



# **Ideas to Simplify the Shopping Experience**

## **Insights from 5 Focus Groups with Marketplace Consumers**

August 2016



# **purpose.**



The goal of this research was to hear feedback from diverse Connect for Health Colorado consumers on many aspects of their health insurance and care. The study explored consumer satisfaction with their health plans, their experiences using services, the factors they weigh when choosing health insurance, and how they are feeling about their health insurance costs.

In addition, the study tested three new ideas designed to simplify the shopping experience and help consumers choose a health plan. These ideas include:

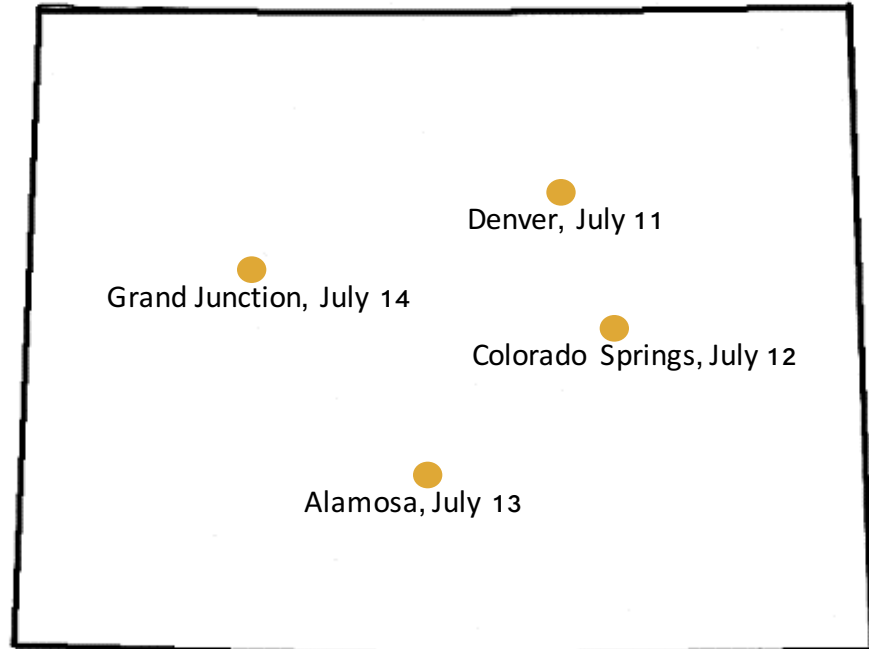
1. Streamlining the number of health plans offered so that consumers are not overwhelmed and unable to make good choices;
2. Offering plans that exempt some services from the deductible so that consumers do not put off care and are better able to predict their costs; and
3. Offering Consumer-Centered Benefit Design plans in order to standardize plan costs so that consumers can make apples-to-apples comparisons between plans.

Findings can be found on the following pages.

# methods.

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- Five two-hour focus groups.
- All participants are enrolled in health plans through Connect for Health Colorado.
- We held two groups in Denver and one group each in Colorado Springs, Alamosa, and Grand Junction.
- 36 consumers participated in all.
- We recruited consumers who have used health services – many have chronic health conditions.
- Consumers represented a mix of ages, race, parent/non-parent, type of plan, metal level (bronze, silver, gold).



# 15 takeaways.

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1. The marketplace consumers in the study are cost-conscious. Money is tight for many of them. This drives their thinking about health insurance.
2. Having health insurance is important. They plan to keep their insurance. Many have ongoing health needs and so view coverage as a “must have.” Avoiding the fine matters too.
3. They give mixed reviews of the enrollment process. Many who enrolled more recently or used a broker said the process was easy. Some of those who enrolled two or more years ago say the process was complicated, required too much back and forth, and took too long.
4. Most are not experiencing access problems. They are getting the care they need. Provider networks are sufficient.
5. Many say they are getting preventive care, which is good news. A large number say their plans are promoting these services. Many know these services are free, but others are still confused about this.

