

Year One Evaluation of the Health Insurance Marketplace in West Virginia

Report Two: Awareness and Interest



THOMAS K. BIAS, PHD
M. PAULA FITZGERALD, PHD
TAMI GURLEY-CALVEZ, PHD
EMILY VASILE, MPAFF
PARUL AGARWAL, MPH
CHRISTIADI, PHD
LOUISE MOORE, RN



COLLEGE OF
BUSINESS & ECONOMICS

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Report Two: Awareness and Interest

Executive Summary

The information provided in this report is designed to help organizations and individuals with the goal 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 study 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 (“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).

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.

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.

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.

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.

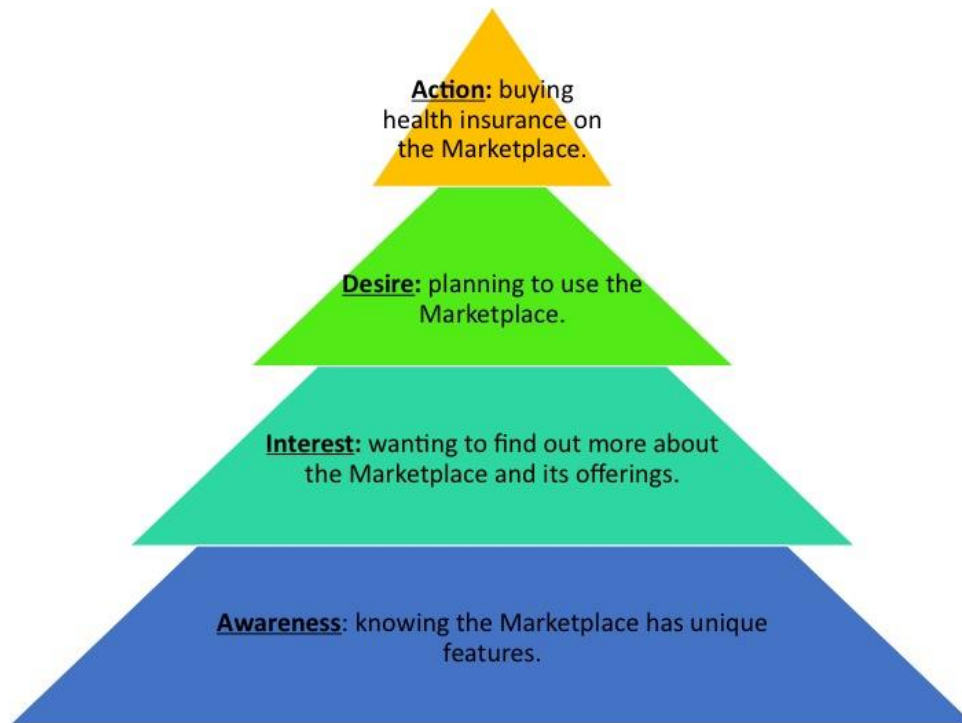
These findings suggest that organizations and individuals interested in facilitating health insurance enrollment using the Health Insurance Marketplace in West Virginia should focus on making the public aware of the existence of the Marketplace and the fact that this is the only way for consumers seeking 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.

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.

Introduction

The introduction of the Marketplace as a source of health insurance options can be framed as a new product adoption. Within this framework, awareness is the first crucial step that may, in turn, lead to interest in the product and search behavior, then to desire to own the product, and, finally, to product adoption. This model, known as the AIDA model, is a classic marketing and advertising model used for decades, but it is still influential today (DeMers 2013). The model is hierarchical; thus, awareness is necessary for interest, interest is a prerequisite for desire, and desire is needed for action to occur. Therefore, we expect the proportion of the population that is aware of the Marketplace to be largest and the proportion that desires to purchase insurance products on the Marketplace to be the smallest.

Exhibit 1 AIDA Model



In this report, we overview the relevant findings from the population survey completed in July and August 2013, using the AIDA model to organize and frame our results (See Appendix A for survey results). Specifically, this survey provided a baseline to track West Virginians' awareness of, interest in, and desire to use the Marketplace. Importantly, we examined two particularly relevant populations:

- Individuals without insurance (n=167)
- Individuals who, based on their self-reported household size and income, probably qualify for subsidies if they use the Marketplace or may be eligible for the Medicaid expansion. Specifically, individuals who self-reported having a household income combined with household size below 400% of the federal poverty level (see Exhibit 2), and who were participants in neither Medicaid nor Medicare, were classified as “probably qualify” for subsidies (n= 481).

Exhibit 2 Income and Household Size Chart Used to Classify Respondents as “Probably Qualify” for Federal Subsidies (Q29 in Appendix A)

FAMILY SIZE	YEARLY INCOME
1	\$48,283
2	\$65,167
3	\$82,051
4	\$98,935
5	\$115,819
6	\$132,703

Appendices A-C offer three different annotated copies of the population survey. Appendix A reports in detail the response for each question based on all survey responses. Appendix B details responses from individuals with insurance versus individuals without insurance, identifying statistically significant differences between these two groups. Finally, differences between those who “probably qualify” for subsidies and those who do not qualify are presented in detail in Appendix C.

Awareness

Key Finding: Awareness prior to the opening of the Marketplace in October 2013 was low, and was lowest among those most likely eligible for new coverage options, including: (a) individuals without insurance, and (b) those that probably qualify for financial subsidies.

