



# Systems for Action

*Systems and Services Research to Build a Culture of Health*



# Health Insurance “Literacy”

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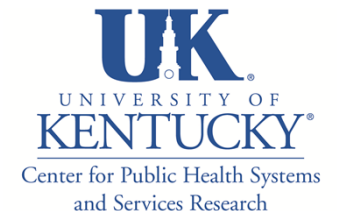
*Professor*

Univ. of Kentucky College of Public Health

Health Literacy Summit

Louisville, Kentucky

October 7, 2015



# Faculty disclosure

Nothing to disclose



# Objectives

Upon completion of this educational activity, you will be able to:

1. Define health insurance literacy (HIL)
2. Identify the important elements of HIL
3. Describe the HIL-related areas that have arisen most frequently during ACA implementation
4. Apply strategies to overcome HIL challenges

# Educational need/practice gap

**Need:** Consumers' HIL challenges may go undetected, leading to the assumption that consumers have grasped information that they don't actually understand.

**Gap:** In the absence of adequate HIL, consumers may incur unnecessary expense or forego necessary treatment, adding to the cost of healthcare with no incremental benefit

# Expected outcome

As a result of this educational program, practitioners will be more sensitive to patients' information needs and challenges related to HIL, and will know how to help patients access resources to address HIL-related problems.

# Health insurance literacy definition

Consumer's Union: HIL measures whether individuals can:

- Evaluate information about health plans
- Select the best plan for their needs and budget
- Use the plan once enrolled

Building blocks:

- Reasonable level of both literacy and numeracy
- Willingness to invest as much time in health insurance decision as in other major purchases
- Ability to contemplate the possibility of a range of family health events
- Understanding of personal financial status (e.g., resources to support high deductible)

# Approaching the topic

## Four levels of health insurance information

- Reasonably accessible given a little thought and clarification
- Challenging but ultimately answerable questions
- Questions for technical experts such as actuaries
- Somewhere between unpredictable and unfathomable

## Examples:

- Are lower premiums or lower use-related costs better for my family?
- Are all the providers associated with my upcoming surgery in-network?
- What premium does an insurer need to charge to meet fiscal requirements
- If my doctor recommends a relatively new treatment, will my insurance cover it or decline on the grounds that it is “experimental”?

# What the consumer needs to know

Why health insurance matters

When and how to get covered

Financial help (or low or no cost coverage) is available

How to find a plan that meets needs and budget

How to use health insurance

How to keep coverage

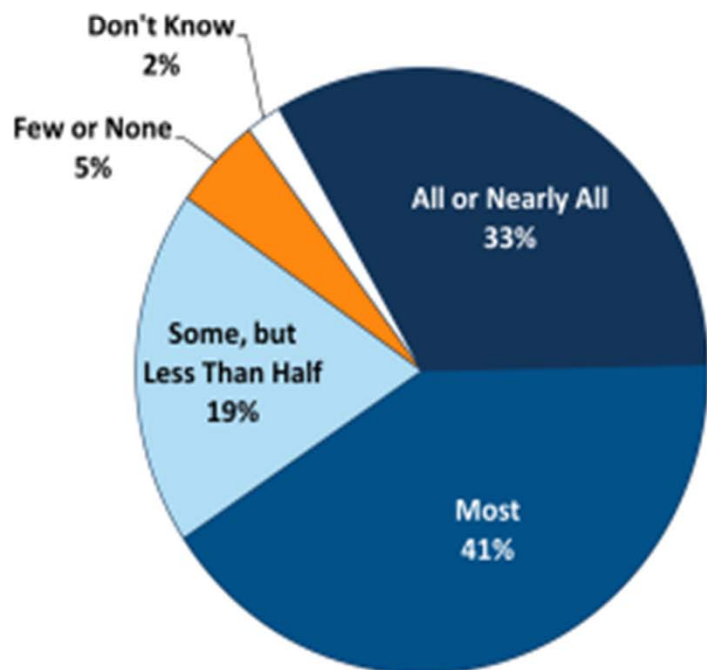
Where to go for help!