# 15 takeaways.

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6. Many consumers feel stretched by their health insurance costs. Their premiums are affordable, for the most part, but a number complain of costs they incur when they start using services – paying for services not covered by their deductible or having to pay copays. Some still seem to be learning about their health insurance and what the different costs are beyond just the premium.
7. Many are also still learning about their plan’s deductible. They are not sure what counts against it. It is causing some to put off care – they do not want to incur costs they cannot afford.
8. Some found choosing a health plan difficult, some did not. Those using a broker found the process easier.
9. Many in Denver felt overwhelmed by their many plan choices on Connect for Health Colorado. They found it hard to differentiate between plans. Most consumers in Alamosa, Colorado Springs, and Grand Junction did not feel they had too many plan choices.
10. Cost drove their plan choice – the premium, the deductible, the copays, and the maximum out of pocket costs. For some, keeping their doctor was also important.

# 15 takeaways.



11. Most say the renewal process went smoothly. Many shopped while others just stayed with their current plans. None reported problems, although a few said their former plan was no longer offered so they were forced to choose another plan.
12. Most do not trust insurance companies. They feel they try to find ways not to cover services, or to charge them more.
13. Many appreciate Connect for Health Colorado. They trust you to be on their side.
14. The majority want you to try to simplify the plan choice process and improve how plan information is displayed.
15. However, some are wary of you overstepping your bounds, getting too involved in the insurance marketplace.

# feedback on ideas.

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## **Streamlining plan choice.**

Many support streamlining the number of plans offered on Connect for Health Colorado. The majority of these consumers live in the Denver metro area where they feel they have too many plan choices currently. Generally, across sites, consumers want between 3-15 plans to choose from – anything more than this can be too confusing. But keep in mind that consumers in Alamosa, Colorado Springs, and Grand Junction worry about having *too few* choices in the future.

## **Offering plans that exempt services from the deductible.**

Most consumers across the sites support this idea. Many said they would consider purchasing these plans (even if they cost more) because they find their deductibles confusing and these plans could simplify things. Some also say that having this kind of plan would mean they would feel more comfortable getting care when they need it – rather than putting it off because of cost concerns.

# feedback on ideas.

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## **Offering Consumer-Centered Benefit Design plans to standardize some services and costs.**

Consumers are torn on this idea but lean positive. It was hard to explain and some never really understood the concept. What they like most: the apples-to-apples comparisons will make choosing a plan easier. But a few worry that Connect for Health Colorado is overreaching by requiring plans to standardize their costs. A few react negatively because it seems to be a “one size fits all” approach which lumps all consumers into one kind of plan. Others are worried that adding standardized plans to the marketplace will be too confusing. Finally, a few fear this approach will lessen competition in the marketplace or increase their costs. But most are able to work through their concerns. They see the advantages to standardizing some basic costs between plans. They are also surprised to hear other states have implemented this idea. In the end, many suggest Connect for Health Colorado “try this idea” to see how it works but others remain skeptical.



**general findings.**

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# their lives.



Many of these consumers are financially struggling. Money is tight. Some live paycheck to paycheck and they are worried about paying bills.

Their employment is often in flux and their incomes change. Many were hit hard during the recession – losing jobs, having hours cut back at their job, losing a business, or forced into an early retirement. A number say they have not recovered.

They have a mix of family situations. Some are married, others are single or recently divorced. Many also have children. They want to provide for their children, but it is difficult for some.

Most really appreciate the natural beauty and the laid back lifestyle of their communities. They value what Colorado has to offer.

But the cost of living is a concern – particularly for Denver consumers. Rising housing and rent prices are hurting these individuals. It has forced some to move further out into the suburbs of Denver. They feel a lot of people are moving into their state.

Consumers in Colorado Springs, Alamosa, and Grand Junction worry about the current economic conditions in their communities. They say their towns have not recovered from the recession. Jobs are still hard to come by; some are trying to support their families on a single income. They do not want to move away but feel they may have to if there are no new jobs.

## their health.

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We purposely recruited consumers who use a lot of health services and could give feedback on their experiences accessing care and on how well their insurance is working for them.

This means we heard from a number of people with serious health conditions: cancer, heart disease, high cholesterol, diabetes, knee and hip problems, high blood pressure, lingering issues from child birth, and other health concerns.

