Consumer Choice of Health Plan
Decision Support Rules for Health Exchanges: Issue Brief #3

Organizing Plans Using Filters and Sorts

Smart organization of plans using filters and sorts. Use initial filters and sorts to organize plans so that consumers' "best fit" plans appear first in the display of plans. Provide tools (i.e., additional filters, sorts, and wizards) to allow consumers to reorganize plans once they have viewed the initial display.

IMPLEMENTATION

We recommend a two-step approach to organizing plans:
1. Use automatic settings to provide an initial organization of the Plan Comparison display.
2. Provide tools to allow consumers to reorganize plans once they have viewed the initial Plan Comparison display.

Initial plan organization: Based on information provided by consumers in the Eligibility Determination and User Preferences sections, initial filters and sorts are applied automatically to organize the plans for consumers' first view of the Plan Comparison display.

- **Initial or "pre"-filters:** Pre-filters narrow the set of plans displayed initially. Candidate dimensions:
  - Geographic service area (e.g., plans available in consumers' zip code)
  - User eligibility status

- **Initial or "pre"-sorts:** Pre-sorts order the plans displayed initially. Multiple sorts can be applied simultaneously to handle ties (e.g., if several plans have the same total cost, use a secondary sort). Candidate dimensions:
  - Total cost[1] as primary sort
  - Policy objective (e.g., encouraging consumers to consider quality ratings) or designated consumer preference (e.g., doctor in plan) as secondary sort[2]

Optional plan reorganization: Additional filters and sorts are tools positioned directly on the Plan Comparison page(s) that consumers can optionally apply to reorganize the plan display to better meet their plan needs and preferences.

- **Additional filters:** Additional filters allow consumers to choose personally relevant criteria to narrow the set of plans under consideration. Consumers should be alerted to the number of plans each filter would exclude. Candidate dimensions include:
  - Plan name
  - Total cost limits
  - Doctor in plan
  - Rules to see a doctor
  - Provider quality ratings limits
  - Plan quality ratings limits

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[1] Total cost combines premium minus any tax credit and cost at time of care; for more details about cost calculators, see Issue Brief #2. In the absence of a cost calculator, metals tier can be used as a rough proxy for total cost. However, this substitution may be misleading if there is considerable variability among covered benefits within a metals tier (Krughoff et al., 2012; Lore et al., 2012).

[2] Exchanges may assign an importance ranking to plan dimensions or ask consumers to rank plan dimensions. The highest ranked dimension for which consumers express a preference in the User Preferences section can be used as the secondary pre-sort.

- **Additional sorts:** Additional sorts allow consumers to choose personally relevant criteria to re-order plans. Candidate dimensions include:
  - Plan name
  - Total cost
  - Doctor in plan
  - Rules to see a doctor
  - Provider quality ratings
  - Plan quality ratings
  - Cost sharing for specific Essential Health Benefits (including annual out-of-pocket maximum)

- **Additional adjustments:** Provide tools or navigation for consumers to adjust the assumptions that drive the Plan Comparison display. Candidate dimensions include:
  - Plan service area
  - Expected income
  - Expected care needs (e.g., expected use of medical services and medications)

RATIONALE

Reduce decision complexity: Consumers can be overwhelmed by a large number of complex choice options (for a discussion, see Quincy & Silas, 2012). Filters and sorts organize plans so consumers can focus on a small number of plans that best meet their needs and preferences. Because filter and sort tools are flexible (i.e., consumers can "undo" any filters or sorts applied), they can reduce choice complexity while preserving consumers' freedom of choice – consumers can choose to consider smaller or larger sets of plans as well as if and how to re-order the plans.

Help consumers find high value plans: Many consumers may choose from a narrowed set of plans and/or only consider plans that appear near the beginning of the plan display. If filter and sort criteria are not selected carefully, consumers may inadvertently miss high value plans. For example, a pre-filter on doctor in plan could exclude low cost, high quality plans that some consumers may prefer to a plan that includes their doctor. Thus, we recommend using pre-filters to exclude only plans that are unavailable due to location or eligibility status. If any other pre-filters or pre-sorts (e.g., doctor in plan) are used, alert consumers that a number of available plans may not be shown at all, or not displayed in the first screen of the plan display. Further, if consumers select a plan from a narrowed set of plans when one or more hidden plans are better on several dimensions, the functionality should alert consumers about these plans.

Meet user preferences: To accommodate consumers' plan needs and preferences, decisions about which dimensions to include as criteria for filter and sort tools should be informed by plan dimensions that matter to many consumers. For example, because total cost (i.e., premium minus any tax credits plus cost at time of care given consumers' expected medical services use) is the dimension most commonly cited as most important, we recommend using it as the primary pre-sort criterion.