Primary Questions from Questionnaire:

- Before today, how familiar were you with the WV Health Insurance Marketplace/Exchange?
- Prior to today, did you know people would be able to get financial help from the government to pay for health insurance using the WV Health Insurance Marketplace/Exchange?
- Prior to today, did you know the WV Health Insurance Marketplace/Exchange will open on October 1?

DISCUSSION: In order to increase the reliability of the results, it was important that respondents understood what the Marketplace was. To accomplish this goal, respondents were provided a very brief description of the Marketplace (Exhibit 3).

The **WV Health Insurance Marketplace/ Exchange** will allow individuals and small businesses to compare qualified health plans, find out if they are eligible for tax credits for private insurance or health programs such as Medicaid and the Children's Health Insurance Program (CHIP), and enroll in a health plan.

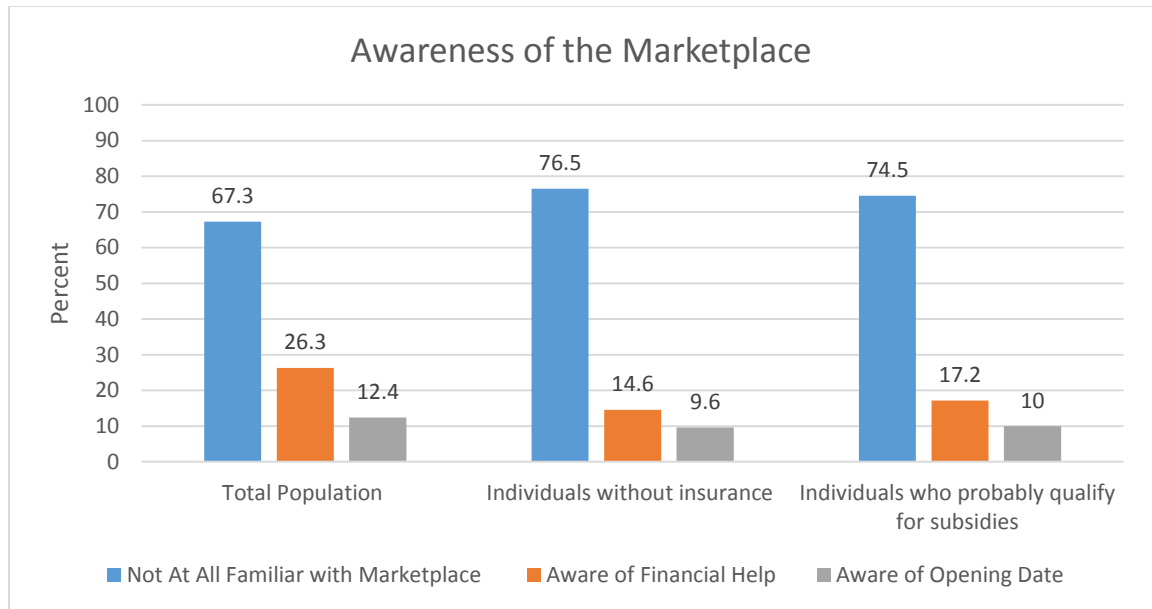
1. You can enroll on-line, by phone, mail, or in person beginning October 1, 2013.
2. Families and individuals with incomes of up to 400% of the federal poverty level will be eligible for subsidies (financial help).
3. Individuals and families buying insurance in the individual market will be guaranteed coverage for pre-existing conditions, and their premiums cannot vary based on their gender or medical history.

Find out more by visiting www.healthcare.gov or calling 1-800-318-2596 (TTY: 1-855-889-4325)

As shown in Exhibit 4, two-thirds of the respondents (67.3%) reported that they were not at all familiar with the Marketplace (see Question 9 (Q9) in survey, Appendix A). Additionally, only about a quarter of the general population was aware of the fact that consumers could receive financial help (Q10, Appendix A). Very few knew the opening date for the Marketplace was October 1, 2013 (Q11). Thus, initial awareness of the Marketplace and its primary benefit was low. However, as seen below, awareness among the two important subpopulations was even lower.

Since awareness is a prerequisite for choosing to purchase health insurance on the Marketplace, the State faced a significant challenge for a successful rollout of the Marketplace.

Exhibit 4 Awareness of the Marketplace



Interest

Key Finding: Once made aware, a majority of individuals without health insurance and those likely to qualify for subsidies were interested in finding out more.

Primary Questions from Questionnaire:

