Year One Evaluation of the Health Insurance Marketplace in West Virginia Executive Summary

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The Health Research Center (HRC) at West Virginia University (WVU) has proven experience conducting rigorous health outcome evaluation, including evaluations of the Center for Disease Control's (CDC) Community Transformation Grant (CTG) and the Communities Putting Prevention to Work (CPPW) programs.

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Executive Summary

The focus of this series of reports is the Private Health Insurance Marketplace component of the Patient Protection and Affordable Care Act of 2010 (ACA) as implemented in West Virginia. The findings of the first year evaluation activities were divided into a series of five reports:

1. Marketplace Background, Evaluation Plan, and Data Sources
2. Awareness and Interest
3. Enrollment Numbers and Experiences
4. Economic Theories of Decision Making and Baseline Data
5. Baseline Status of Health in West Virginia

First year evaluation activities highlight awareness and interest among West Virginia residents likely to gain subsidies and coverage in the Marketplace. Additionally, this series of reports spells out implications for West Virginia's economy and assesses baseline health of West Virginians. Future evaluation activities will include evaluation of the impact of Small Business Health Options Program (SHOP) plans for WV small businesses and employers, as well as future healthcare provider access for newly insured individuals.

This executive summary provides a brief introduction of first-year evaluation activities, with each report outlining specific results. The metrics and data presented were collected with best practice evaluation activities in mind in order to present a clear picture of the health, marketing, and economic landscapes in West Virginia prior to the opening of the Health Insurance Marketplace on October 1, 2013. Baseline data presented in this first series of reports will be monitored and reported in future evaluation reports. Future evaluation activities will take into account relevant programmatic changes and stakeholder priorities and modify data collection accordingly. This executive summary is intended for anyone wishing to understand evaluation activities and data collected in the first year. Readers who desire a deeper understanding of evaluation methodology, baseline data collected, and potential implications are encouraged to review the relevant reports described below. Page numbers where a section

begins discussion of topics in this executive summary are offered below. A separate appendix section is available to add additional context and background to readers.

Report 1: Marketplace Background, Evaluation Plan, and Data Sources

Report 1 presents the history of the Affordable Care Act (ACA) and efforts in West Virginia to expand access to health insurance, evaluation goals and data sources (primary and secondary), as well plans for future evaluation reporting activities. This information is relevant to a variety of potential viewers including healthcare providers and administrators, enrollment assisters, state policy leaders, public health practitioners and researchers, and others.

Key historical information presented includes relevant ACA statutory requirements, background into the State of West Virginia's initiatives to expand health insurance, and arrival at a State Partnership Marketplace (SPM). (p.2) Additionally, this report spells out the role of the State of West Virginia in its SPM, including plan management and consumer assistance efforts. (p.3) A brief discussion of Medicaid expansion in the State is provided, including the estimated number eligible and type of coverage provided to this group. (p.5)

The five-year evaluation of the Health Insurance Marketplace in West Virginia led by West Virginia University's Health Research Center (HRC) was designed to assess the health, economic, and consumer marketing implications of the Marketplace in the State. Evaluation activities were planned prior to the release of planned federal quality initiatives. (p.6) The evaluation team reviewed other state evaluation activities prior to the development of the first year activities. Key evaluation areas (coverage, affordability, access and quality, and economic impact) and comparison states are provided in Exhibit 2 of this report. (p.7)