Accommodate changing preferences: Preferences are malleable (Lichtenstein & Slovic, 2006; Tversky & Kahneman, 1981). Consumers' preferences may change once they view the available plans (for more details, see Issue Brief #4). Filters and sorts should be easily reversed so that consumers are not locked into a particular set or ordering of plans.

Reduce uncertainty: Many aspects of plan choice are based on consumers' expectations for the next year and confidence in these assumptions may vary. Allowing consumers to adjust the assumptions that drive the Plan Comparison display may help them better understand "what-if" scenarios.

Accomplish policy objectives: To address policy objectives, Exchanges can include plan choice dimensions that are aligned with policy and program objectives as criteria for filters and sorts.

RESEARCH EVIDENCE

Our research indicates that filters and sorts have a powerful impact on plan choice. In Study 1, participants chose higher value plans when plans were pre-sorted by total cost than when plans were sorted by plan name. In Study 2, when plans were pre-filtered based on participants' initial metals tier preference, most participants chose plans from this narrowed set of plans without viewing the full set of plans. When plans were pre-sorted based on participants' initial metals tier preference, a material proportion of participants crossed metals tiers to select a plan from a different metals tier.
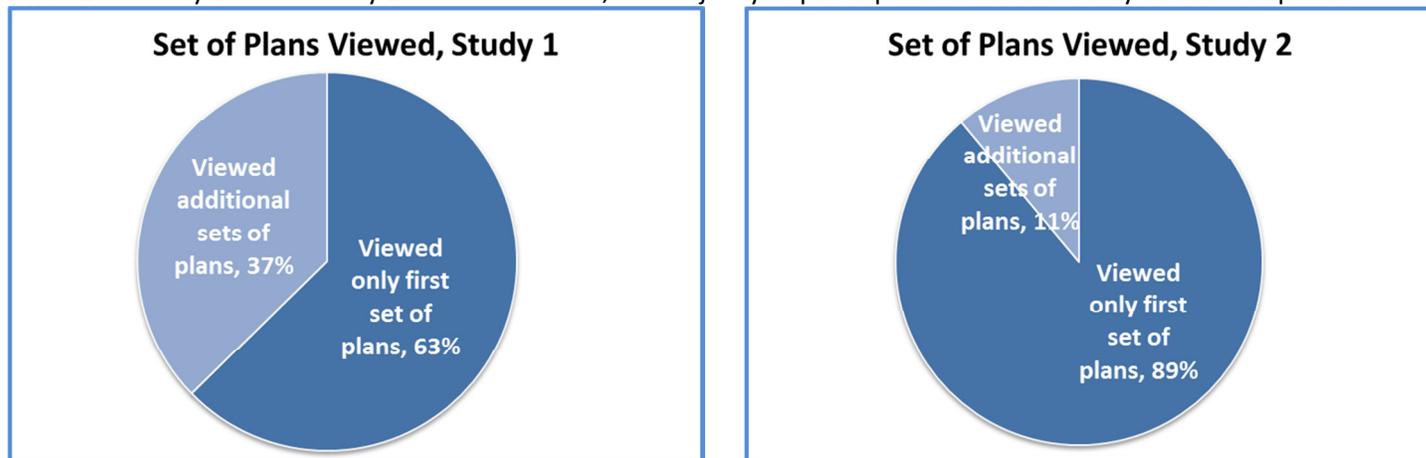
Across two studies, participants (N = 651) used our online plan choice tool to select a health plan. Although this choice was hypothetical, the health plans were based on real-world plan data and participants were asked to "make [their] medical plan choice as if it were [their] actual plan choice". Participants' preferences were queried in the User Preferences section. They then used the Plan Comparison to select a plan. Finally, they completed a post-choice questionnaire.

In Study 1, plans were pre-sorted either by a high value dimension (total cost) or a low value dimension (plan name). In Study 2, plans were either pre-sorted or pre-filtered based on participants' initially preferred metals tier:

1. In the <u>sort condition</u>, participants' initial metals tier preference determined how plans were pre-sorted: plans matching participants' initial metals tier preference were ordered first followed by plans belonging to other metals tiers (e.g., if the participant indicated a preference for bronze plans, the order was bronze plans first, followed by silver plans and then gold plans).[3]

2. In the <u>filter condition</u>, participants' initial metals tier preference determined how plans were pre-filtered: only plans matching participants' initial preference were shown in the initial plan display (e.g., if the participant indicated a preference for bronze plans, only bronze plans were displayed), but participants could unhide the remaining plans by clicking on "Show all plans".

