Public Education and Outreach: Market Research Findings

Presentation to:
Health Insurance Exchange Advisory Task Force
Minnesota Health Insurance Exchange
July 26, 2012
What we have been doing

May
- Orientation & Research Formulation
- Contract Awarded

June
- 18 Focus Groups (consumer & biz)
- Key Informant Interviews
- Statewide surveys (consumer & business)

July
- Analysis
- Final Report

**You are here**
Six cities. 18 focus groups. 99 participants. four days (May 22 to May 25)
Quantitative Research

**Consumer Survey**

- Telephone survey of uninsured and individuals purchasing non-group health insurance
- June 15 – July 14
- Sample size: N=797
  - Uninsured N=377
  - Non-Group N=420

**Business Owner Survey**

- Telephone survey of owners/decision makers for businesses with fewer than 50 employees
- June 15 to June 29
- Sample size: N=250
TOP 10 THINGS TO KNOW
#10 Partners are eager to be involved now

Four major take-aways from **11 In-depth Individual Interviews** with key informants in business, health care, community outreach and insurance.

- Fully involve stakeholders **NOW**
- Emphasize access to private insurers as well as government
- Leverage intermediaries
- Determine a meaningful long-term role for brokers
#9. People don’t like today’s experience

Current Situation

“I find buying insurance a pain in the a**. It’s difficult, hard to keep track of, the law changes”

- Duluth Business Owner
Too expensive and confusing …

<table>
<thead>
<tr>
<th>Top 6 complaints from CONSUMERS (What makes buying health insurance difficult?)</th>
<th>Non-Group (n=420)</th>
<th>Uninsured (n=377)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prices too high</td>
<td>38%</td>
<td>54%</td>
</tr>
<tr>
<td>Hard to tell what's covered, what's not</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>Difficult to compare benefits across plans</td>
<td>17%</td>
<td>7%</td>
</tr>
<tr>
<td>Rejected due to pre-existing condition</td>
<td>14%</td>
<td>6%</td>
</tr>
<tr>
<td>It's very confusing</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Difficult to compare prices</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Difficult to research / No one-stop-shop</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>
Top 9 Complaints from BUSINESS OWNERS
(What makes buying health insurance difficult?)

<table>
<thead>
<tr>
<th>Issue</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequent premium increases</td>
<td>72%</td>
</tr>
<tr>
<td>Steep premium increase</td>
<td>65%</td>
</tr>
<tr>
<td>Age of my employees continues to increase</td>
<td>56%</td>
</tr>
<tr>
<td>The options I have become more and more limited</td>
<td>52%</td>
</tr>
<tr>
<td>Plans are too complex</td>
<td>51%</td>
</tr>
<tr>
<td>Difficult to compare benefits across plans</td>
<td>49%</td>
</tr>
<tr>
<td>Difficult to understand what is covered by the plans</td>
<td>47%</td>
</tr>
<tr>
<td>Medical underwriting (i.e., increased costs due to medical history)</td>
<td>46%</td>
</tr>
<tr>
<td>Difficult to compare prices</td>
<td>46%</td>
</tr>
</tbody>
</table>
Our opportunity: Give people a better experience

CURRENT STATE

- Prices rising, too high
- Overwhelms me
- Leaves me worried
- Lots of complexity, paperwork and fine print
- Need for expertise, help (often fulfilled by broker)
- Uninsured unable to secure product

GAP

DESIRED STATE

- Lower prices, best deal
- Peace of mind
- Trust, security
- Choices distilled to key decision points
- Expert guidance available when it’s needed
- Uninsured get affordable coverage
#8 Seeking insurance is a journey

Trigger: Prompting the search for health insurance (goal)

Pre-qualifying: Initial questions that can stop the process before it begins

Search: The process consumers use to search for and evaluate options

Closure: How the process is resolved, either with insurance or without.
Events and expectations trigger shopping

**Trigger**: Prompting the search for health insurance (goal)

**Pre-qualifying**: Initial questions that can stop the process before it begins

**Search**: The process consumers use to search for and evaluate options

**Closure**: How the process is resolved, either with insurance or without.

**Events (for uninsured)**
- Change in health status (26%)
- Change in employment (17%)
- Had or adopted child (5%)
- Talked to someone (5%)

**Expectations**
- Norms predict insurance status
For uninsured, being uninsured is normal

Projected Portion of “people like me” with health insurance

People who buy insurance (non-group)

- All or most, 60%
- About half, 26%
- Less than half, 14%

People who don’t (uninsured)

- All or most, 26%
- About half, 34%
- Less than half or none, 39%
Uninsured price themselves out of the market

