PBGH
PACIFIC BUSINESS GROUP ON HEALTH

Consumer Choice of Health Plan
Decision Support Rules for Health Exchanges: Issue Brief #5

QuickChoice

QuickChoice: Offer a shortcut to plan choice. Allow consumers flexibility to spend more or less time and effort on plan choice. Consumers choosing a streamlined "QuickChoice" experience enter only key health plan needs in the User Preferences section and view only the top plan dimensions in the Plan Comparison section. Consumers choosing a standard "See Details and Choose" path can enter more plan preferences and view more plan dimensions.

IMPLEMENTATION

A streamlined choice experience is a balancing act between keeping plan choice brief and providing sufficient information for consumers to select high value health plans.

User Preferences: Distinguish key information that always should be queried from those preferences that are optional.

- **Questions about plan needs are required[1]:** Responses influence the set of available plans and plan costs.
  - Coverage level (e.g., self, family)
  - Geographic service area (e.g., residence zip code)
  - Expected health care needs (e.g., expected use of medical services and medications)[2]
- **Questions about plan preferences are optional:** Responses influence the information displayed in the Plan Comparison section, but not the set of plans displayed.
  - Doctor in plan
  - Rules to see a doctor
  - Quality ratings
  - Covered services
  - Wellness services

Plan Comparison[3]: Distinguish key information that always should be displayed from optional additional information.

- **Key dimensions should always be displayed;** other dimensions are displayed if consumers indicate an interest, or if the Exchange seeks to encourage consumers to consider certain dimensions (e.g., quality ratings).
  - Plan name
  - Metals tier
  - Total cost and its components (i.e., premium cost and cost at time of care)

[1] Information collected in the Eligibility Determination section does not need to be re-queried in the User Preferences section.
[2] Cost calculators use consumers' expected health care needs to compute cost at time of care and total cost (for more details, see Issue Brief #2). An ill-fitting expected health care needs default retained by a consumer can lead to a poor plan selection. Therefore, questions about expected health care needs should be required and no response options should be defaulted.
[3] We recommend sorting plans by total cost in all choice experiences (for more details, see Issue Brief #3).

Operationalizing flexibility: There is more than one way to give consumers a choice between experiences.

- **Upfront choice:** Ask consumers about their preferred choice experience (e.g., quick or detailed) before they reach the User Preferences section.
- **Midcourse choice:** In the User Preferences section, after consumers have responded to the required questions, ask if they would like to skip directly to the Plan Comparison section or continue on to share more preferences.

QuickChoice trade-offs: "QuickChoice"-style experiences may help consumers identify high value health plans, but they offer fewer opportunities to educate consumers about plan choice. Given that the alternative may be high levels of drop-off (e.g., frustrated or tired consumers abandoning plan choice before selecting a plan), this may be an acceptable trade-off. Additionally, "QuickChoice" can be customized to draw attention to a few dimensions (e.g., dimensions aligned with policy objectives) for which consumer education is crucial.

RATIONALE

Meet user preferences: Consumers may differ in the amount of time and effort they prefer to spend on plan choice. Some consumers, satisficers, want to find a "good enough" plan without spending too much time and effort (Simon, 1957). Other consumers, optimizers, want to spend as much time and effort as needed to identify the best possible plan (Simon, 1957). These consumers differ in their preferred plan choice experience (e.g., the number of plans, plan dimensions, and details they prefer to consider). Decision support can better meet consumers' preferences by allowing consumers to spend more or less time and effort in selecting a plan.

Reduce decision complexity: Offering consumers a choice between a streamlined choice experience and the standard choice experience eases decision making by reducing the number of decisions consumers must make, while preserving their freedom of choice. Consumers can skip making decisions about plan preferences and viewing a large number of plan dimensions, or, if they wish, they can choose to make more decisions and view more plan dimensions.

RESEARCH EVIDENCE

Our research supports offering consumers a choice between experiences. The streamlined "QuickChoice" experience was popular with participants and decreased the amount of time they spent on plan choice.[4] Compared to participants using "See Details and Choose", participants using "QuickChoice" chose higher value health plans. Importantly, "QuickChoice" was not associated with any significant decreases in plan comprehension for the dimensions displayed.[5]