We also heard from a number of consumers with mental health needs such as anxiety and depression.

These health conditions add to the instability they feel in their lives. They are finding it hard to get back on track, keep steady employment, and dig out of financial problems.

For these consumers, health insurance is a “must have.” They feel they cannot live healthy lives and move forward if they are uninsured. Many were determined to enroll in Connect for Health Colorado and they are equally determined to keep it.

*“I’ve had problems since I was a kid and five years ago...probably about six years...I started having problems with my gut more often...And they cut my whole colon out. I got an ostomy...The insurance, it doesn’t help with any supplies. I go through like \$600 worth of supplies a month.”*

*– Alamosa man*

# enrolling.

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These consumers enrolled in Connect for Health Colorado because they were losing their insurance, were already uninsured, or heard that plans on the marketplace cost less than they could get on their own or through COBRA.

They wanted the security of knowing they could get healthcare services, but many also enrolled to avoid the fine.

Enrolling went smoothly for some but others had problems. Those who enrolled recently or through a broker had an easier time.

Those who enrolled more than a year ago or who did the process on their own faced more difficulties. Some said they had to call the help line many times before their issues were resolved, had to resend in paperwork, or had to wait months before the process was completed.

Consumers spoke positively about brokers. They found their help and guidance useful.

*“I went through a broker and we discussed a couple different options...And he explained them all to me and we were on the computer together. That really helped.”*  
- Grand Junction woman

# choosing a plan.

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Some found choosing a plan difficult – others said it was easy. Those working with a broker found choosing a plan easier.

Many in Denver recall having to sort through a lot of plans that looked similar and were in the same price range. They found it hard to tell the difference between the plans. Some said they felt overwhelmed and just guessed in the end.

Those in Alamosa, Colorado Springs, and Grand Junction felt there were not too many plans to sort through. They said often they were just choosing between 3 to 5 plans in their price range.

The biggest factor in the choice was the premium amount. This is their first cost – they will be paying it monthly and they need to know they can fit it into their budgets.

But many also weighed the deductible, co-pays, and maximum out-of-pocket. They want to get the total picture of their costs. Many also should have been eligible for a cost sharing reduction, but only a few seemed aware of this option.

More experienced consumers seemed better able to weigh these costs (like the quote at the right shows), but others really just focused on the premium.

*“Doing the math saying ...deductible with this maximum out of pocket versus this deductible, you know, and breaking the calculator out a little bit trying to figure out what the worst case scenario could be.”*  
– Denver man

# choosing a plan.

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Provider networks were also an important consideration for some. They wanted to keep their primary care physician and a few wanted to keep seeing a particular specialist.

When shopping for plans, some said they called their physicians to make sure they accepted their coverage.

For a few, making sure the plan covers their prescription drugs was a top priority. They checked with the plan to make sure it covered their medication.

Some said they chose a carrier based on previous experiences (when they had employer sponsored coverage), or reviews/advice from family and friends.

A few said they considered the metal level of the plans when deciding. Many felt they understood the difference between metal levels (“bronze plans were less expensive”), but others were unsure.

Some parents chose plans based on their children’s healthcare needs. Knowing their children would need regular medical care, they chose plans that offered more comprehensive coverage.

# tax credit.

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Most of the consumers received a tax credit.

But a few were confused – the tax credit did not make a big impression on them and they were unclear how much their credit was or how it really worked.

Most appreciate their tax credit, saying insurance would not be affordable otherwise. Others say their premiums are still high even after the tax credit.

*“This is the first time in 20 years that we have paid this little for insurance... even when we worked with a major corporation. It would be \$1,300 a month [without the tax credit]. It'd be crazy. We wouldn't have [insurance], we just wouldn't have it.”*

– Denver woman

# renewing.



Most consumers say the renewal process was fairly straightforward and easy. Many again relied on their brokers for renewal advice.

Many said they shopped around during their renewal, and a few changed plans (mainly because their former plan was no longer offered).

Many said their premium went up from last year but most still kept their same plan because it worked for them.

These consumers appeared to gain confidence after the initial enrollment process and found choosing a plan much easier the second time around. They had a clearer sense of what they were looking for and what the costs would be.