**Trigger**: Prompting the search for health insurance (goal)

**Pre-qualifying**: Initial questions that can stop the process before it begins

**Search**: The process consumers use to search for and evaluate options

**Closure**: How the process is resolved, either with insurance or without.

Reasons for being uninsured:

- **Cost (ability to pay)**: 63%
- **Cost (value)**: 11%
Once cost is a reality, comparisons are important

**Trigger**: Prompting the search for health insurance (goal)

**Pre-qualifying**: Initial questions that can stop the process before it begins

**Search**: The process consumers use to search for and evaluate options

**Closure**: How the process is resolved, either with insurance or without.

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**Health Plan Comparison: top-rated potential exchange feature**

- Non-Group: 63%
- Uninsured: 51%
- Core: 88%
- Swing: 55%
#7 People want more than medical payments

**Transactional Basis**

Expected medical costs for the coming year based on experience

**Pure Actuarial Basis**

Expected medical costs + Value of being covered in the event of a catastrophic medical event

**Full Value Basis**

Expected medical costs + Value of being covered + Normative, Self-Standards and/or Peace-of-Mind Value

Biggest spenders
#6 Brokers are key

"I would think twice about doing anything without my broker’s opinion; he’s been a trusted advisor for many years."

— Small business owner, Twin Cities

Sample size, Offer=156; Broker=102
Price and norms pull business in ...

**Trigger:** Prompting the search for health insurance

**The broker:** Most small business owners use, and trust, their broker.

**Closure:** Brokers offer owners a clear choice based on custom business objectives

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**Top Reasons Not to Offer Health Insurance**

- Could not afford it: 77%
- Not a good value: 28%
- Firm too small: 26%
- Medical underwriting: 22%
- Plans too limited: 18%
- Employees not interested: 14%
- Process confusing: 14%
Price and norms pull business in ….

**Trigger**: Prompting the search for health insurance

**The broker**: Most small business owners use, and trust, their broker.

**Closure**: Brokers offer owners a clear choice based on custom business objectives

Firms that offer health insurance says peers do the same

Firms that don’t say peers don’t either
“Instead of having to compare all this stuff online I’d rather have somebody just help me – it’s way too time consuming. Sit down, tell me about it.”

— Small business owner, Marshall

<table>
<thead>
<tr>
<th>Trust broker to select appropriate plan</th>
<th>55%</th>
<th>34%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust despite commission</td>
<td>46%</td>
<td>42%</td>
</tr>
<tr>
<td>I need broker to sort pros &amp; cons</td>
<td>51%</td>
<td>36%</td>
</tr>
<tr>
<td>I’d be willing to pay broker</td>
<td>17%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Strongly  Somewhat
#6 People are wary, but like the concept

“It [the exchange] is a ray of light coming through dark clouds; hope with skepticism.”
— Small business owner, Twin Cities

“Seems too good to be true. Can you really deliver all that?”
— Small business owner, Twin Cities

“I was totally against this when we came in here, but I’m warming up to this idea of employees taking more responsibility in choosing a plan.”
— Small business owner, Twin Cities
We tested six branding approaches

**“RIGHT FIT”**

Minnesota wants to help you find the right health insurance plan for you. The state is creating a website where you can compare costs and what care is covered. You can explore both private insurance plans and public programs then select the best fit for you. The state is also setting up a toll-free help number and paying “navigators” to help people find the right health insurance plan for them.

**“MARKETPLACE”**

Minnesota is creating a new health insurance marketplace. It is a website where you can compare different health insurance plans and choose the one you like. Private health insurers compete to win your business. Lower-income people can also enroll in public health insurance programs.

**“AFFORDABLE”**

Minnesota is creating a way to help people afford health insurance. It is a website where middle-income people can reduce premiums with tax credits and where lower-income people can secure the insurance they need for free.

**“EASY”**

Minnesota is creating an easier way to shop for health insurance. It is a website that classifies private health insurance plans by how much they cover and lets you compare prices among similar plans. You just select the plan you like best.

**“COMPARE”**

Minnesota is creating a better way to compare health insurance options. It is a website where you can shop and buy health insurance. Plans are put into four levels – bronze, silver, gold and platinum – based on how much they cover. You can compare the monthly costs of similar plans, as well as co-pays and deductibles, and select the plan you like best.

**“ONLINE SHOPPING”**

Minnesota is creating an online shopping site for health insurance. It is a website that provides instant comparisons and allows you to buy a plan at any time. You can purchase insurance directly – no need to sit down with an agent, broker or anyone else.
#4. People like competition and “fit”

“RIGHT FIT”

Minnesota wants to help you find the right health insurance plan for you. The state is creating a website where you can compare costs and what care is covered. You can explore both private insurance plans and public programs then select the best fit for you. The state is also setting up a toll-free help number and paying “navigators” to help people find the right health insurance plan for them.