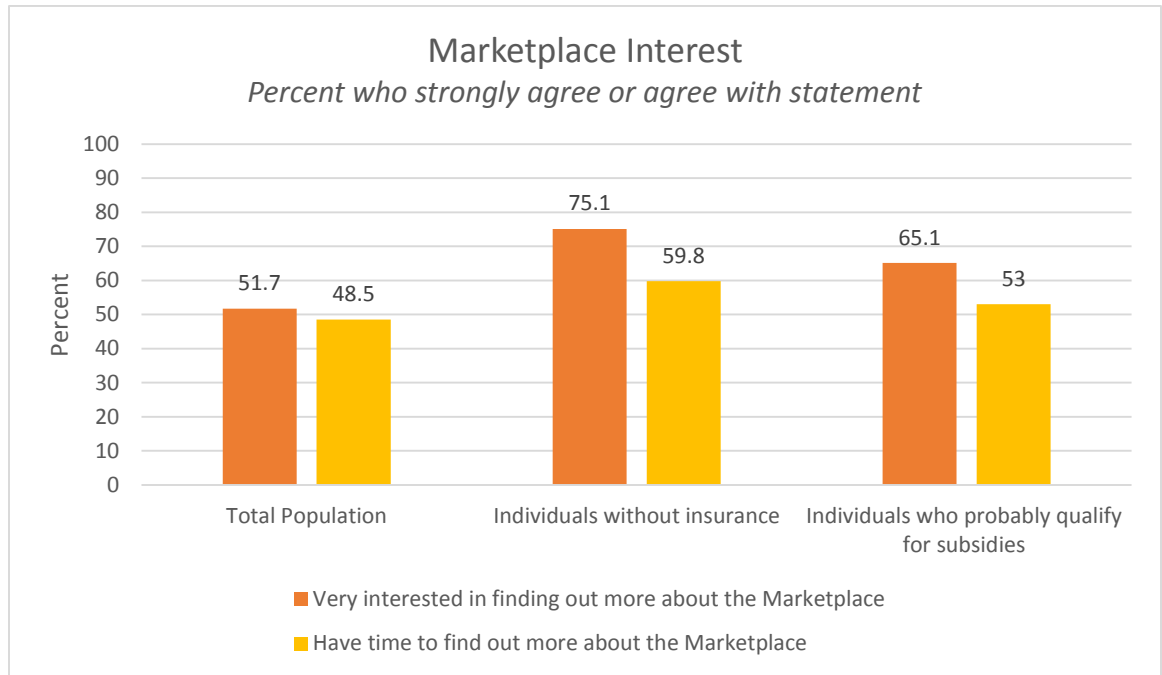
- I am very interested in finding out more about the WV Health Insurance Marketplace/Exchange.
- I have time to find out more about the WV Health Insurance Marketplace/Exchange.

Discussion: Once awareness occurs, the next step to facilitate adoption of Marketplace insurance plans is generating interest in the new products. Interest is shown by a willingness to invest time and effort into seeking information, and learning more about a product.

Two specific questions were used: the first directly assessed interest (Q12a) and the second asked about having time to find out more (Q12d). From Exhibit 5, one can see that those most likely eligible for new coverage options using the Marketplace or the Medicaid expansion—individuals without insurance and those who probably qualify for subsidies—were also the most interested in finding out more (75.1% and 65.1%, respectively). A majority of both subpopulations stated that they had time to find out more about the Marketplace. Of course,

this translates to more than a quarter of consumers without insurance showing little interest. Thus, although there was room to increase interest, we can conclude that facilitating interest in the Marketplace was less of a challenge than creating awareness.

Exhibit 5 Marketplace Interest



Desire

Key Findings: West Virginians who were without insurance are primarily motivated to buy insurance by low prices and the desire to take care of their family's health. The majority of uninsured individuals and those who likely qualify for subsidies reported that they did not know whether they qualified for federal assistance. Few consumers reported being likely to buy their insurance using the Marketplace.

Primary Questions from Questionnaire:

- I would like to buy insurance to take better care of my family's health.
- I want to buy insurance from a company I've heard of.
- Financial help from the government is important in my decision to buy health insurance.
- I am financially better off with health insurance than I am without health insurance.

- Do you think you and/or your family will qualify for subsidies (financial help) on the WV Health Insurance Marketplace/Exchange?
- I want to comply with the law requiring most individuals to have healthcare coverage beginning next year.
- If you had to choose one, which is more important to you when buying health insurance?
- Do you think you and/or your family will qualify for subsidies (financial help) on the WV Health Insurance Marketplace/Exchange?
- How likely is it that you will use the Marketplace/Exchange to buy your insurance between October 1, 2013 and March 31, 2014?

Discussion: A consumer's desire for a particular product is generally based on his or her assessment of whether the benefits of the product exceed the costs. In the survey, we addressed several benefits that consumers may be looking for: the ability to care for their family (Q12b), familiarity with the company offering the product (Q12f), the subsidies available only on the Marketplace (Q12h), and the financial implications, in the consumers' minds, of purchasing health insurance (Q12i). Additionally, given the federal mandate to have healthcare coverage, people's desire to have healthcare insurance may be influenced by their wish to follow the law (Q12g).

We also explored the relative influence of price versus quality, because a primary benefit of using the Marketplace is the potential for lower cost insurance, especially for those eligible for subsidies. Thus, consumers placing a premium on price would likely desire purchasing insurance via the Marketplace (Q15). Similarly, given that one of the primary benefits of using the Marketplace is the availability of subsidies, we asked respondents whether they believed they are eligible for such subsidies (Q14).

Finally, the most direct measure of desire would be consumers' intentions to purchase the product in the future. This is measured with Q13, which specifically asks how likely the person is to use the Marketplace during the open enrollment period.

The results showed that the individuals without insurance were interested in having insurance so that they could take care of their families (approximately 15% more than the general population and those likely to qualify for subsidies) and that government assistance with this purchase was important (66.1% of individuals without insurance valued government assistance). Supporting this conclusion were the findings that, when asked to choose between

price and quality, price was the more important attribute of insurance among those without insurance (57.3% chose price). In fact, individuals without insurance were less likely to feel that purchasing insurance improved the financial situation of their families (a full 20% less than the other two groups), and they were less likely to be influenced by brand name and reputation. This implies that to facilitate desire among individuals without insurance, it is critical that these consumers understand they may be able to get discounted insurance rates (in terms of premiums and lower deductibles) by using the Marketplace. Additionally, it seems that complying with the mandate was not as strong of a motivator for consumers without insurance.

