Strategy 6: Offer plan selection shortcuts

Key Findings and Recommendations

Plan selection shortcuts are tactics that simplify the task of comparing health plans and making informed decisions when selecting a plan. Without these shortcuts, consumers can become overwhelmed by the amount of information and make choices that will lead to unintended consequences. These shortcuts should be incorporated into the design of Marketplace websites and the materials used by call center staff, navigators, and other assisters.

Steps you can take to ease the decision process for consumers include the following:

- Provide a **step-by step summary of how to choose a plan** and structure your website and discussions with consumers to follow those steps.
- Help people identify **what is most important to them about a health plan**, and then help them quickly get plan names and performance information relevant to their needs.
- Present **comparative information on health plans** in the easiest way for consumers to quickly identify the plans that best meet their needs.
- Create an **all-plan directory** of physicians, hospitals, and other providers so consumers can easily identify which plans include their preferred health care providers.
- Provide a tested "**annual total cost**" **calculator** to help consumers estimate and understand the full costs they might incur with each plan.

Exhibit 4.S6.1 lists the aspects of consumer experience that this strategy addresses.

The Problem

Consumers using a Marketplace must choose among many plans. While it is important to offer choices, too many choices can leave people unable to decide.[78, 79, 80] Moreover, because many people lack health insurance literacy,[81, 68] they often don't fully grasp what's at stake when they choose a plan.

Consumers are often overwhelmed by the many factors they need to consider when choosing a plan, especially if they have little previous experience with health insurance. These factors may include:

- The **type of health plan** (such as HMOs, PPOs, or EPOs).
- The **premium** they pay.
- Their **out-of-pocket costs** when they use care.
- The **benefits that are and are not covered** by the plan.
- The **physicians, hospitals, and other health care providers** they can use without paying either all or part of the cost themselves.

How the Plan Selection Shortcuts Strategy Improves the Consumer Experience (Exhibit 4.S6.1)

Improving plan selection shortcuts will help consumers quickly and easily find needed information to choose a health plan. Implementing this strategy could help Marketplaces improve performance on the following survey measures:

- Getting information and help from the website.
- Getting information and help from the call center.
- Getting information and help from in-person assisters.
- How easily consumers can get information to choose a health plan.
- How easily consumers can find out which health plans offer therapeutic and home health services.

- What services require "**prior authorization**," from whom, and when.
- The **quality of the health care** they will receive.
- The **quality of customer service** they will receive.

Research indicates that people can keep about seven pieces of information in their short-term memory at any one time.[82] Even when the information is provided in plain English and is easy to understand, the volume of information can be overwhelming. Overwhelmed consumers are likely to give up and not enroll at all.

Consumers need help making tradeoffs. In addition to having to understand complex information about health plans, consumers have to use that information to determine which plans are most likely to meet their needs. This requires identifying what is most important to the consumer and what tradeoffs they are willing to make.

Without assistance from the Marketplace, **people may use decision strategies that actually reduce the likelihood of making a choice in their own best interest**. For example, consumers might choose a plan based on a single reason, such as the cheapest plan or the one with a familiar name, rather than selecting the best plan overall for their needs.[68]

The Strategy

Plan selection shortcuts are tactics that help people decide what's most important to them when faced with many choices, narrow their options based on their concerns and preferences, and make the decision that is best for them.[99] These shortcuts are sometimes called "rules of thumb," "cognitive shortcuts," or "heuristics." Shortcuts help make the process less overwhelming by providing guidance and helping consumers focus on what they value most.

Shortcuts can be incorporated into the design of a Marketplace website as well as the materials and tools used by call center staff, navigators, and other assisters. Your website, call center staff, and assisters can all help consumers take a step-by-step approach that limits the amount of information they have to absorb at any moment, yet make progress toward enrollment in a health plan.

Benefits of the Strategy

Plan selection shortcuts can reduce users' frustration so that they are less likely to get overwhelmed and abandon the website or the process of choosing a plan. Assisters who use plan selection shortcuts with consumers may find that their interactions are more productive and helpful and that consumers are more satisfied and confident that they made a good choice.

Ways to Implement the Strategy

The interventions focus on facilitating how consumers learn about their health plan options, compare plans, and, ultimately, choose a health plan.