# cost.

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While most say they are happy with their plans, they are less happy with their plans' costs. They feel stretched financially.

Most feel they can pay their premiums. Consumers choose plans based on premiums that they can afford. They pick options within their budgets. It is looked at as another monthly bill.

However, they say the “hidden” costs of health insurance make their plan seem less affordable. These are the costs they pay when they use services – the deductible, copays, and other cost-sharing. They say these costs add up and surprise them. These are costs they did not seem to fully understand or plan for when they enrolled.

Some also complain about the costs of their prescriptions. If they are taking numerous prescriptions, they say the copays add up.

Those with children particularly complain about their plan's copays.

*“Insurance is just kind of a necessary evil, it's expensive. We have a big family, we're always going to pay a good amount because we want decent coverage...but you pay.”*  
- Colorado Springs woman

# deductible.

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The deductible is a factor for consumers when choosing their health plans.

Still, deductibles seem difficult for these consumers to understand. Some believe they know how they work; others are unsure or do not know at all.

Some chose high deductible plans – hoping they would not really need services. When they do need care, they try to put it off or delay it in order to avoid the costs.

Those who access services more often feel like they have a better sense of what is included in the deductible and what is not. Some, though, were surprised by bills they received for services – thinking they would not count against the deductible.

*“I hate the idea that somebody stays home and doesn't go to the doctor because they don't feel like they can afford to do that and this. That's why it's called the Affordable Care Act. So if they can make it more clear to people, I feel that that would be beneficial because lots of people come from different insurance understanding.”*  
– Colorado Springs woman

# getting care.



Despite cost concerns, consumers are using their coverage and most are happy with their access to services and providers.

The majority are generally happy with their provider networks; they can get the care they need and see the providers they want to see.

In Alamosa and Grand Junction, it is a little more difficult. They have fewer options to choose from. There are fewer specialists and even primary care doctors.

Most have used a variety of other services. They have filled prescriptions, had lab tests and x-rays, gone to the ER or urgent care, and had surgery. A few have used mental health services. Most are satisfied with the care they received.

They appreciate that these benefits are available to them, although costs can add up.

Some also bought dental and vision coverage, and have used these services when needed. A few wish that more was included, but they are happy to have it.

# prevention.



Many are accessing preventive services. They are taking advantage of what is offered – and appreciate that these benefits are available to them.

Consumers have had physicals, well-woman visits, colonoscopies, and mammograms.

For those who have been uninsured recently, it is important to have access to preventive services. Some say they view these preventive services as long overdue “basic maintenance.”

Many consumers know that preventive services are covered for free by their plans, but a number of them do not know this. Also, there is confusion about which preventive services are free and which are not.

Many know preventive services are free because their health plans are promoting this.

A few consumers say they have been charged for services they thought were preventive. For example, at least two consumers say they must pay for birth control. A few others have been charged for a check-up because the conversation turned into a “sick visit.” They were unaware that they would be charged for this.

Many feel that if a preventive service or visit is going to incur a cost, they should be warned beforehand.

**feedback on ideas.**



# idea #1: streamlining plan choice.

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Consumers in the focus groups were asked the following: *Some states have considered changing the number of plans offered on the marketplace. What do you think about this idea? What are the possible advantages of having fewer plans offered? What are the disadvantages?*

Consumers' responses to this idea varied depending on where they lived in the state. Generally, across sites, the ideal number of plans to choose from seems to be between 3 and 15; anything more can be too confusing.

Those in Denver were more open to the idea of having fewer plan choices. Some Denver consumers said they had 15-25 choices in plans that looked similar.

These consumers said choosing between so many plans was tedious and overwhelming. Some say they had numerous plan choices that were within a few dollars of each other — they had difficulty telling the difference between plans.

As a result, many Denver consumers supported reducing plan redundancy on the marketplace (i.e., the same carrier offering almost identical plans) and streamlining the plan choice process.

*“I like that idea and I remember there were a ton of plans that were off by like a couple of cents every month or something. You know what I mean?...It was ridiculous just scrolling through all these things.”  
– Denver man*

# idea #1: streamlining plan choice.

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Consumers in Alamosa, Colorado Springs, and Grand Junction view their markets as small. The majority did not feel overwhelmed by the number of plans offered on Connect for Health Colorado.