Exhibit 6 Desire

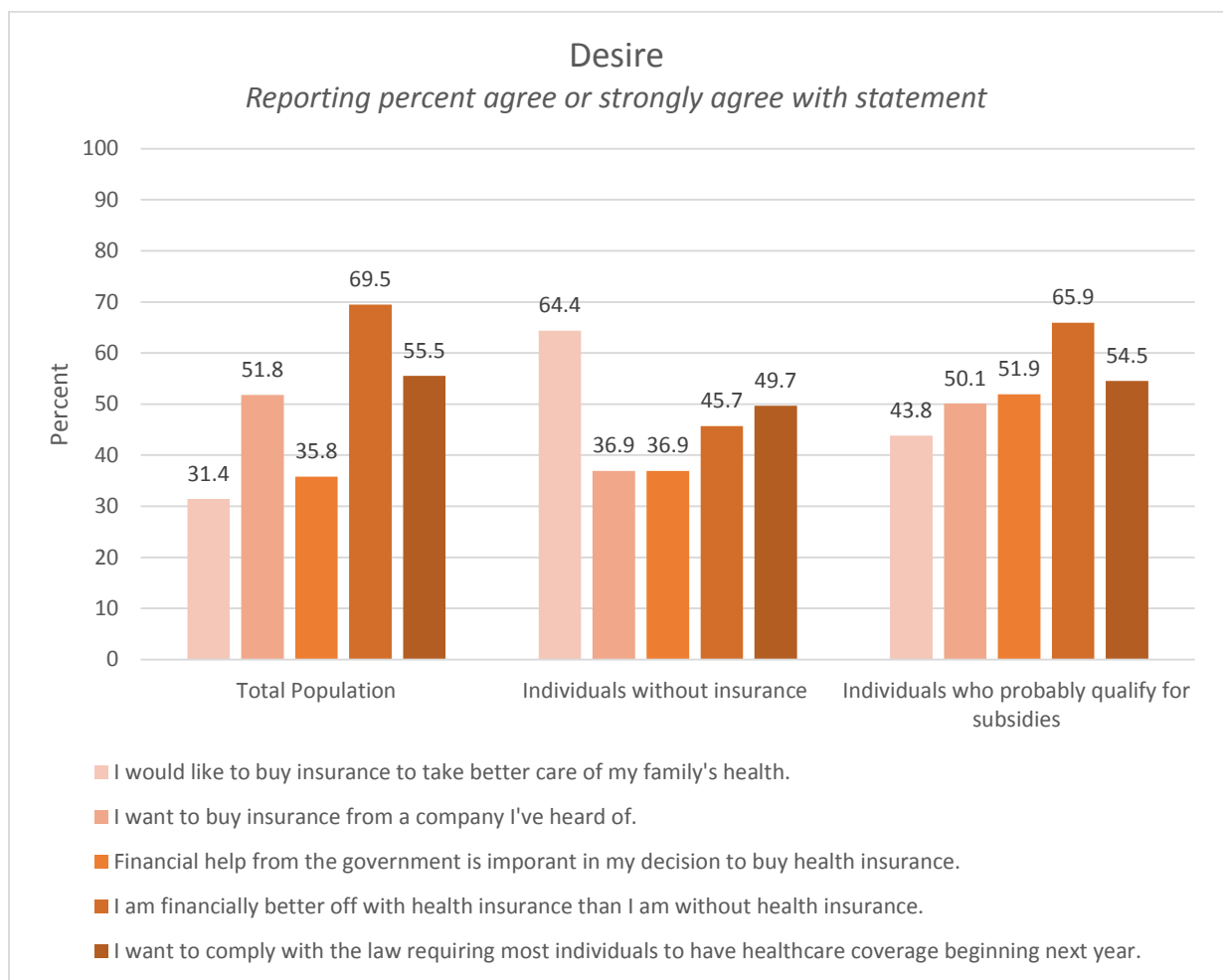
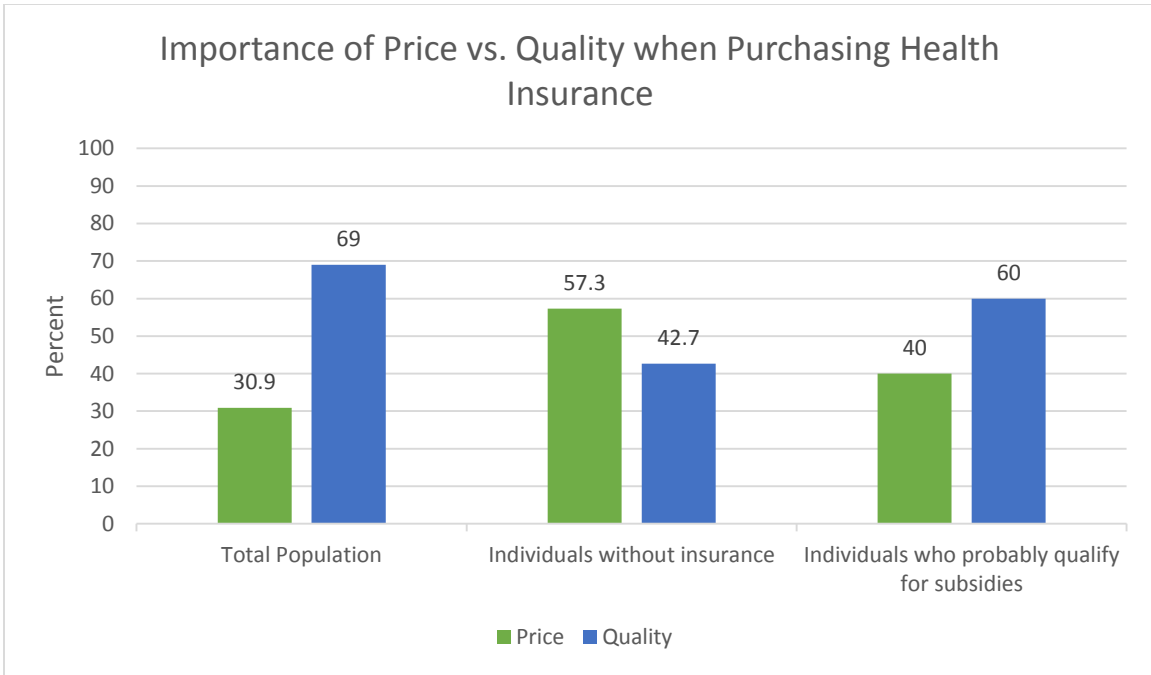
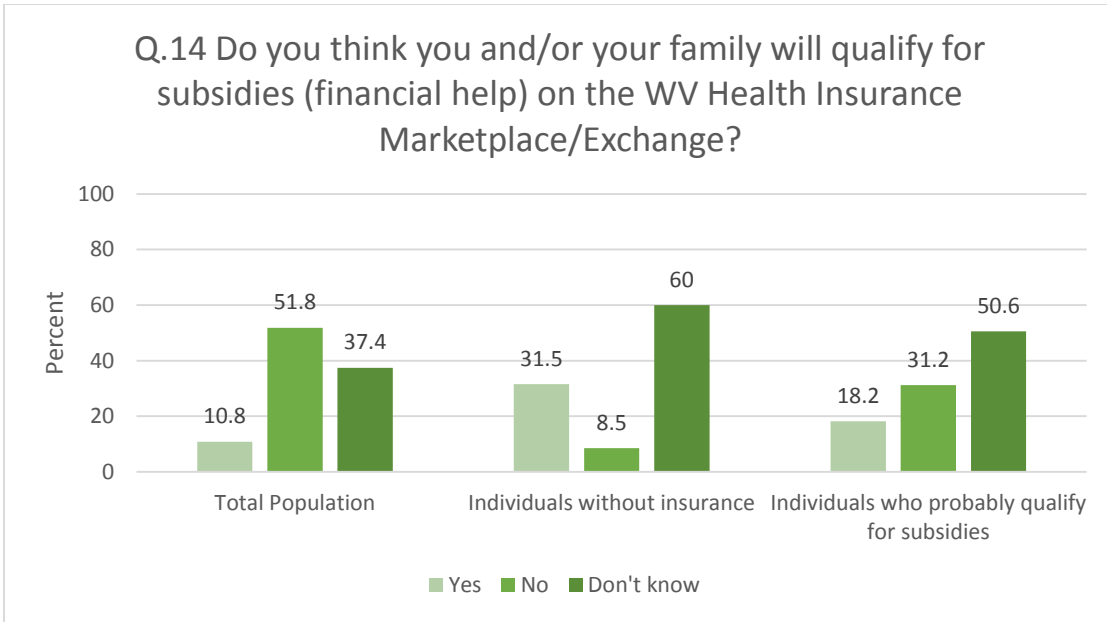


