



Participant Survey: Managing Out-of-Pocket Expenses

Item 6B: Group Insurance Board

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Background

- Partnered with UW Center for Financial Security
- Survey Group Health Program participants:
 - Out-of-pocket cost perceptions
 - How costs influence health care decisions
- Survey sent in March, 2019 to 6,000 participants
 - Age range: 30-55
 - In both HDHP and non-HDHP plan designs
 - State only

Survey Respondents

2,190 Participants - 38% response rate

- Average of 48 years old
- 10% are in HDHP
- 50% have a college degree or higher
- 44% reported \$75,000 or less in household income
 - 67% under \$100,000
- 60% self-reported they are in good or better health



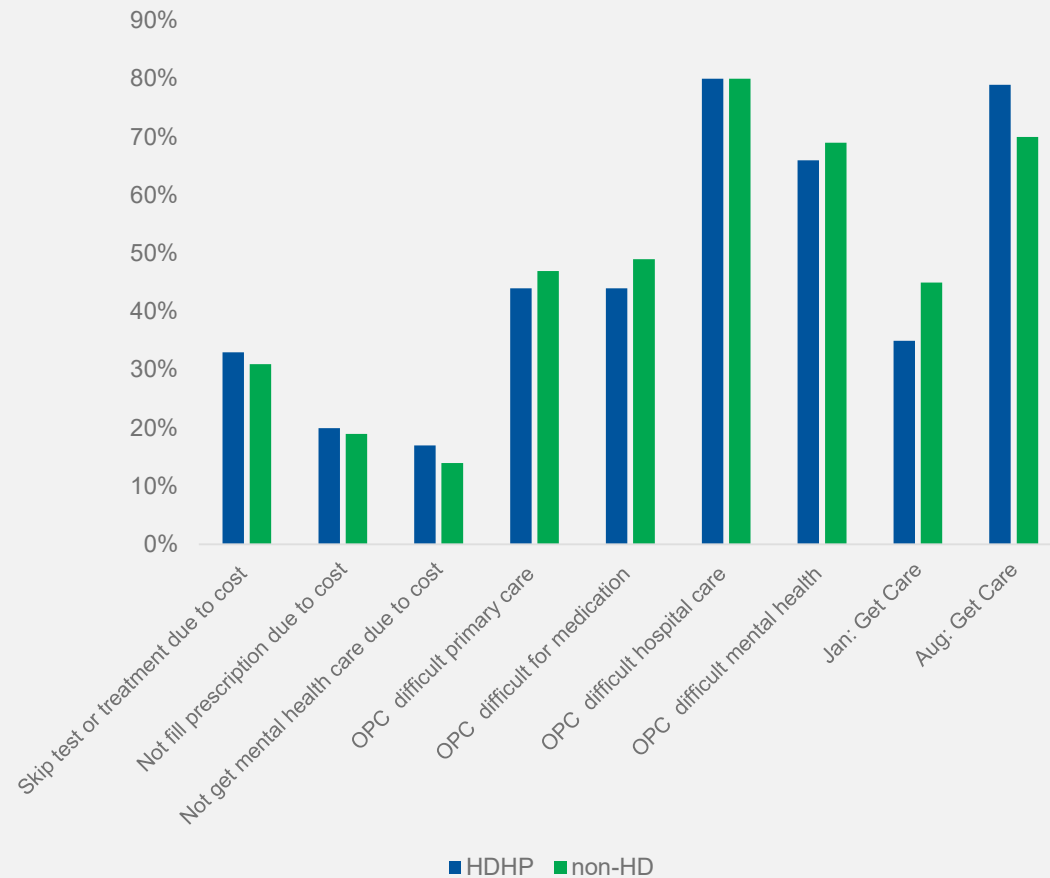
Results

Preliminary Observations

Lack basic information on how plans work; this is reducing interest in HDHP

Those with HDHP show no more signs of hardships compared to those in non-HDHP plans, but they are less likely to say they would get care early in the year before deductibles are met

Differences: HDHP and Non-HDHP



- Likelihood to skip test or treatment due to cost
- Likelihood to no fill a prescription due to cost
- Likelihood to no get mental health care due to cost
- Members have difficulty paying:
 - Out-of-pocket costs for primary care
 - Medications
 - Hospital care
 - Mental health expenses

Preliminary Observations

Respondents overestimate out-of-pocket costs, which might lead to reduced use of care