1. ***Provide a step-by-step summary of how to choose a plan and structure your website and discussions with consumers to follow those steps.***

Marketplaces can help consumers by laying out a path for them to follow to make a decision. Faced with a new and complicated decision, many people

Case Study #2: Ways to Help Consumers Compare and Select Health Plans Easily—The Case of Innovative Consumer Decision Support Tools

Read the case study in section 5 to learn about four innovative decision support tools and how these tools operationalize the five plan selection shortcuts. The case study suggests ways in which Marketplaces can use decision support tools or elements of the tools to implement the shortcuts and make it easier for consumers to choose a health plan on a Marketplace website.

don't know where to begin. Even if they do find a way to get started, they often do not know what to do next.[83] Many Marketplace websites are already beginning to present a step-wise approach to choosing a plan, for example, by advising consumers to first decide on a metal level and then look at just the plans in that level. There is no one best way to identify the steps and their order; each Marketplace must decide this for itself.

Here is one example of a sequence of steps:

- **Step 1:** Identify the geographic area where the person/family lives or works; the result of this step will be to identify all available plans.
- **Step 2:** Identify the minimum overall quality or star rating the person is willing to accept. This step will not be possible until the 2017 open enrollment season, when CMS publishes quality ratings for all plans. (Note: To use the quality information, consumers will need an explanation of the star rating system in plain language).
- **Step 3:** Identify the maximum premium the person is willing to pay. Most people will need the full range of premiums displayed to determine their maximum. The result of this step will be to narrow the number of plans to those with premiums at or below the consumer's maximum.
- **Step 4:** Identify the maximum deductible the person is willing to accept. People will need a plain language definition of "deductible," as well as the full range of deductibles for plans remaining on the list after steps 2 and 3. This step further limits the number of plans shown to the consumer.

To improve the usefulness of these steps, consider these tips:

- Present all steps at the beginning of the interaction, in part to allay consumers' anxiety that it will be impossible for them to choose a plan. For examples of how to present the steps, see exhibit 4.S6.2.
- If at all possible, walk consumers through these steps so they can make an informed choice.
- Reduce the number of plans people have to consider at one time to five or fewer. One way to do this is to help people narrow their choices on the basis of something that matters to them (see the next intervention). This might be metal level, premium, the combination of premiums and out-of-pocket costs, the type of plan, or whether their preferred physicians and hospital are in the plan.

Resources: How to Present the Steps (Exhibit 4.S6.2)

- *Case study #2* in section 5
- *Healthcare.gov* (https://www.healthcare.gov/choose-a-plan/)
- *Putting Patients First* (National Health Council; http://www.nationalhealthcouncil.org/public-policy/putting-patients-first

2. *Help people identify what is most important to them about a health plan, and then help them quickly get plan names or performance information relevant to their needs.*

Marketplaces can encourage consumers to begin the process of choosing a health plan by identifying what is most important to them in a plan. Many people are not sure what to consider when choosing a plan, especially if they have little or no experience with health insurance. Your Marketplace can help by explicitly identifying and briefly defining the major factors that consumers need to weigh.[84] Research shows that the following factors are of great importance to most consumers:[85, 86, 87, 88, 89, 90, 91]

- **Costs** (i.e., premiums, out-of-pocket costs).
- What **benefits** are covered.
- Whether their **physicians** are in the plan's network.

- The **quality** of the plan (e.g., quality of clinicians' communication with patients, ease of access to care).
- Health plan **customer service**.
- **Reputation** of the health plan and the hospitals and physicians in the network.
- The **location** of providers in the plan.

Once the consumer has identified one or two especially important plan characteristics, your Marketplace can provide information on plan performance in these areas and even identify the plans that do especially well in the specified areas. The use of filters to help consumers narrow plan choices will be familiar to the many consumers who do similar kinds of tasks on commercial websites that let them, for example, set an upper price limit for a product or specify proximity to a key landmark and then see only options that meet those criteria.

3. Present comparative information on health plans in the easiest way for consumers to quickly identify the plans that best meet their needs.

Marketplaces can use several strategies to help consumers compare their options. Just looking at and understanding comparative information on health plan performance can be a huge challenge for consumers, unless that information is provided in a way that makes it very easy for consumers to apply their own preferences to make a choice. Extensive research has identified what works and what doesn't in helping consumers compare and choose health plans.

Specific suggestions include the following:[92]

- **Provide explicit points of comparison** (e.g., an average score) to help consumers understand whether a health plan's performance in a given area is "good" or "bad."
- **Use word icons and symbols to convey the data**. The star ratings are an example of using a symbol. Word icons are graphics with words that indicate health plan performance relative to a comparison point. See figure 4.S6.1 for an example of word icons from a comparative quality report.[111] The "average" is gray and fades into the background, whereas "below" uses a down arrow as well as the word to convey "below average."

