

Health Insurance Literacy: Theory, Findings and Trends from an Emerging Field

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Health Insurance Literacy

- *Health insurance literacy measures the degree to which individuals have the knowledge, ability, and confidence to find and evaluate information about health plans, select the best plan for their own (or their family's) financial and health circumstances, and use the plan once enrolled.*

Consumer's Union, University of Maryland Extension and American Institutes for Research, 2012

Consumer Decision Making

- Majority of resources are informational or focus on improving one domain of health insurance literacy
- Programs and Resources examples
 - Let's Ask 4
 - Coverage to Care
 - Choose with Care
 - Smart Choice and Smart Use Health Insurance™



Theories Guiding Smart Choice Health Insurance™ Literacy Program

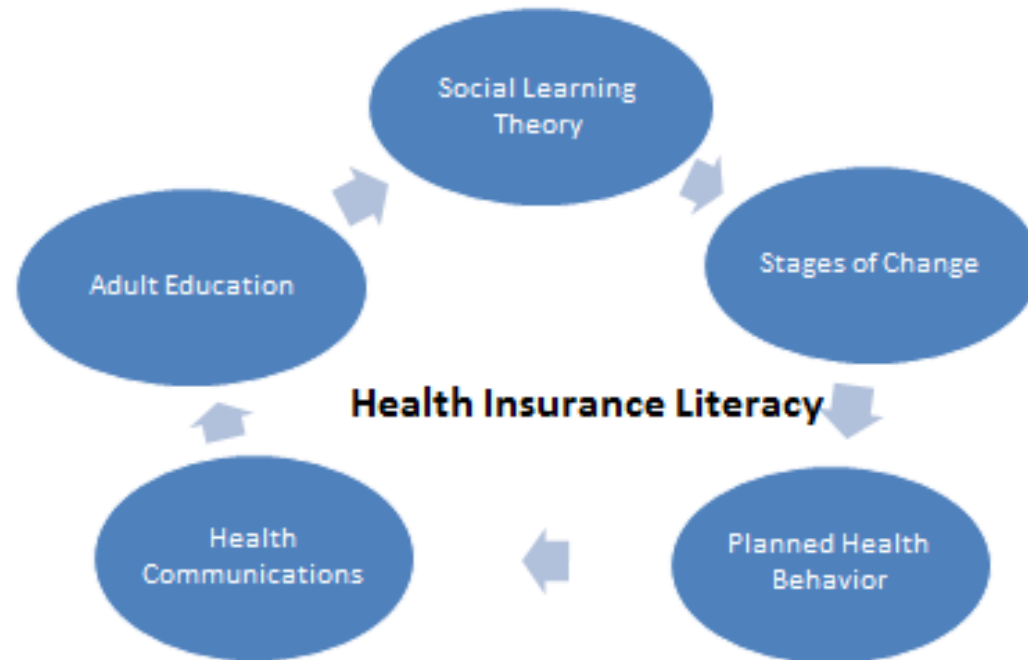




Smart Choice

- **Goal**--Increase consumer confidence and competence to make a smart health insurance purchase decision
- **Method**—2-hour, skill-building workshop using case studies, group activities and worksheets to practice
- **Delivery**--Chunks material into 20 minute portions with lecture, decision and activities

What theories are a good fit for a health insurance literacy intervention?

