

Consumer Choice of Health Plan Decision Support Rules for Health Exchanges: Issue Brief #4

Important Dimensions of Plan Choice

Important dimensions of plan choice. Dimensions rated important by wide swaths of consumers should be emphasized in both the User Preferences and the Plan Comparison sections. Because preferences vary among consumers and can change as consumers consider their decision, decision support should give consumers the flexibility to adjust their preferred plan dimensions.

IMPLEMENTATION

Certain plan dimensions are important to many consumers:

1. Cost
2. Covered services
3. Rules to see a doctor
4. Doctor in plan

Emphasize popular dimensions throughout plan choice by having them be:

- Set as defaults (i.e., preselected options) in the User Preferences section
- Organized to appear in the top layer of information, and even highlighted, in the Plan Comparison section
- Used as criteria for filtering plans in the Plan Comparison section (for more details, see Issue Brief #3)
- Used as criteria for sorting plans in the Plan Comparison section (for more details, see Issue Brief #3)

Accommodate changing preferences by using flexible Plan Comparison displays that allow consumers to:

- Show or hide information to adjust the density of information to fit their interests
- Apply, remove, and switch filters to compare different subsets of plans
- Apply, remove, and switch sorts to (re-)organize plans along different dimensions

RATIONALE

Meet user preferences: Design informed by popular preferences will by definition match many consumers' preferences. Emphasizing popular dimensions can make it easier for consumers to identify plans that meet their needs.

Help vulnerable populations: Our research indicates that some consumers begin plan choice without a clear idea of their preferred plan features. Because an emphasis on popular dimensions conveys norms (i.e., indicates common preferences), it can help these consumers identify their needs and preferences and understand the trade-offs among available plans. This could be especially helpful for consumers with low health insurance literacy or with no previous insurance experience.

Accommodate varied and changing preferences: Building user flexibility into decision support is important for several reasons. First, it allows consumers to adapt the decision support to their needs and preferences when these are not met by the default design. Second, it allows consumers to spend more or less time on plan choice,¹ including allowing them to explore without penalty (e.g., letting them do and undo actions such as show/hide, filter, and sort). Third, preferences are malleable (Levin & Gaeth, 1988; Tversky & Kahneman, 1981) and flexibility accommodates changing preferences.

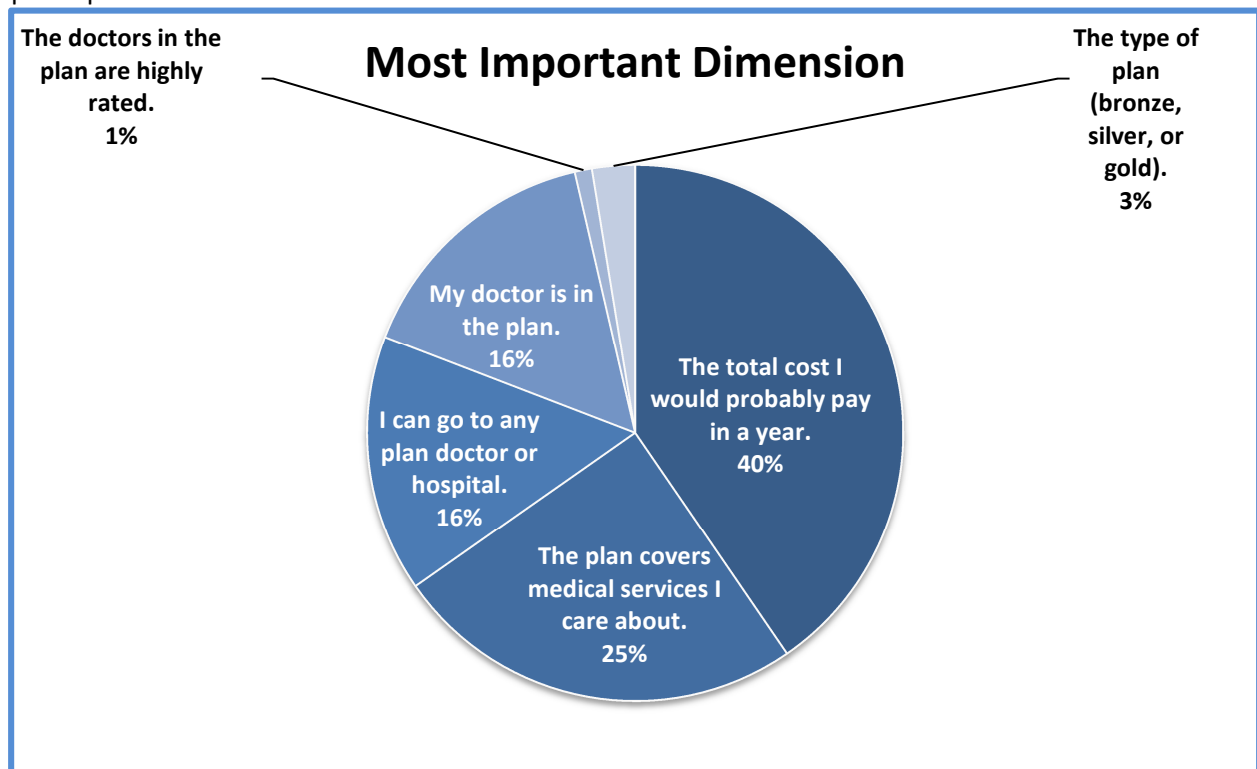
RESEARCH EVIDENCE

Our research indicates that plan choice dimensions were weighted differently by different participants. However, there was agreement around a few dimensions, which were rated as important by material segments of participants. Notably, the stability of participants' dimension importance ratings varied over the course of the decision.