Example of Word Icons (Figure 4.S6.1)

	East Health Plan	West Health Plan	North Health Plan
Health plan customer service	better	average	below
Care from doctors and hospitals	better	better	average
Members' experiences with the plan	average	better	below
Members' annual costs	average	better	better

- **Limit the number of health plans displayed at the same time** to reduce information overload. For example, if the health plans are displayed side-by-side, consider showing no more than three to five.
- **Rank order or tier the health plans**. Rather than list health plans in alphabetical order, you can list them in rank order so the top performers come first or group them in tiers (e.g., with the highest performers shown in one group, the average in a second group, and the lowest in a third group). This approach is not feasible if you are showing performance on several dimensions at once, since it is unlikely that the rankings will be identical. However, you can enable consumers to look at health plans in rank order or tiers by focusing on one dimension of performance at a time.
- **Group and summarize related aspects of health plan performance into categories that are meaningful to consumers**. For example, quality measures can be grouped into categories that communicate what quality of care is (e.g., effective, safe).

For more resources to help reduce the cognitive burden for consumers, see exhibit 4.S6.3.

Resources: Minimizing Cognitive Burden (Exhibit 4.S6.3)

- *How to Display Comparative Information That People Can Understand and Use* (American Institutes for Research). Available at: http://www.rwjf.org/en/library/research/2010/06/latest-from-aligning-forces-for-quality-communities/how-to-display-comparative-information-that-people-can-understan.html
- *Consumers in Health Care: The Burden of Choice* (California Healthcare Foundation). Available at: http://www.chcf.org/publications/2005/10/consumers-in-health-care-the-burden-of-choice
- *Best Practices in Public Reporting No. 1: How to Effectively Present Health Care Performance Data to Consumers* (Agency for Healthcare Research and Quality). Available at: http://archive.ahrq.gov/professionals/quality-patient-safety/quality-resources/tools/pubrptguide1/pubrptguide1.pdf
- *Supporting Consumers' Decisions in the Exchange* (Pacific Business Group on Health). Available at: http://www.pbgh.org/key-strategies/engaging-consumers/216-supporting-consumers-decisions-in-the-exchange

4. Provide a tested "annual total cost" calculator to help consumers estimate and understand the full costs they might incur with each plan.

Marketplaces can support consumers in estimating and comparing their likely costs in different scenarios. Research shows that it is virtually impossible for consumers to figure out on their own how their out-of-pocket costs are likely to vary from one plan to another.[91] As noted earlier, one common problem is the lack of health insurance literacy. For example, many consumers do not really understand terms like "deductible" and "copayment." But even those who understand insurance rarely have access to realistic information about the cost of services they might use.

Because it is so difficult to estimate costs, consumers tend to measure the financial consequences of their plan choice based on premiums alone. This is a problem because premiums tend to go up as out-of-pocket costs go down, and vice versa. In addition, some consumers unrealistically believe they will not need care, so they discount the impact of out-of-pocket costs at the point of care.

To help consumers, Marketplaces can take advantage of recent work on ways to create estimates of out-of-pocket costs using scenarios.[93] These scenarios may be based on a specific health condition or on an overall assessment of a person's health and likely use of health services over the course of a year. Calculators using these scenarios provide users with a specific dollar amount they are likely to spend with different plans, which makes it easier for

people to understand the financial consequences of their decisions. Evidence shows that people who get this kind of information make more "prudent" decisions.[94]

Under the ACA, all Qualified Health Plans are required to provide out-of-pocket estimates for two common conditions: having a baby and managing type 2 diabetes. Currently, these estimates are deep in the Summary of Benefits and Coverage (SBC),[112] where they are unlikely to be seen by consumers or even assisters. Marketplaces could put these scenarios on their websites in a display that compares out-of-pocket costs across plans. Assisters could either use the SBC itself with consumers or use the Marketplace display.

5. Create an all-plan directory of physicians, hospitals, and other providers so consumers can easily identify which plans include their preferred health care providers.

Marketplaces can simplify the choice process for many consumers, especially those with one or more ongoing health conditions, by providing a way for them to determine which plans offer access to their providers. Admittedly, creating an all-plan directory can be challenging, especially in states with many providers and little overlap in provider networks. It requires not just getting accurate information at the outset, but keeping it updated over time as providers leave or join networks.

Marketplaces can also advise consumers to call their providers to ask which plan networks they have joined rather than calling several plans to find out if their providers are included.