Evaluation research questions were aggregated along with relevant federal and state-level data secondary sources. Primary data collected in the first year of the evaluation included state clinical data provided by the WVU School of Public Health Office of Health Services Research (OHSR) to assess baseline population health among 24 federally qualified health center (FQHCs) and nine free clinics in WV. (p.10) The team also developed and distributed a mail survey to 6,000 West Virginia residents in the summer of 2013, prior to the first open enrollment period (beginning October 1, 2013) to assess consumer awareness and perceptions of the Marketplace prior to its opening. (p.11) To collect baseline information about individuals

visiting the emergency department (ED), the evaluation team spearheaded a pilot study utilizing a self-administered paper survey at WVU's Ruby Memorial Hospital in the fall of 2013. (p.12) Finally, the evaluation team partnered with the OIC to develop a one-page customer satisfaction survey for consumers who utilized Maximus in person assisters (IPAs). (p.13) Secondary data sources utilized in this report were aggregated to collect baseline health data. Data sources are described in detail in this report and results are presented in Report Five. (p.13)

Report 2: Awareness and Interest

The information provided in Report 2 is designed to help organizations and individuals whose goal it is to promote the Health Insurance Marketplace in West Virginia and enroll consumers into healthcare plans. The report is based on findings from a state-wide survey of 1,198 West Virginians, with an oversampling of uninsured individuals. The data were collected during July and August of 2013, a few months ahead of the open enrollment period (October 1, 2013). This survey allowed us to: (1) estimate the overall awareness and interest of the Health Insurance Marketplace for the State of West Virginia, (2) identify which elements of health insurance coverage available in the marketplace are most attractive to consumers, and (3) determine if the general population differs from two key target markets (those without insurance and those who may qualify for subsidies). (p.1)

We found that awareness of the Health Insurance Marketplace prior to its opening was low, and was lowest among those most likely to benefit: (a) individuals without health benefit insurance and (b) those that probably qualify for financial subsidies. However, once made aware, a majority of individuals without health insurance and those likely to qualify for subsidies were *interested* in finding out more. (p.1)

West Virginians who were without insurance were primarily motivated to purchase health insurance by low premiums. Yet the majority of uninsured individuals and those who likely qualify for subsidies reported they did not know whether they qualify for federal assistance. (p.7)

The desire to take care of their family's health was also important to individuals without insurance. Importantly, complying with the individual mandate was not as strong of a motivator for purchasing health insurance. (p.9)

During the summer 2013, few consumers reported being likely to buy their health insurance using the Marketplace. Individuals without insurance were slightly less confident that they could find information about the Marketplace. Additionally, this population was less likely to have easy access to the internet. Generally, however, few respondents reported facing significant health literacy barriers. (p.12)

These findings suggest that organizations and individuals interested in facilitating health insurance enrollment using the Health Insurance Marketplace in West Virginia should focus on making the public aware of the existence of the Marketplace and the fact that this is the only way for consumers seeking private insurance to qualify for financial assistance. Communications should overtly and explicitly promote cost savings as well as provide clear information to consumers using a variety of communication channels (e.g., in-person, print, interactive, broadcast) so that consumers are able to judge reliably whether they qualify for financial subsidies. (p.12)

Since most consumers who could benefit significantly by purchasing insurance via the Marketplace were interested in finding out more about it, marketing efforts should provide consumers with information regarding how to find out more. That information, provided using many different active communication techniques (such as interactive quizzes or person-to-person discussions), should also enable individuals to make judgments regarding their personal eligibility for financial subsidies. (p.15)

Report 3: Enrollment Numbers and Experiences

Report 3 was designed to aid organizations and individuals whose goal is to promote the Health Insurance Marketplace in West Virginia and enroll consumers into healthcare plans. Additionally, policy makers, governmental organizations and firms involved in designing the systems used for enrollment (electronic and organizational) will find information for system improvement herein. The report is based primarily on open-ended surveys and discussions with enrollment assisters, satisfaction surveys from individuals who consulted with In-Person Assisters, and call-in exit surveys of West Virginians who purchased healthcare plans using the Health Insurance Marketplace. These techniques were used to give insight into what is happening "in the trenches" from the perspective of those on the front line (i.e., enrollment assisters) and first-hand from consumers who are navigating the Health Insurance Marketplace.