Some have also heard stories about carriers leaving the marketplace. This worries them that they will have too few choices in their price range in the future.

These consumers worry that too few plans will mean less competition. They are afraid their costs will increase.

Many feel that Connect for Health Colorado should focus on improving the filters on the website so that consumers can narrow down their choices on their own.

*“My only problem with [this idea] is that even though this is Connect for Health...It’s supposed to make everyone have health insurance. You keep decreasing how many options we have. All they have to do is increase their premium and we don’t have a choice.”*

– Alamosa woman

## idea #2: offering plans that exempt some services from the deductible.

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*What consumers heard: Some states have considered offering plans that would have some services that are exempt from the deductible. This could mean a plan would allow you to have two sick visits to your primary care physician a year and this would not count against your deductible. Instead, you would just have to pay the copay. What do you think of this idea? Would you pay a higher premium for this kind of plan?*

Most consumers across the sites liked this idea. They are confused by/wary of their deductible and this idea could perhaps make their plans more predictable, more cost-effective.

Some believe these plans could help them save money throughout the year. Others say they would be more willing to access care knowing their only costs for certain services would be a copay.

A few worry, however, that insurance companies would make up these costs by raising costs of other services.

Many say they would consider purchasing plans that exempt services from the deductible even if they have higher premiums. For consumers who are high utilizers of care, the idea is even more appealing. What these consumers want more than anything is predictability in their costs – and this idea seems to offer that.



## idea #3: consumer-centered benefit design.

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*What consumers heard: Some states are considering standardizing some aspects of the plans they offer so that it is easier for people to make choices between plans. This would be called consumer-centered benefit designs. Sometimes also referred to as standardized plans. This would make it more of an apples to apples comparison process for shoppers. What do you think of this idea on the surface?*

*What consumers read: Consumer-centered benefit designs would mean that ALL plans of one metal level – i.e. gold, silver, bronze – would have the same costs for a variety of different benefits and services. For example, all bronze plans on Connect for Health Colorado would have the same deductible, same co-pays for primary care and specialist visits, and the same prices for prescription drugs.*

*Like all current Connect for Health Colorado plans, every plan within each metal level would still cover the same essential benefits. This means that each bronze plan would still cover benefits such as primary care visits, hospitalization, emergency services, maternity and newborn care, prescription drugs, and mental health services.*

*Connect for Health Colorado would not allow the plan specifics to be created by the insurance companies – instead, they would decide the benefit designs and require the insurance companies to offer plans that complied.*

# idea #3: consumer-centered benefit design.

The example that consumers saw:

## 2016 STANDARD BENEFIT DESIGNS BY METAL TIER

MEDICAL COST SHARES				
Coverage Category	Bronze	Silver	Gold	Platinum
	Covers <b>60%</b> average annual cost	Covers <b>70%</b> average annual cost	Covers <b>80%</b> average annual cost	Covers <b>90%</b> average annual cost
Annual Wellness Exam	\$0	\$0	\$0	\$0
Primary Care Visit	\$70*	\$45	\$35	\$20
Specialty Care Visit	\$90*	\$70	\$55	\$40
Urgent Care Visit	\$120*	\$90	\$60	\$40
Emergency Room Facility	Full cost until out-of-pocket maximum is met	\$250 once medical deductible is met	\$250	\$150
Laboratory Tests	\$40	\$35	\$35	\$20
X-Ray and Diagnostics	Full cost until out-of-pocket maximum is met	\$65	\$50	\$40
Deductible	Individual: \$6,000 medical \$500 drug Family: \$12,000 medical \$1,000 drug	Individual: \$2,250 medical \$250 drug Family: \$4,500 medical \$500 drug	N/A	N/A
Annual Out-of-Pocket Maximum	\$6,500 individual and \$13,000 family	\$6,250 individual and \$12,500 family	\$6,200 individual and \$12,400 family	\$4,000 individual and \$8,000 family

## idea #3: consumer-centered benefit design.

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After reading the description and seeing the example, this idea is hard for consumers to grasp. It is complicated. Once they talk about the idea more, they have mixed feelings across the sites even though they lean positive.