“Navigators seem like real live people you can talk to.”
— Uninsured resident, Duluth

“MARKETPLACE”

Minnesota is creating a new health insurance marketplace. It is a website where you can compare different health insurance plans and choose the one you like. Private health insurers compete to win your business. Lower-income people can also enroll in public health insurance programs.

“Private companies competing for business is good.”
— Uninsured resident, Bemidji
#3 The word “exchange” can be confusing

<table>
<thead>
<tr>
<th>Name</th>
<th>PRO</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota Health Insurance Exchange</td>
<td>&quot;Things are just bought and sold, more innocent&quot;</td>
<td>&quot;Sounds like stocks, which are confusing&quot;</td>
</tr>
<tr>
<td>Minnesota Health Choices</td>
<td>&quot;That’s what it is&quot;</td>
<td>&quot;Wishy washy, not as classy&quot;</td>
</tr>
<tr>
<td>Minnesota Health Insurance Marketplace</td>
<td>&quot;Direct, simple and to the point. Sounds more professional&quot;</td>
<td>&quot;Doesn’t sounds like government at all&quot;</td>
</tr>
<tr>
<td>Health Plans Minnesota</td>
<td>(Not tested qualitatively)</td>
<td>(Not tested qualitatively)</td>
</tr>
<tr>
<td>Minnesota Health Connection</td>
<td>(Not tested qualitatively)</td>
<td>(Not tested qualitatively)</td>
</tr>
</tbody>
</table>

Biz: 14% 32% 16% 23% 14%
Con: 9% 36% 17% 17% 21%

Consumers preferred this name, but in focus groups, some said it was bland and generic. Few thought it was unclear. Only “Exchange” was seen as confusing.
#2 There is a love/hate relationship with govt

**PRO**
- They take care of people as their job

**CON**
- Could become political issue, worry about corruption

- **PRO**
  - If a non-profit would function like Consumer Reports it would be great

- **CON**
  - Potential “bonehead” employees; who’s on the board?

### Graph:
- **State Agency**
  - Consumers: 17%
  - Business: 13%

- **Hybrid**
  - Consumers: 42%
  - Business: 43%

- **Non-Profit**
  - Consumers: 41%
  - Business: 44%
#1 You already have a base of support

- **BASE**: 31% Very likely to use exchange
- **SWING**: 44% Middle two boxes
- **ANTI**: 24% Very unlikely to use exchange
## Segment profiles

### Core Segment
- Middle-aged
- Unemployed
- Most educated and online
- Recently uninsured.

### Swing segment
- Younger
- Often employed part-time
- College graduates

### Anti segment
- Tends to be older
- Lesser educated,
- Longer-term uninsured
- Online less.

<table>
<thead>
<tr>
<th></th>
<th>Core</th>
<th>Swing</th>
<th>Anti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 25-34</td>
<td>17%</td>
<td>19%</td>
<td>11%</td>
</tr>
<tr>
<td>Age 35-44</td>
<td>12%</td>
<td>15%</td>
<td>11%</td>
</tr>
<tr>
<td>Age 45-54</td>
<td>35%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>Age 55-64</td>
<td>36%</td>
<td>34%</td>
<td>45%</td>
</tr>
<tr>
<td>Married</td>
<td>63%</td>
<td>66%</td>
<td>58%</td>
</tr>
<tr>
<td>Never married/single</td>
<td>20%</td>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>Employed full-time</td>
<td>39%</td>
<td>40%</td>
<td>33%</td>
</tr>
<tr>
<td>Employed part-time</td>
<td>19%</td>
<td>28%</td>
<td>18%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>17%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>18%</td>
<td>23%</td>
<td>28%</td>
</tr>
<tr>
<td>Some college</td>
<td>27%</td>
<td>30%</td>
<td>36%</td>
</tr>
<tr>
<td>College graduate</td>
<td>38%</td>
<td>32%</td>
<td>21%</td>
</tr>
<tr>
<td>Uninsured less than 6 months</td>
<td>25%</td>
<td>20%</td>
<td>11%</td>
</tr>
<tr>
<td>Uninsured 6 months to 2 years</td>
<td>28%</td>
<td>28%</td>
<td>16%</td>
</tr>
<tr>
<td>Uninsured 2+ years</td>
<td>45%</td>
<td>45%</td>
<td>57%</td>
</tr>
<tr>
<td>Never had insurance</td>
<td>3%</td>
<td>6%</td>
<td>17%</td>
</tr>
<tr>
<td>Use internet daily/almost daily</td>
<td>84%</td>
<td>71%</td>
<td>43%</td>
</tr>
<tr>
<td>Have kids under 18</td>
<td>38%</td>
<td>37%</td>
<td>23%</td>
</tr>
</tbody>
</table>
Thank You
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