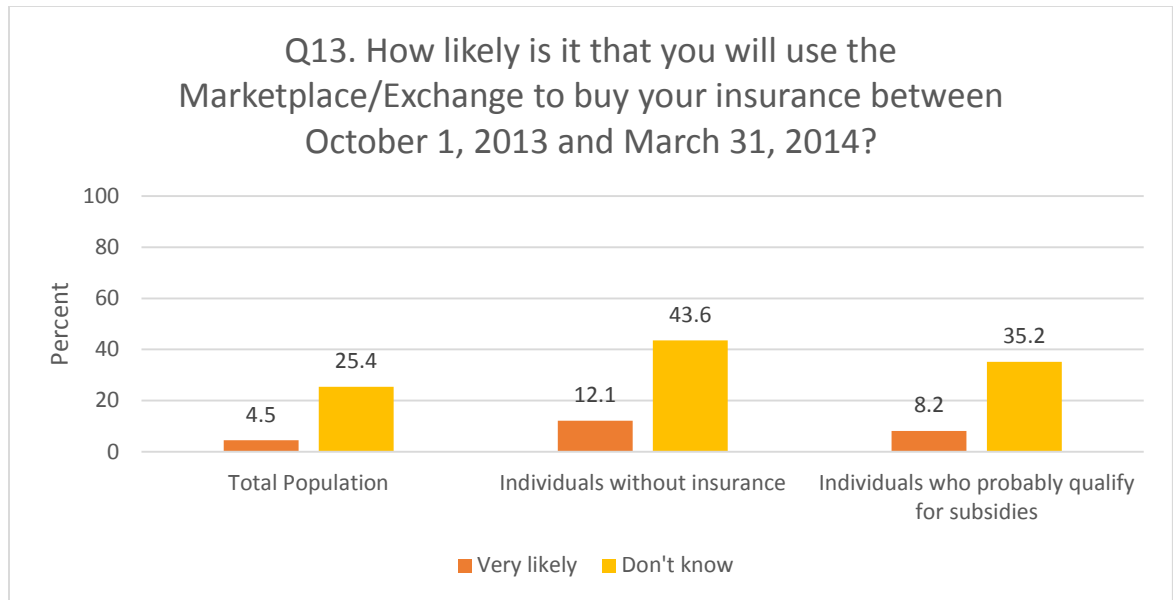
Exhibit 7 Price vs. Quality



There was a preponderance of “don’t know” responses among the two key target populations regarding their belief that they may qualify for federal subsidies (see *Exhibit 8*). For both, the majority of respondents did not know if they qualify for subsidies. This is a major concern since the availability of subsidies is one of the primary benefits of using the Marketplace, and it is a benefit available only through the Marketplace. Additionally, as seen in *Exhibit 6*, both populations felt that these subsidies are important to their decision making.