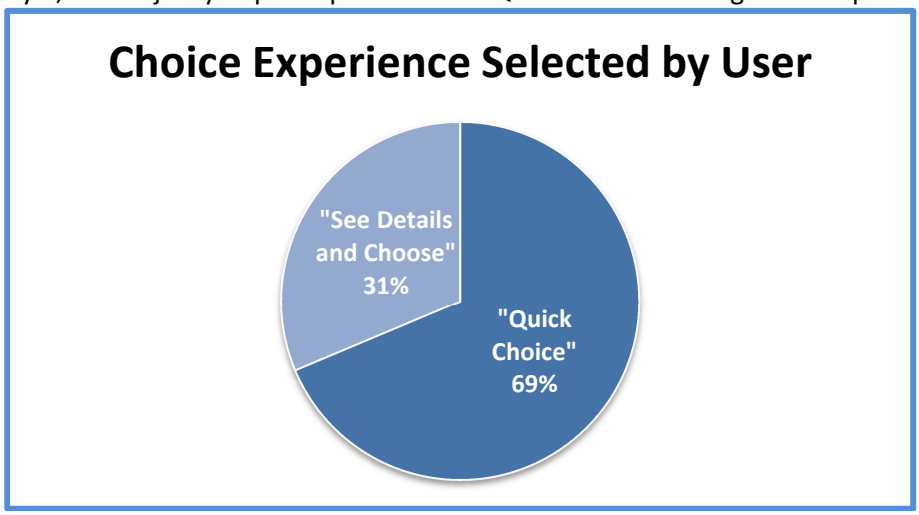
Across two studies, participants (N = 590) used our online plan choice tool to select a health plan. Although this choice was hypothetical, the health plans were based on real-world plan data and participants were asked to "make [their] medical plan choice as if it were [their] actual plan choice". In Study 1, participants were asked to choose between two choice experiences: "QuickChoice" was described as a simpler way to choose a plan, whereas "See Details and Choose" was described as a way to see more information to help choose a plan. In Study 2, participants were randomly assigned to "QuickChoice" or "See Details and Choose". (For more details, see the Appendix.)

[4] In two studies, participants using "QuickChoice" (vs. "See Details and Choose") spent significantly less time on plan choice. This was due to the amount of time spent on the User Preferences section, which was truncated for "QuickChoice" but full-length for "See Details and Choose" (for details, see the Appendix). Importantly, participants in both experiences spent the same amount of time on the Plan Comparison section, indicating that they took the plan choice decision equally seriously.

[5] Plan comprehension was assessed by asking participants questions about their selected plan and scoring their answers based on the plan's actual features. In two studies, participants using "QuickChoice" (vs. "See Details and Choose") had the same or higher comprehension of key dimensions (e.g., total cost, plan quality, doctor in plan), but lower comprehension of additional plan details (e.g., deductibles and doctor visit cost-share, which were not displayed in the "QuickChoice" Plan Comparison section).

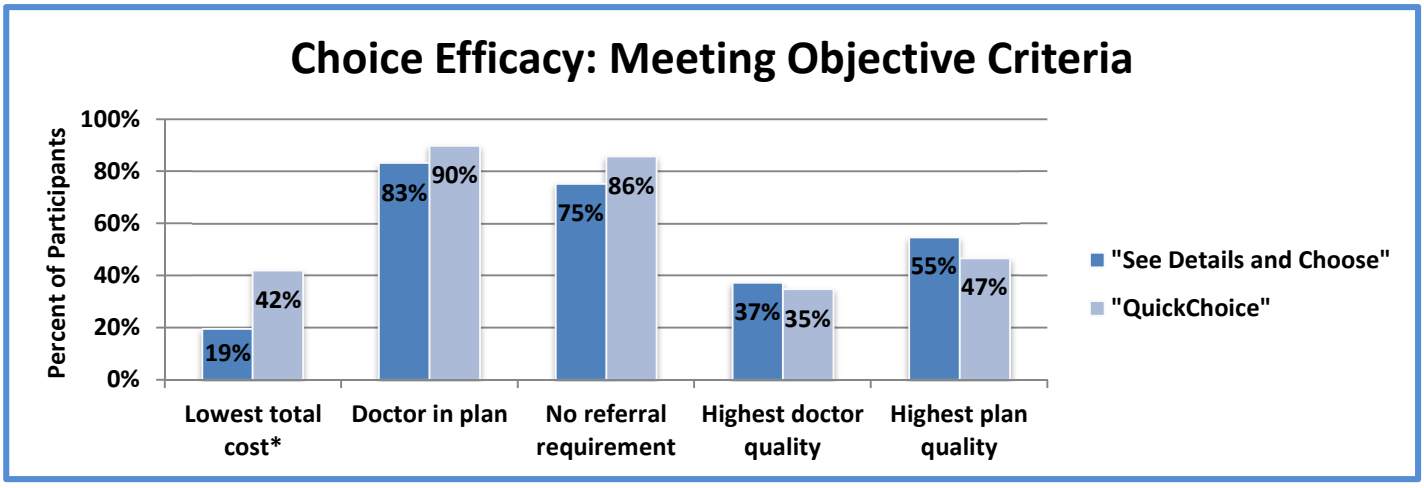
Preferred choice experience: "QuickChoice" was popular and appeared to meet participants' needs as few participants opted out. In Study 1, participants were given an upfront choice between experiences and the majority of participants chose "QuickChoice" (Chart 1). In both studies, participants were able to switch experiences at any point, but only 10% or fewer opted to switch. Although the percent of participants who opted to switch experiences was small, it is important to allow consumers to switch at any time so that their information needs and plan preferences are met.