Participants (N = 193) used our online plan choice decision support 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 were asked about their plan needs and preferences in the User Preferences section. They then used the Plan Comparison to select a plan. Participants were asked about their most important plan dimensions before and after selecting a plan.

Important dimensions: After selecting a plan, participants were shown a list of six plan dimensions and asked to rank their top three most important dimensions. Total cost was significantly more popular than any other dimension (Chart 1). Covered services was significantly more popular than the remaining dimensions. Rules to see a doctor and doctor in plan were significantly more popular than doctor quality ratings and metals tier.

Chart 1. Total cost, covered services, rules to see a doctor, and doctor in plan were important to many participants.

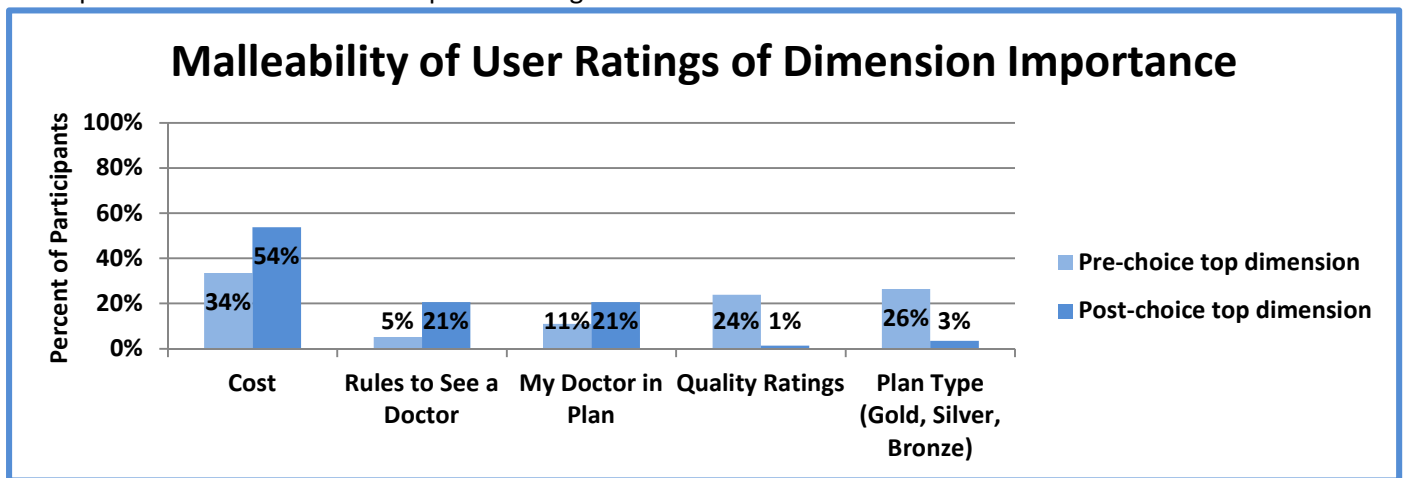


¹ For more details on ways to allow consumers to spend more or less time on plan choice, see Issue Brief #5.

Malleability of dimension importance ratings: Participants were asked to report their top plan dimension in the User Preferences section (pre-choice) as well as in the exit questionnaire (post-choice). Many participants (20%) reported not having a predefined most important dimension before viewing the Plan Comparison. This was particularly true of those who had never been insured: 36% of those who have never been insured reported no preference, compared to only 18% of those who were currently or previously insured.

For participants reporting a most important dimension in the User Preferences section, their dimension importance ratings often changed after viewing the Plan Comparison and choosing a plan (Chart 2). Only 22% of participants reported the same top dimension pre- and post-choice, and only 48% of participants ranked their pre-choice top dimension in their post-choice top three dimensions.

Chart 2. Many participants’ dimension importance ratings changed from pre- to post-choice. Because changes in importance ratings depend on study-specific factors,² Chart 2 is included to convey the general malleability of preferences rather than the specific changes for each dimension.



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).

Lichtenstein, S., & Slovic, P. (2006). *The construction of preference*. New York, NY: Cambridge University Press.

Tversky, A., & Kahneman, D. (1981). The framing of decisions and the psychology of choice. *Science*, 211, 453-458.

² Consumers’ dimension importance ratings and the malleability of these ratings depend on several factors. First, the amount of variation between plans can affect ratings. For example, a consumer may rate having his doctor in his plan as the most important dimension pre-choice. If, however, all of the available plans include his doctor, this will not be a deciding factor and he may decrease this dimension’s importance rating post-choice. Second, consumers may make trade-offs between dimensions and this can affect ratings. Using the example above, suppose instead that the only available plan that includes the consumer’s doctor is also the most expensive plan. The consumer may choose a plan that does not include his doctor and change his importance ratings to reflect this compromise. Third, consumer characteristics can influence ratings. Consumers with different levels of plan choice experience, health insurance literacy, or health status may have different preferences and be more or less set in their preferences. Using the example above, a consumer with a chronic condition may be less likely to concede doctor in plan and continue to rate that dimension as important. Finally, how dimension importance is queried can affect ratings. Preferences are influenced by how a question is asked and by the set of response options provided (Lichtenstein & Slovic, 2006; Tversky & Kahneman, 1981). A limitation of this study is that the questions and response options pre- and post-choice differed. Additionally, the response options were not exhaustive.