Responses, shown in Exhibit 9, to the “likely to use the Marketplace” (Q13) question showed that only a small minority (12.1% of individuals without insurance and 8.2% of those likely to qualify for subsidies) reported that they were “very likely” to use the Marketplace. Marketing and consumer behavior literature suggests that, in general, prior to experiencing a product firsthand, actual demand for a product can be estimated by using a fraction of the respondents who report being “very likely” to buy. Thus, if we extrapolate this finding to the population, we can estimate an initial take-up rate of less than 12% of consumers without insurance and consumers likely to qualify for subsidies using the Marketplace in the first year.



Based on these findings, organizations and individuals wishing to maximize enrollment on the West Virginia Marketplace must communicate cost savings and provide clear information to consumers (using active communication methods in person and in print) so that consumers are able to judge reliably whether they qualify for financial subsidies.

Ability

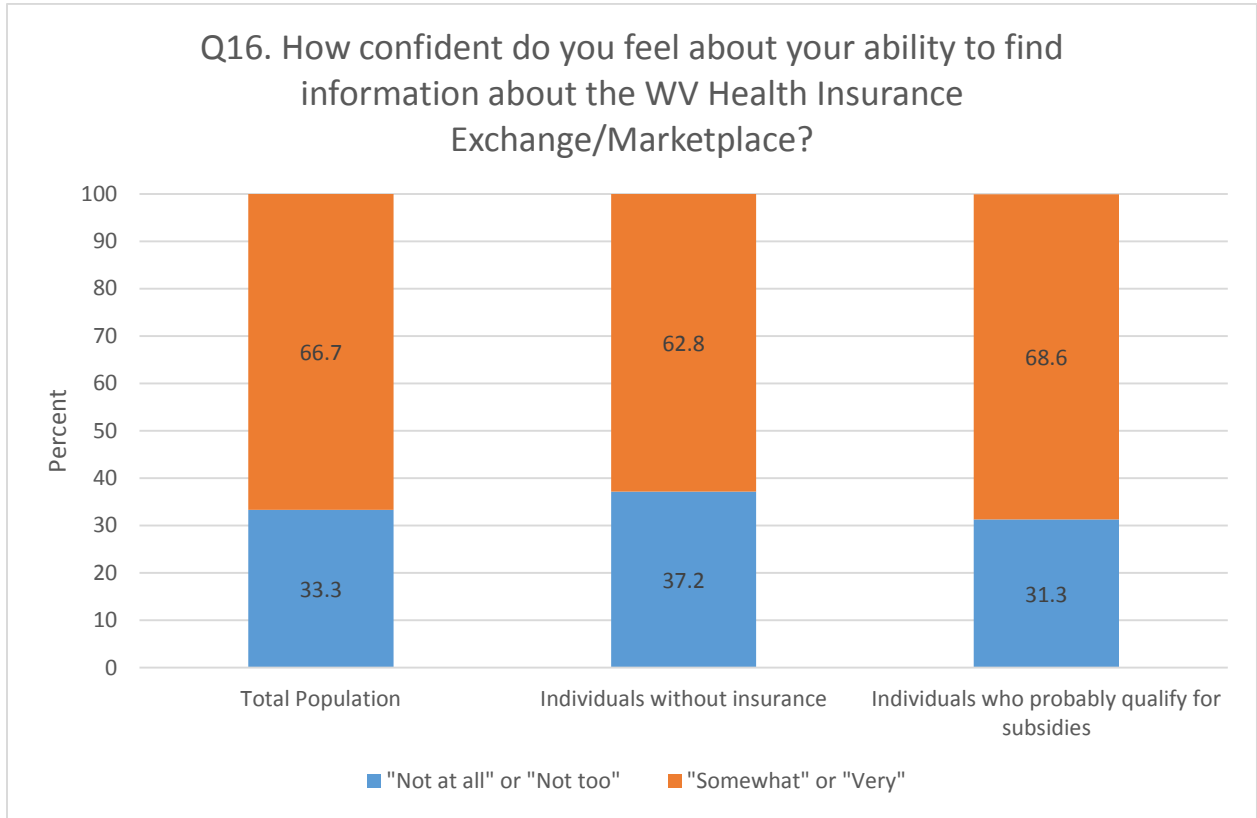
Key Findings: Individuals without insurance were slightly less confident that they could find information about the Marketplace. Additionally, this population was less likely to have easy access to the internet. Generally, few respondents reported facing significant health literacy barriers.

Primary Questions from Questionnaire:

- How confident do you feel about your ability to find information about the WV Health Insurance Exchange/Marketplace?
- Do you have a way to easily access the internet?
- General Health Literacy
 - How confident do you feel about your ability to fill out health insurance forms by yourself?
 - How often do you need to have someone help you when you read instructions, pamphlets, or other written material related to health insurance?