Chart 1. In Study 1, the majority of participants chose "QuickChoice" when given an upfront choice.



Choice efficacy: Compared to participants using "See Details and Choose", "QuickChoice" participants chose higher value plans on two metrics. First, we looked at objective measures of choice efficacy using criteria such as the relative cost and quality of participants' selected plan. In both studies, participants using "QuickChoice" were significantly more likely to choose plans that were better on one or more dimensions. For example, "QuickChoice" participants were approximately twice as likely to select the plan with the lowest total cost.

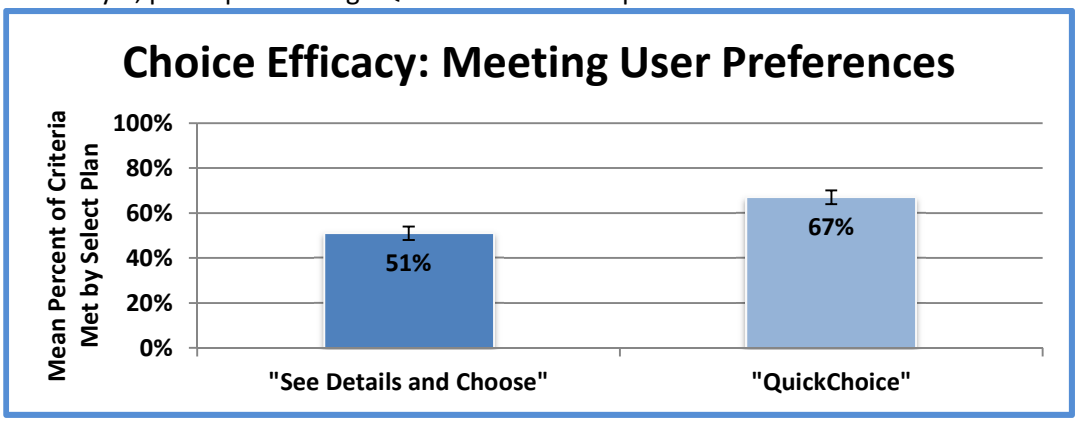
Chart 2. In Study 2, participants using "QuickChoice" were more likely to choose plans that were higher value on one or more dimensions.



*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. In both studies, compared to participants using "See Details and Choose", participants using "QuickChoice" chose plans that met significantly more of their own plan criteria.

Chart 3. In Study 2, participants using "QuickChoice" chose plans that better fit their self-identified criteria. †



† *Error bars indicate standard error.*

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).

Simon, H. A. (1957). *Models of man, social and rational: Mathematical essays on rational human behavior*. New York, NY: Wiley.

APPENDIX

Table 1. Key differences between the "QuickChoice" and "See Details and Choose" experiences in each study. *

	"QuickChoice" (Study 1)	"QuickChoice" (Study 2)	"See Details and Choose" (Studies 1 and 2)
USER PREFERENCES SECTION			
How many plan needs and preferences are reported	Coverage level and service area†	Coverage level and service area† **plus** expected medical services use	All
PLAN COMPARISON SECTION			
How many plan dimensions are displayed	Subset‡	Subset‡	All
How plans are sorted	By "best fit"§	By total cost§§	By plan name

** In Study 1, participants had an upfront choice between experiences. In Study 2, participants were randomly assigned to an experience. In both studies, participants could switch experiences at any time. † Participants were asked their self/family coverage level and zip code. ‡ Plan name, total cost and components, metals tier, doctor in plan, rules to see a doctor, and quality ratings were displayed. Covered services and wellness services were not. § Plans were sorted based on a combination of relative cost (assuming moderate expected medical services use), quality, doctor in plan, rules to see a doctor, and coverage. The "best fit" plan was indicated by a decal. §§ Plans were sorted based on total cost (using participants' reported expected medical services use).*