Some immediately like that it would make choosing a plan easier. They find the apples to apples comparisons appealing.

However, some worry health plans would leave the marketplace if they cannot charge what they want for services. Some also feel offering some standardized plans along with non-standardized plans will make choosing a plan next renewal period even more confusing.

Others feel that this approach would create a one-size-fits all approach to the marketplace – where all the plans are now similar, offering the same things.

Some consumers are concerned that insurers will need to (or choose to) raise the cost of premiums due to standardizing plans. They are skeptical that insurers will accept these changes without making up money on the back end.

*“That’s what I really liked about [consumer-centered benefit designs]... The fact that just it seems very simplified and that a lot of people can understand it you know and it would just be easy for a lot of people.”*  
– Denver woman.

## idea #3: consumer-centered benefit design.

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A few consumers feel that Connect for Health Colorado is overstepping its role by telling insurers what to charge for their services. They trust you, but do not want you interfering with the insurance market.

These consumers are also wary of any changes that could cause market disruptions. They finally have a plan that works for them – this idea seems like a big change to the marketplace and this causes concern that they will have to start from scratch again.

However, it helps to tell consumers that some states have already implemented similar ideas. They are comforted to hear premiums have not risen comparably more in those states and that insurers have not left the marketplace.

In the end, the majority tentatively support Connect for Health Colorado offering a few standardized plans just to see how the idea works. Many do not support completely changing over the marketplace so that only consumer-centered benefit design plans are offered. But most are willing to try out the idea on a limited basis to see if this makes choosing plans easier.

*“I wouldn’t have to take as much time comparing plans. Because I’d know if I picked silver they’d all cover the basic things...And then the next step I would focus on would be I could decide if I want to stay with my doctor and make sure they take the one that I want to pick. So I can take the focus more off of the cost and focus more on my actual care.”*

– Grand Junction woman.

**implications.**



# implications.

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1. Consumers want you to be on their side. The persona of “consumer advocate” is a good one for Connect for Health Colorado. When they see you trying to “simplify” the plan choice process, they appreciate that. That is a role you should play.
2. But they are wary of you overreaching, going too far, or meddling too much in the marketplace. There is a thin line and you need to stay on one side of it. They still want competition and private companies to shape the marketplace; Connect for Health Colorado cannot be seen as dictating too much.
3. Consumers trust you to make small changes to the website and marketplace, not big changes. They are finally understanding what they are doing — they do not want any new curveballs. Present all of your new changes as small improvements, things that will make the process easier.
4. Do not overpromise. Be realistic about the impact of the changes you are making. For example, while they want you to make plans more affordable — this is by far their biggest complaint with their insurance — make it clear that these changes will help them find the “right plan at the right price.” It will not necessarily reduce their costs.

# implications.

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5. Do not talk about “limiting” plan options. Consumers support a simplified shopping experience but they do not want to feel like you are reducing their choices. They are wary of any steps that are perceived as decreasing competition – or causing insurance carriers to leave the marketplace. Focus on “simplifying” or “streamlining” the process, and reducing redundancy in plan choice. Also, keep investing in improving website “choice tools” and filters so that consumers can narrow down their choices on their own.
6. Consumer-centered benefit design is a complex idea. It will require a lot of explaining and education. But many see the potential of this idea to make choosing a plan easier. They are willing to try it. If you pursue it, consider partnering with brokers and other trusted partners to help carry the education burden. Consumers will need to hear this idea explained many times. “Apples to apples” is good terminology.
7. Consumers are still putting off care because of costs. They have limited ability to pay out of pocket. For this reason, the idea of offering plans that exempt some services from the deductible appeals to them. Explain to consumers that you are making it easier for them to actually take advantage of their coverage.
8. Many know about free preventive services, but other consumers are still unaware. Continue to educate them about the services available to them free of charge and use the plans to do most of this education. Consumers will be more likely to utilize preventive care if they know it is free, and that the range of services is extensive.

Thanks.