Discussion: Consumers must have the ability to understand and actually purchase a product. We examined the consumers’ confidence that they could find information about the Marketplace (Q16), their access to the internet (Q31), and general health insurance literacy¹ (Q17 and 18) to yield information about consumers’ ability to buy health insurance on the Marketplace. Results are shown in Exhibit 10-13.

Exhibit 10 Confidence in Ability to Find Information



¹ Crespo, Richard, Catherine Slemple and Kim Garret, “Health Insurance Literacy: An Exploratory Study of Potential health Insurance Marketplace Users and Their Need for Assistance: Detailed Summary of Key Findings and Recommendations.” West Virginia (2012).

Exhibit 11 Internet Access

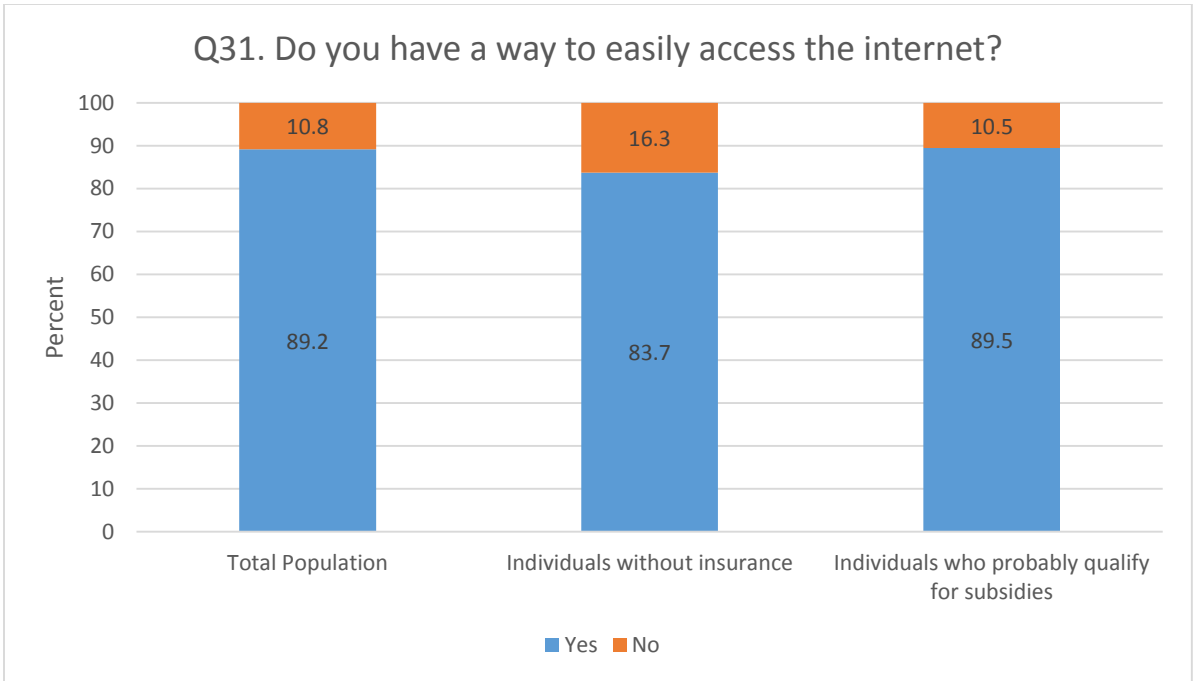
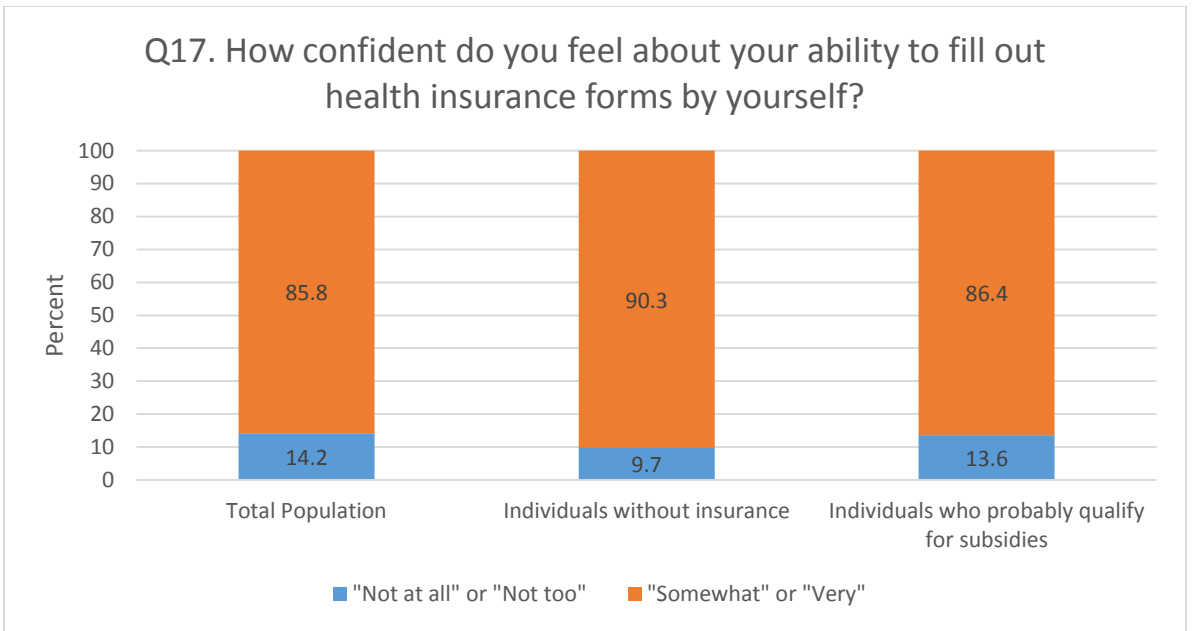
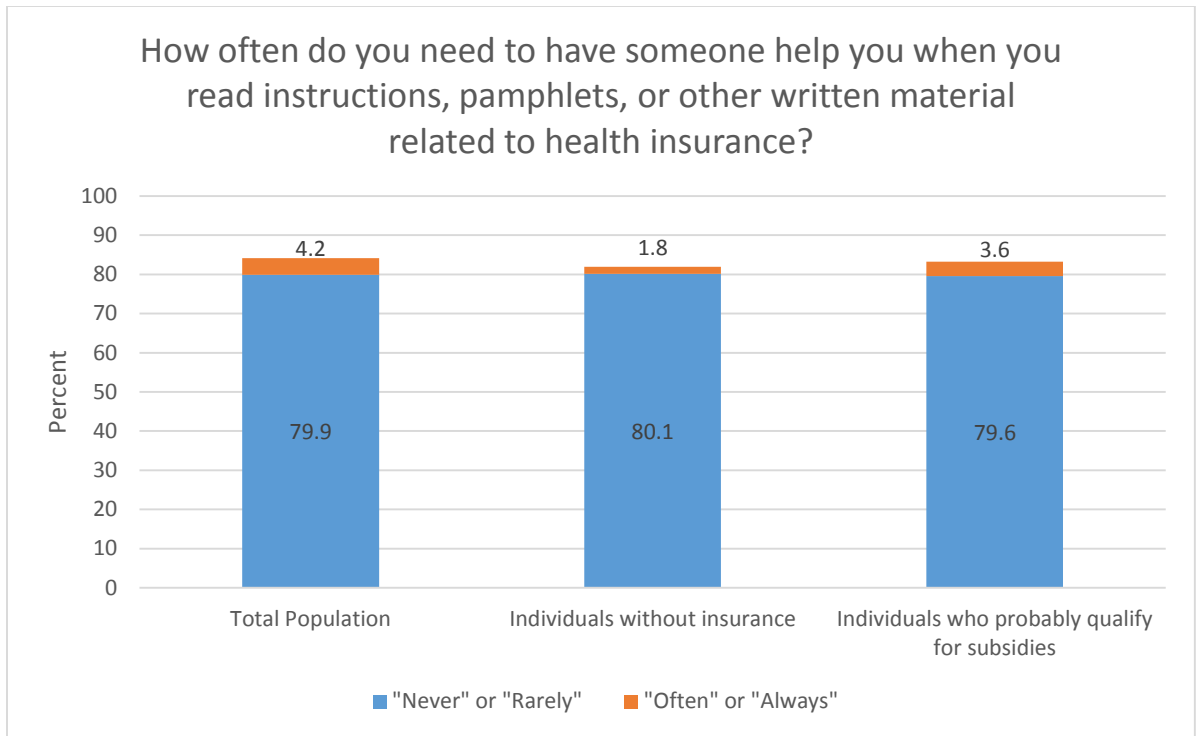


