



## INTRODUCTION

Employers and employees alike want health plans to provide their customers with a high quality customer experience. Yet new research from the Pacific Business Group on Health (PBGH) shows that consumers who are more sensitive to costs tend to give their health plans lower quality ratings. These findings have important implications in an era when consumers are frequently being asked to contribute a higher share of the cost of health plans, and quality ratings matter to consumers selecting health plans. The findings in this issue brief are the result of PBGH analysis of 3,000 responses from California participants in the 2009 Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey. Administered by

the U.S. Agency for Healthcare Research and Quality since 1998, CAHPS is the leading source on consumer evaluation of health care experiences in the United States.

### How many consumers skip care because of cost?

Across all health maintenance organizations (HMOs) and preferred provider organizations (PPOs), 16% of all members skipped needed medical care and 17% did not fill a prescription because of the cost of doing so.

### How do HMO and PPO members differ?

More PPO members skipped care because of cost than did HMO members. Across all plans, approximately 20% of PPO members did not fill a prescription because of cost and 25% skipped medical care for the same reason. In comparison, 13% of HMO members avoided filling a prescription and just 6% to 9% skipped medical care because of cost.

In addition, more PPO members reported experiences that reflected sensitivity to costs in other ways. For instance, approximately 16% looked up the costs of medical care and 63% reported submitting a claim for payment. In comparison, 10% of HMO members looked up the costs of care, and 43% submitted a claim.

### How do cost-sensitive consumers rate different aspects of their health care experiences?

Although consumers who skipped care or did not fill prescriptions rated their health plans lower overall, they discriminated between different health care experiences in their ratings. For instance, they rated their experiences with providers just 1 to 4 points

## CAHPS IN BRIEF

The annual Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey is the leading source for consumer evaluation of health care experiences such as:

- the ease of getting health care,
- communicating with providers,
- health plan information and customer service; and
- global ratings of health care, providers, and health plans.

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lower, on average, than did consumers who got all their care and prescriptions.

On the other hand, they rated their experiences with their health plans—such as getting information on costs, customer service, and claims payments—substantially more negatively than did consumers who did not skip care or medications. On average, consumers who skipped care or medications rated these experiences 10 to 15 points lower.

### **Do consumers who interact more with their health plans rate them differently?**

Consumers who used health plan services more—to check on the costs of care, handle claims, or contact customer service—rated their plans 5 to 8 points lower than did consumers who used these services less often. This pattern holds true across all types of health plans, even if members didn't skip care because of cost.

The more consumers used plan services, the lower they rated the plan. For each plan service they used, the global health plan rating dropped approximately 1.4 points. Consumers often interact with their health plans over cost issues, the same reason they skip care—and interacting often with their health plans is dissatisfying for consumers.

Cost-sensitive member ratings are lower for both PPOs and HMOs, but, because PPO members interacted with their health plans more, PPO global ratings were lower still.

### **What about comparing CAHPS global ratings across health plans?**

Health plans with more members enrolled in higher cost-sharing designs are likely to have lower global health plan ratings. Cost-sharing options vary widely across health plans, so some plans are more affected than others—but it's very hard to know how much any individual health plan's rating is affected by consumer

cost-sharing, making it difficult to compare CAHPS global ratings across health plans.

### **Are there other issues with the CAHPS global health plan rating?**

The global health plan rating has important strengths. It is a long-standing performance measure that most consumers answer on the survey regarding plans. It is an overall indicator of consumers' experiences with the plan and captures aspects of the person's experience that are not addressed by other survey questions.

However, the global health plan rating also hides differences between HMOs and PPOs. When similar items on the survey are grouped together into three categories—access to care, plan services, and doctor experiences—HMOs and PPOs perform differently. PPOs receive higher ratings on access to care and doctor services, and HMOs do better on plan services. However, HMOs far outperform PPOs on global health plan ratings.

In short, the CAHPS global health plan rating is heavily affected by consumer cost-sharing—and it hides important differences in how consumers rate different types of plans.

### **What does this mean for consumers?**

When selecting health plans, consumers can be misled by global plan ratings. With more and more cost-sharing designs, health plan global ratings are increasingly influenced by members' benefit coverage. A consumer who is selecting a health plan is unaware of this cost-sharing effect on members' ratings of the plan.

The growth of complex benefit plans and increased cost-sharing means that more consumers have to cope with bigger financial decisions—making it all the harder for consumers to get the best value for their dollar. This sense of a diminished value for the health plan service reveals that plans have much work to do to help members shop for and use health care services.

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### What's the bottom line?

Consumers who are sensitive to costs—as demonstrated by skipping needed care and medications to save money—rate their health plans lower than other consumers do. On average, they rate their plans 20 points lower than do consumers who have the same plan but lower cost sharing. This impact of cost sensitive members' global rating of their health plan can mislead consumers when choosing a plan.

### About the Pacific Business Group on Health

Founded in 1989, Pacific Business Group on Health (PBGH) is one of the nation's leading non-profit business coalitions focused on health care. We help leverage the power of our 50 large purchaser members who spend 12 billion dollars annually to provide health care coverage to more than 3 million employees, retirees and dependents in California alone. PBGH works on many fronts to improve the quality and affordability of health care, often in close partnership with health insurance plans, physician groups, consumer organizations, and others concerned about our health care system. To learn more please visit [www.pbgh.org](http://www.pbgh.org).