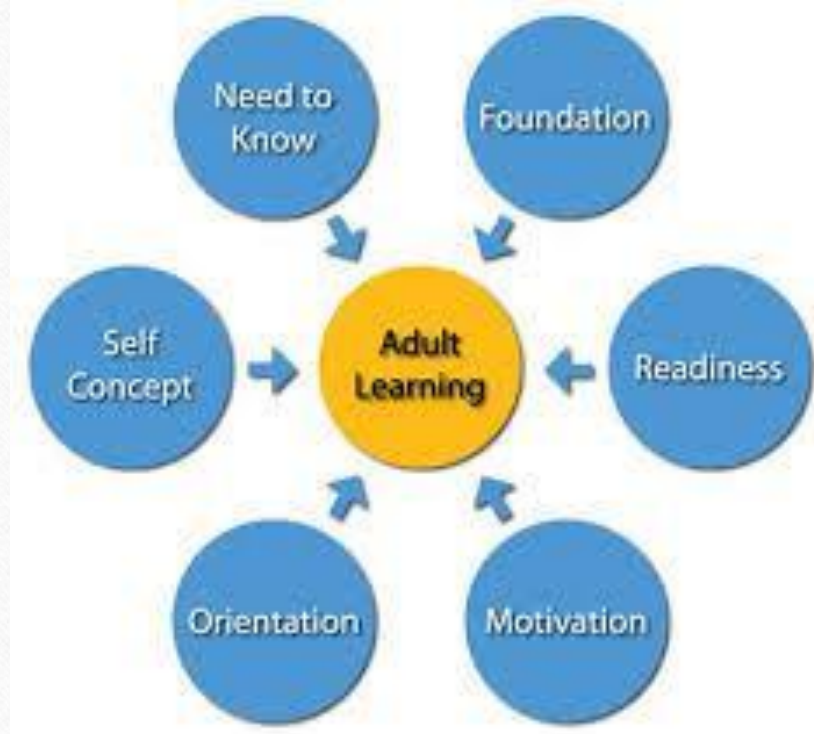


Hypothesis

$$\text{RC} + \text{IC} \ \& \ \text{IC} = \text{SC}$$

**Reduce Confusion + Increase Capability & Increase Confidence =
Smart Choice**

Adult Learning Theory and Health Communication



Domains of Health Insurance Literacy

Knowledge

- Insurance terms
- Insurance concepts (e.g. premium pays for insurance that protects you against an unexpected medical event)
- Types of healthcare services (e.g. screening vs. diagnostic)
- Beneficiary rights

Information Seeking

- Locate information (e.g. eligibility, coverage requirements)
- Evaluate credibility of information sources
- Navigate information sources (insurer telephone trees, insurer and insurance exchange web sites, decision support tools)
- Articulate questions

Document Literacy

- Complete forms (enrollment, claim, mail order prescription, appeal)
- Read and follow directions
- Interpret summary of benefits and explanation of benefit documents
- Use schedules (e.g. provider and drug tiers)

Cognitive Skills

- Assess preventive care needs and personal risk
- Apply benefit structure to personal situation
- Project utilization
- Calculate out-of-pocket costs
- Assess value
- Formulate questions

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Self-Efficacy

The confidence to perform the tasks noted above

Results of Smart Choice Testing

- **Pilot Phase:** 994 data collected from participants in 7 states: Delaware, Iowa, Maryland, Michigan, Minnesota, North Dakota and Oregon
- **Method:** Pre and Post Tests
- **Demographics:**
 - Majority (45%) between 50-64
 - 60% female
 - 68% White/Non-Hispanic
 - 76% had education past high school
 - About half had incomes under \$50,000

Findings

Question	Pre-test Mean	Post-test Mean	T-test
Q1: How confident are you that you would choose the health plan that is best for you?	2.36	3.05***	19.043***
Q2: How confident are you that you understand health insurance terms?	2.27	3.22***	28.088***
Q3: How confident are you that you know how to estimate what you would have to pay for your health care needs in the next year, not including emergencies?	2.02	2.97***	27.060***
Q4: How confident are you that you know what questions to ask so you can choose the best health plan for you?	2.15	3.12***	30.191***
Q5: How likely are you to see which doctors and hospitals are covered in health insurance plans?	3.22	3.43***	5.813***
Q6: How likely are you to understand what you would have to do to pay for prescription drugs?	2.93	3.30***	10.246***
Q7: How likely are you to understand what you would have to do to pay for emergency department visits?	2.72	3.12***	12.331***
Q8: How likely are you to understand what you would have to do to pay for specialist visits?	2.76	3.26***	13.772***
Q9: How likely are you to find out if you have to meet a deductible for a health service?	3.18	3.41***	6.704***
Q10: How likely are you to find out if the plans cover unexpected costs such as hospital stays?	2.95	3.32***	10.886***
Q11: How likely are you to find out how health insurance plans differ?	2.84	3.37***	15.032***

Brown, et al., 2016

Where do we go next?

- All researchers and educators need to focus on developing the skills and information to **make a purchase then use health insurance effectively.**
- Education efforts are needed around enrollment **periods then into the new plan year.**
- **Work** is needed to make the system more health literate and reduce the individual burden

Questions?

Resources

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Resources

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Resources

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Acknowledgement

The research reported here was made possible with funding from University of Maryland Extension, the College of Agriculture and Natural Resources, and University of Delaware Cooperative Extension and supplemental revenue generation.

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- University of Delaware Cooperative Extension -- Maria Pippidis.