Figure 9

## Consumers Needing Help Understanding Basic Insurance Concepts

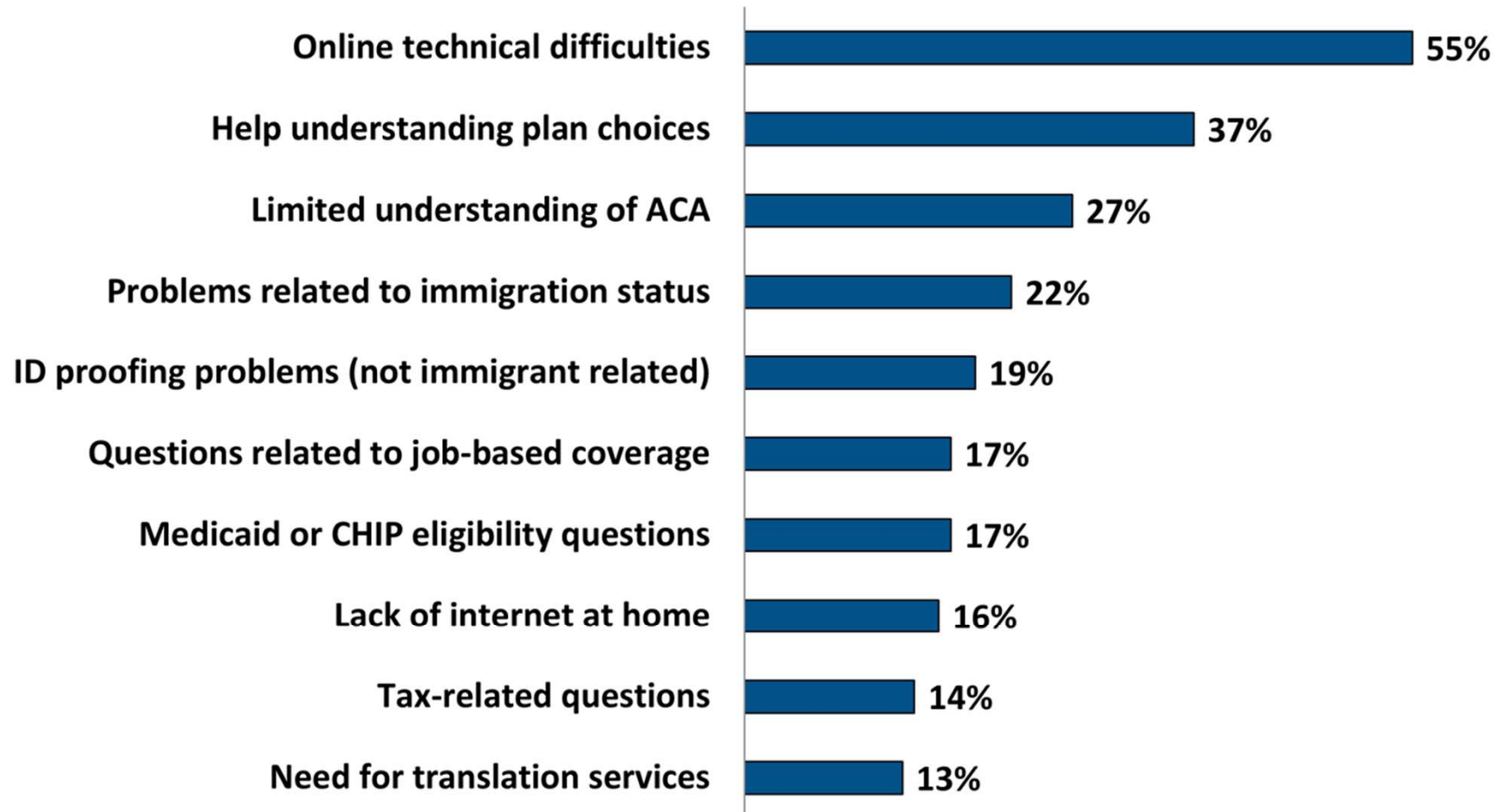
Among your Program's clients who considered or purchased QHPs, how many needed help understanding basic insurance terms, such as "deductible" or "in-network service"?



SOURCE: Kaiser Family Foundation, *Survey of Health Insurance Marketplace Assister Programs*, July 2014.