Enrollment assisters stated that affordability continues to be a barrier to enrolling in a health insurance plan. Consumers are concerned about monthly premiums and deductibles. (p.6) Yet, many consumers, upon finding an affordable plan experienced strong positive emotions. (p.8) From the perspective of consumer assisters, consumers had difficulty understanding insurance terms and comparing plans. (p.9)

Assisters also reported that data systems, and sometimes sister agencies and organizations, were not coordinated and cooperative. For example, it was identified that Healthcare.gov and inROADS (the WVDHHR public health benefits and its legacy technology) did not share data well at the beginning of the Marketplace enrollment, although it was reported that systems were currently operating better later in the first open enrollment period. (p.9)

Assisters also report that some consumers lacked trust: They mistrusted the website (Healthcare.gov); did not have positive reactions to President Obama, or were concerned about tax implications of taking subsidies. (p.11) Finally, assisters noted the steep learning curve associated with understanding the enrollment process. From the assisters' perspectives, there is little transparency in how subsidies are calculated. (p.12)

Consumer surveys found that West Virginians had many different types of overall Marketplace experiences, ranging from "terrible" to "excellent". There were also mixed findings

related to www.healthcare.gov, including the usefulness of information, the ability to compare plans, and website load times. (p.14)

These consumers reported that premium costs was the most important consideration when they purchased insurance on the Marketplace, followed by out-of-pocket expenses, and their personal doctors being included in the health insurance plan. Parents generally did not place great importance on children's dental care coverage. (p.16)

Most respondents were not worried about making their monthly premium payments. Consumers who previously had insurance stated that, compared to previous plans, the plan they purchased on the Marketplace was less expensive, and the majority felt the plan was better or the same as their previous plan, yet the application process was more difficult. (p.16)
Many consumers used person-to-person sources of information, and the vast majority of these interactions were positive. (p.17)

Finally, most respondents indicated that they were "likely" or "very likely" to use the Marketplace next year to purchase insurance. Those receiving federal subsidies were marginally more likely to plan to use the Marketplace again. (p.20)

Moving forward, it is important that the federal government address the difficulties with the online system. Such difficulty may result in postponed purchase, negative word-of-mouth, and negative feelings towards the enrollment assisters. It is recommended that, during the time between enrollments, consumers be observed using the website to provide information to programmers that will improve navigability. (p.21)

Organizations seeking to increase enrollment may wish to focus on the products offered on the website, since many previously insured consumers rated the plan as the same or better than their previous plan as well as less expensive or equivalent in price. The positive emotion experienced when obtaining affordable healthcare could be leveraged in future communications; these happy stories might encourage second year enrollment. Finally, consumer education efforts must continue. Enrollment assisters are critical in helping consumers understand the complexity and vocabulary used in the health insurance industry. Given the steep learning curve and the deep knowledge of these front-line people, directing consumers to assisters may be the best way to address education and enrollment efforts. (p.22)

Cost of insurance continued to be a major concern; suggesting that the statutory definition of affordable may not be perceived as affordable by the consumer. Additionally, there were relatively common population subgroups (i.e., those with blended or separated family units, those falling into coverage gaps due to income qualifications, couples in which one spouse has employer coverage but the other does not) experiencing complications with signup and subsidy eligibility whose needs should be considered by policy-makers. (p.22)

As West Virginia progresses, system interfaces (Healthcare.gov, inROADS, Experian, WVDHHR, carriers, West Virginia Bureau of Child Support Enforcement, enrollment assisters) need improvement. Consumers and enrollment assisters should be able to make seamless transitions between electronic systems and organizations. This will require active cooperation of the organizations and the information technology personnel involved. (p.22)

Report 4: Economic Theories of Decision Making and Baseline Data

The purpose of Report 4 is to outline consumer decision making and baseline data from an economic perspective. The information is most relevant for those assisting consumer decision making, policy makers, hospitals and providers, business leaders interested in work force development, and researchers. More specifically, this report includes a model of consumer decision making, analysis of survey responses to assess factors associated with consumers' plans to purchase a plan on the Marketplace, a summary of Marketplace premiums by household type, and baseline statistics, including work force composition, compared to national averages.

