans
  - Public Exchanges
  - Government sources
- What I need to begin enrollment
  - Personal information
  - Health history
  - Names of current doctors and medicines





# What Will It Cost?

**Consumer Insight:** “I’m embarrassed to admit it, but I don’t know what my deductible is. Or if I even have one. Maybe I have a coinsurance?”

## Help Deciphering Who Pays for What:

- What kinds of fees might I have to pay
  - Premiums
  - Deductibles
  - Copays and Coinsurance
  - Out-of-pocket maximums
- Picking a plan that makes sense
- Why it is important to consider the total cost of coverage, including:
  - Premiums
  - Out-of-pocket costs





# How Do I Use It?

**Consumer Insight:** *“I never really had the time to call and have my insurance explain it to me. I asked several coworkers but they didn't know how it worked either.”*

## Putting Coverage to Use:

- What services are covered
  - 10 essential health benefits
  - Prevention and wellness services
- How to use your plan for different kinds of care
- What's on my card
  - Defining terminology
  - Clarifying out-of-pocket expenses
- Where to receive care



# “Know Your Health Insurance”



WHAT ARE  
MY CHOICES?

HOW DO  
I GET IT?

WHAT WILL  
IT COST?

HOW DO  
I USE IT?

FAQS

GLOSSARY



Hi, I'm your guide Tina

When you understand how  
**HEALTH INSURANCE WORKS,**  
you can make it work for you.

▶ Ask Tina to help you find a plan

Get help choosing what type of plan might work for you by asking Tina to take a look at your options