Set of plans viewed: In Study 1, only three plans were shown at a time. Participants could click to scroll and see the next set of three plans. In Study 2's filter condition, the initial plan display showed only the three plans within the metals tier for which participants initially indicated a preference. Participants could click to unhide the remaining six plans. In both studies, the majority of participants did not view the full set of plans and instead chose from an initial narrowed set of plans (Chart 1).
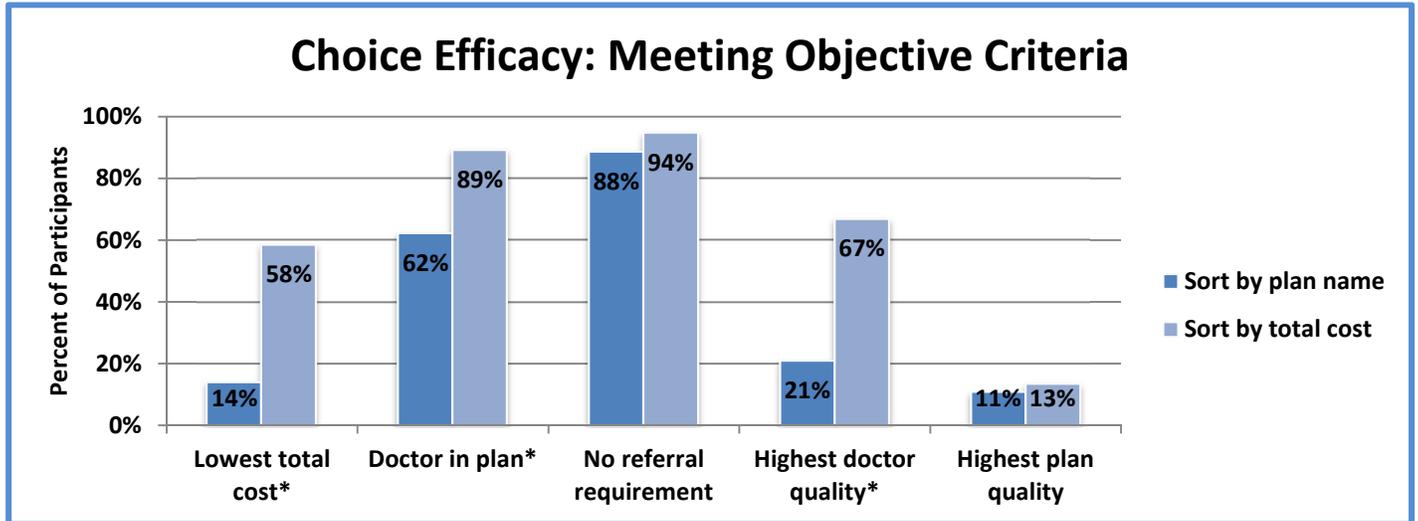
Chart 1. In Study 1 and in Study 2's filter condition, the majority of participants considered only a subset of plans.

Set of Plans Viewed, Study 1
Viewed additional sets of plans, 37%
Viewed only first set of plans, 63%

Set of Plans Viewed, Study 2
Viewed additional sets of plans, 11%
Viewed only first set of plans, 89%

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[3] If participants indicated a preference for silver plans, plans were displayed in the order: silver, bronze, gold. If participants indicated a preference for gold plans, plans were displayed in the order: gold, silver, bronze. We did not include platinum plans in this study.

Choice efficacy: In Study 1, participants chose higher value plans on two metrics when plans were pre-sorted by total cost versus plan name.[4] First, we looked at objective measures of choice efficacy using criteria such as the relative cost and quality of participants' selected plan. Compared to participants viewing plans pre-sorted by plan name, participants viewing plans pre-sorted by total cost were significantly more likely to choose plans that were better on a number of dimensions (Chart 2). For example, participants viewing plans pre-sorted by total cost were four times more likely to select the plan with the lowest total cost.
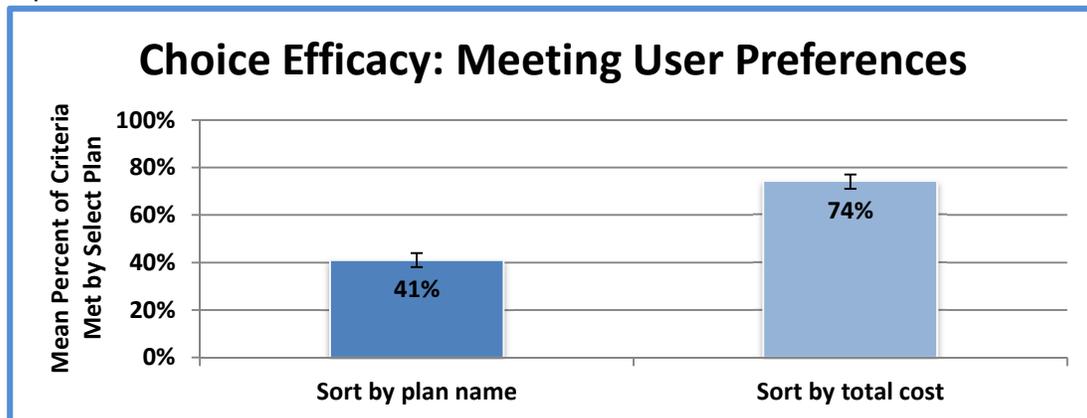
Chart 2. In Study 1, participants were more likely to choose plans that were higher value on several dimensions when plans were pre-sorted by total cost.