Exhibit 12 Health Insurance Forms





As shown above, individuals without health insurance were slightly less confident in their ability to find information regarding the Marketplace; however, the majority (62.8%) felt that they could access information if needed. About 16% of those without insurance had limited access to the internet, thus reducing their ability to purchase insurance, since the primary channel to purchase a subsidized health plan is the website. Finally, few of the respondents self-reported health literacy barriers (under 5%). However, one should note that since the questionnaire was presented in print, this finding may be different than if the questionnaire were presented verbally.

Based on the above, there were few self-reported ability factors likely to create significant hurdles for consumers wishing to use the Marketplace.

Implications

These survey data were collected in the summer before enrollment began. Obviously, federal and state efforts to raise awareness began in earnest in the fall 2013. It is imperative that the State continually monitors awareness of the Marketplace and subsidy availability from a policy improvement perspective. The statewide survey will be conducted again beginning in July 2014. Information gained at that time will help frame the discussion around marketing and outreach efforts as well as awareness of financial help on the Marketplace.

Pending Year Two Population Survey results, emphasis should be put 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. Marketing efforts should focus largely on individuals who remain uncovered by health insurance and those eligible for these subsidies, as they are the least likely to have awareness and have the most to gain from using Healthcare.gov. Based on these findings, organizations and individuals wishing to maximize enrollment on the Marketplace must communicate cost savings and 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. A variety of communication methods is needed to maximize reach and frequency of contact. Consumer behavior theory suggests that many repetitions of the same idea are most likely to be effective.

Most consumers who could benefit significantly by purchasing insurance via the Marketplace were interested in finding out more about it. This suggests, again, that the focus of marketing efforts should be on awareness and that communications 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.

Cost of insurance was a major consideration among the two target populations. Communications need to focus on the discounted prices, reduced premiums, and lower deductibles that may be available on the Marketplace. Additionally, individuals without insurance desired insurance in order to better take care of their families. Emphasizing the long-term financial benefit of having coverage is less likely to be effective among consumers without insurance.