The Marketplace has many potential ties to the state economy. Compared to the pre-Marketplace economy, the Marketplace might alter factors such as the number of individuals who have insurance coverage, the types of plans consumers choose, Medicaid take-up rates, risk pooling, health insurance premiums, market share of insurance carriers, the cost of health services, and employment decisions. Few of these questions can be answered with data so early into implementation and this report focuses on the economics of consumer decision making, Marketplace premiums, and baseline data. (p.2)

The report contains three key findings:

- Subsidy eligibility was the dominant factor in whether an individual planned to purchase an insurance plan through the Marketplace. This finding highlights that consumers on the Marketplace are price conscious. Further, future court rulings on subsidies, experiences using insurance benefits, and experiences reconciling subsidies and penalties through the tax system could have important implications for prices (net, gross, and perceived) and future enrollments. (p.1)
- Compared to national averages prior to the Marketplace, fewer West Virginians were insured through non-group private plans like those offered through the Marketplace and average monthly premiums in the individual market were substantially higher (55%). Higher premiums increase the risk that younger, healthier individuals will be priced out of the market, potentially leading to higher premiums in the future. West Virginia also had an older average population and higher health care spending per person, which will likely put upward pressure on premiums in the Marketplace. (p.1)
- Marketplace subsidies are based on income level, whereas Marketplace premiums vary according to age. The combination of these factors means that within the subsidy range, younger and older households pay the same out-of-pocket premiums and the older households receive larger subsidies. From a practical perspective, this means that younger households are more likely to face the full insurance premium cost, which might be substantially higher than what was available pre-Affordable Care Act (ACA). Older households, particularly those receiving subsidies, are more likely to view the Marketplace plans as financially attractive. (p.2)

In the next few years, the economic impact of the Marketplace will likely center around the behavior of consumers and employers. Early analysis suggests that subsidies/net insurance premiums and the characteristics of Marketplace customers (e.g. age and health status) might prove important in determining the overall impact of the Marketplace in West Virginia. (p.2)

Report 5: Baseline Status of Health in West Virginia

The purpose of Report 5 is to describe baseline health and healthcare trends in West Virginia. Healthcare practitioners, administrators, insurance carriers and public health professionals, including academics and practitioners, are the primary intended audience. Little is known about the future impact of the Health Insurance Marketplace on health and the healthcare system. These data will be utilized in future years of evaluation to perform trend analysis to examine a relationship between the Marketplace and health outcomes. Interested parties are likely to use this information in order to make valid hypotheses about the impact of both the Marketplace and other components of the Patient Protection and Affordable Care Act (ACA).

The discussion within this report includes important secondary data on health metrics and rankings describing chronic disease and other leading indicators in West Virginia and hypothesizes on how these might change post-Marketplace implementation. Examples of such secondary data are the Behavioral Risk Factor Surveillance Survey (BRFSS) and the American Community Survey (ACS) Small Area Health Insurance Estimates. (p. 2) A general discussion of health insurance coverage including a breakdown by county is also provided along with implications of health and access differences between the individuals with insurance and those without insurance. (p.4)

In partnership with the West Virginia University Office of Health Services Research (OHSR), we present data on visits to Federally Qualified Health Centers (FQHCs) and free clinics within the state. This discussion includes an examination of patient visits and chronic disease diagnoses. Additionally, the breakdown of insurance coverage type by patient is explored within the FQHCs. (p.5) The report concludes with a brief overview of provider availability and patient feedback using the Health Area Resource File (AHRF) and the Consumer Assessment of Healthcare Providers and Systems (CAHPS), both federally reported data. (p.12) All findings are discussed within the context of evaluating Marketplace impact moving forward and reflecting differences in insurance status among the population.