Figure 12

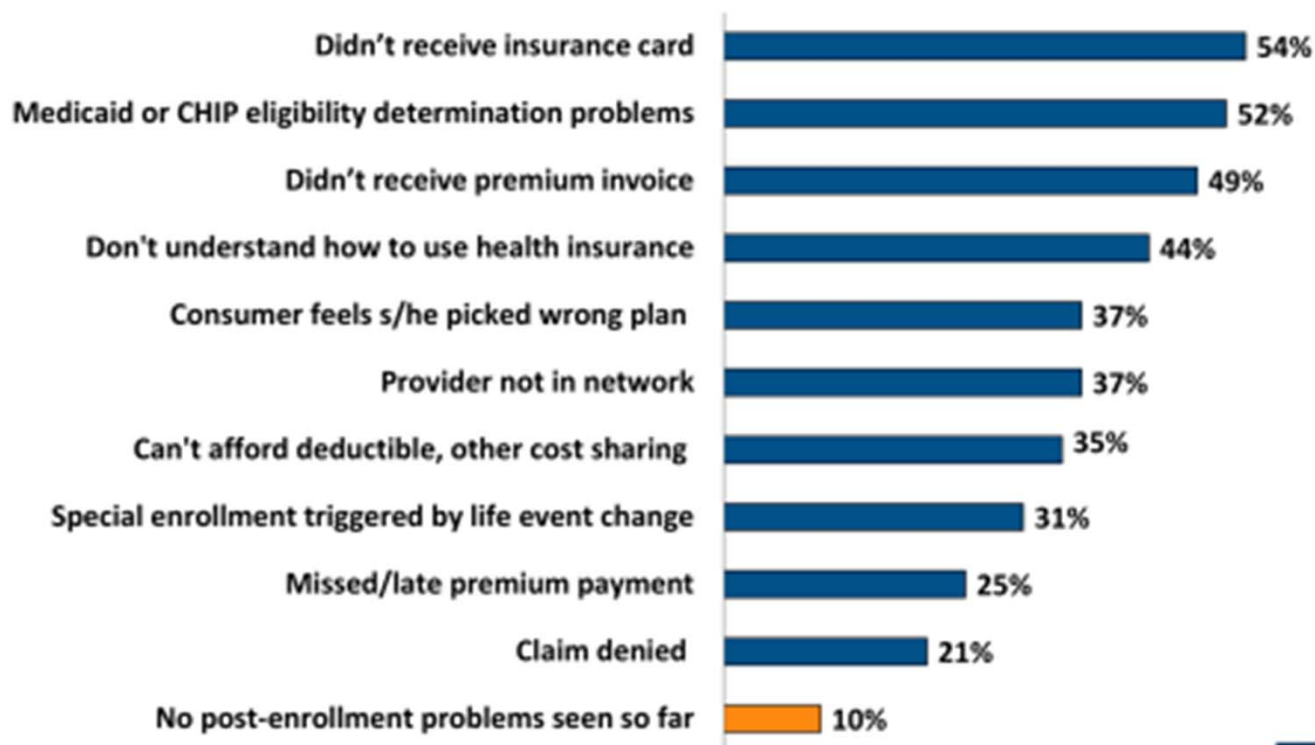
## Consumer Problems Identified by Assister Programs as Most Difficult to Resolve



SOURCE: Kaiser Family Foundation, *Survey of Health Insurance Marketplace Assister Programs*, July 2014.

Figure 14

## Percent of Assister Programs Observing Post-enrollment Problems as of Early-May



SOURCE: Kaiser Family Foundation, *Survey of Health Insurance Marketplace Assister Programs*, July 2014.



# Types of questions kynectors report

- Basic insurance concepts:
  - Do I have to keep paying if I don't need care?
  - What is a deductible? What is coinsurance?
  - How do I find out which doctors are in a plan's network?
  - What benefits are covered?
- Types of coverage: Medicaid, Medicare, individual, group
- Eligibility issues: income counting rules, definition of dependent
- Qualifying events: what events allow for enrollment changes out of normal open enrollment periods
- Coverage for pre-existing conditions

# Recommended structure for assistance

1. Identify the most persistent gaps in knowledge.
2. Understand what information consumers value about coverage.
3. Learn the best times to expose consumers to information in order to affect behavior positively.
4. Identify how and under what circumstances consumers are interested in receiving new information.
5. Know who consumers want to hear from (e.g., health plan or provider).

# Overcoming challenges: HIL issues

- Is the problem specific to health insurance, or is it part of a broader challenge with financial decision making, working with numbers, basic literacy?
- Is the consumer anxious
  - About contemplating health issues?
  - About financial decisions?
- Does the consumer understand and intend to comply with the minimum essential coverage requirement?
- Has the consumer grasped the insurance function of protection from financial catastrophe?
- Is this a good time, place, or mode of communication for this conversation?

# Overcoming challenges: resources

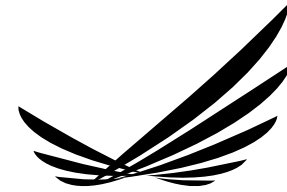
- Visual aids
  - kynect offers extensive online support once enrollment is initiated
  - handouts available
- Highly trained staff for call center and in-person assistance
- Booths, kiosks, storefront at Fayette Mall
- Enroll America health insurance literacy listserv

Email [hbates@enrollamerica.org](mailto:hbates@enrollamerica.org)

#healthinslit

# Acknowledgements

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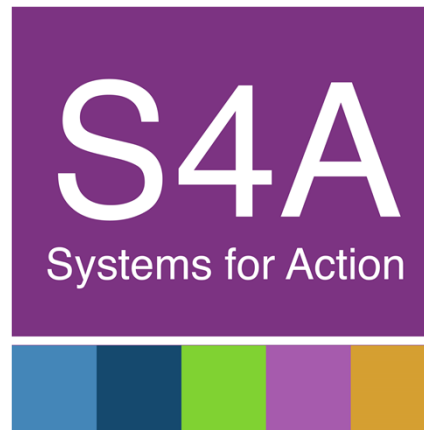


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# Questions?



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