Choice Efficacy: Meeting Objective Criteria

Percent of Participants

- Lowest total cost*: Sort by plan name 14%, Sort by total cost 58%
- Doctor in plan*: Sort by plan name 62%, Sort by total cost 89%
- No referral requirement: Sort by plan name 88%, Sort by total cost 94%
- Highest doctor quality*: Sort by plan name 21%, Sort by total cost 67%
- Highest plan quality: Sort by plan name 11%, Sort by total cost 13%

■ Sort by plan name
■ Sort by total cost

*Significant difference

Second, we looked at subjective measures of choice efficacy. We asked participants to rank their top three most important plan dimensions. We then assessed how well their selected plan met those preferences. Compared to participants viewing plans pre-sorted by plan name, participants viewing plans pre-sorted by total cost chose plans that met significantly more of their own plan criteria (Chart 3).

Chart 3. In Study 1, participants chose plans that better fit their self-identified criteria when plans were pre-sorted by total cost. [†]

Choice Efficacy: Meeting User Preferences

Mean Percent of Criteria Met by Select Plan

- Sort by plan name: 41%
- Sort by total cost: 74%

† *Error bars indicate standard error.*

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[4] This difference was significant for participants who only viewed the initial set of plans, but was not significant for participants who scrolled to view additional sets of plans. This indicates that a "smart" pre-sort by a high value dimension, such as total cost, may be especially helpful for vulnerable consumers who spend less time and effort on plan choice.

Metals tier of selected plan: In Study 2, compared to participants in the filter condition, participants in the sort condition were significantly more likely to cross metals tier to choose a plan from a different metals tier than their initial preference (Chart 4). Whereas almost all participants in the filter condition selected a plan drawn from their initially preferred metals tier, roughly one-third of participants in the sort condition selected a plan that was not from their initially preferred metals tier. This indicates the power of filters in focusing consumers' attention on a subset of plans and the importance of using only key dimensions as filters to avoid consumers inadvertently failing to consider high value plans.

Chart 4. In Study 2, participants in the sort condition were more likely to choose a plan from a different metals tier than their initial preference.
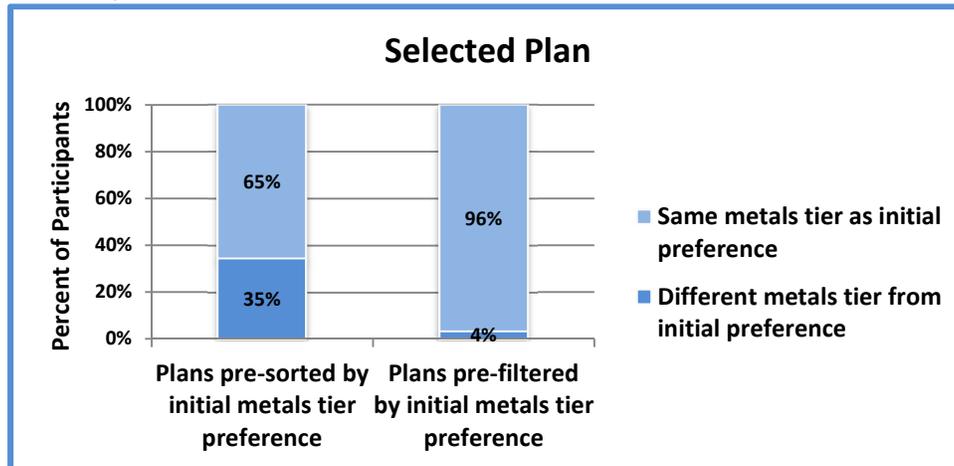
REFERENCES

For more information or other recommendations for plan choice decision support, including additional issue briefs and an in-depth report, visit http://www.pbgh.org/exchange-plan-choice or contact Ted von Glahn (tglahn@pbgh.org).

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