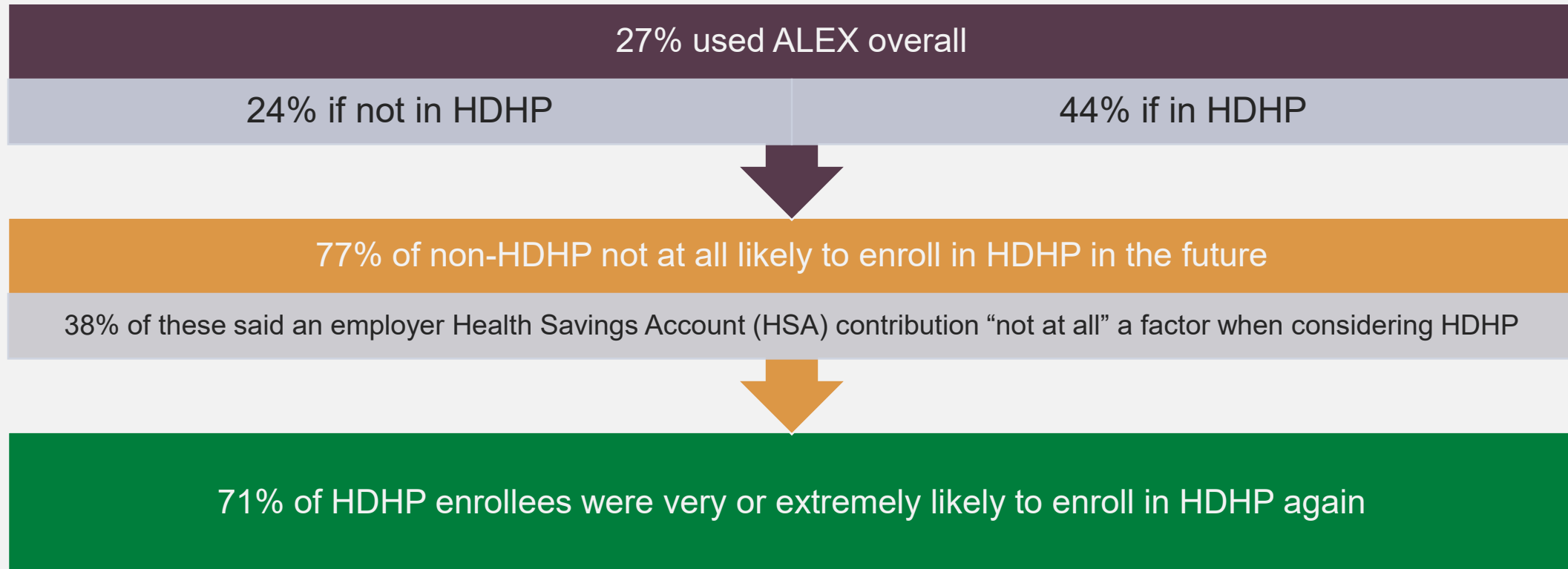
Tools like ALEX are likely to be remembered by people in HDHP

Interest in a service like financial counseling is low, but there is interest in more information

Not having basic savings and access to liquidity is associated with skipping care

Key Findings

Selecting Plans: Skepticism of HDHP Options



Key Findings



Selecting Plans: Skepticism of HDHP Options

- Out-of-pocket costs within the plan are as important as the selection of providers in the plan choice
- Confusion around HDHP and HSAs
 - For example, about half the respondents who said they had an HSA likely do not have one--they did not have an HDHP in 2018 or 2019
- 42% of respondents with HSA reported:
 - “Pre-loading the account at start of the year” as the most important feature to improve HDHP

Key Findings



Experiences with Hardships:

- 25-30% reported it is difficult to afford out-of-pocket costs for hospitalization and mental health services
 - No difference in difficulties by HDHP and non-HDHP users
- In 2018, employees reported: 31% skipped a test due to costs; 19% did not refill prescription due to costs; 15% did not get mental health services due to costs
 - **Biggest driver: Respondents are unable to come up with \$2,000 in a month for an emergency**, these people are 4 times more likely to report difficulties with out-of-pocket costs
 - Not having \$2,000 in an emergency situation is a larger factor than being in poor vs better health
- HDHP more likely to skip or delay care before meeting deductible, but less likely to skip or delay care later in the year after meeting deductible

Key Findings



Employee Education Needs:

- Low understanding of actual plan features, especially by non-HDHP participants
 - Only 20% of non-HDHP participants correctly estimate their plan's deductible; most over by \$500 or more
 - HDHP participants were correct 50% of time with less overestimation
 - Many appear to be mistaking max-out-of-pocket limit for deductible
- 40% not confident they understand how to use an HSA (18% among those with an HDHP)
- 60% not at all likely to take part in counseling on paying for out-of-pocket costs
 - But 30% of people with HDHP want more education on HSAs

Key Findings



Employee Education Needs:

- People have inaccurate perceptions of potential out-of-pocket costs
 - Non-HDHP participants are twice as likely to think six sessions of physical therapy would end up costing more than \$3,000 out-of-pocket if they had an HDHP
 - Non-HDHP are also more likely to think they will not meet their deductible by August (despite non-HDHP being in worse health)
 - 40% of non-HDHP expect to pay \$1,000 or more out-of-pocket for physical therapy
 - 5% of HDHP expect to pay \$1,000 or more out-of-pocket for physical therapy

Key Findings



Employee Education Needs:

- Majority not confident on where to get information on costs
 - Doctors and other health care providers are the least-cited source
 - ETF, Plan most likely sources on costs
 - Friends and family almost as common as Plan as source of information
 - Patterns not driven by income or education level



Next Steps

Workshop

Workshop on May 16 at the Pyle Center in Madison

- Explore the impact of HDHPs on families' out-of-pocket health care expenses

Presentations

- Professor Collins will share the survey results
- ETF Secretary, Robert Conlin
- WI Dept of Financial Institutions Secretary, Kathy Blumenfeld
- WI Medical Society's Manager of Advocacy and Regulatory Affairs, HJ Waukau
- Panel discussion and additional presentations



Questions?

Thank you



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