

eHealth's Affordable Care
Act Coverage Satisfaction &
Utilization Snapshot:
How Do Customers Use "Obamacare"?

eHealth®

October 2015

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Introduction

eHealth's Coverage Satisfaction & Utilization (CSU) Snapshot examines how eHealth customers used their health coverage in 2015, what they spent out of pocket for services and prescription drugs, and how their use of coverage and their personal costs influence the way they feel about their insurance company and their health coverage.

eHealth's CSU snapshot draws its data and analysis from eHealth's Coverage Satisfaction Index report published in October of 2015.

eHealth's Coverage Satisfaction Index (CSI) is an ongoing study of consumers' sentiments toward their health insurance coverage based on surveys of eHealth's customers. eHealth's October 2015 CSI report analyzed the results of an email survey of over 6,500 people who had enrolled in a health insurance plan through eHealth.com. The survey was conducted in July and August of 2015. It explored consumers' sentiments towards their health insurance plan based on satisfaction criteria correlated to their personal expenditures for prescription drugs and medical care, as well as other factors.

This survey analysis attempts to answer some basic questions about how satisfied people are with their insurance company (and, by extension, the effects of the Affordable Care Act), and how satisfaction changes based on what they use coverage for and what they spend on deductibles, co-pays, co-insurance, and prescription drugs.

In order to gauge satisfaction, customers were asked if they strongly disagreed, disagreed, neither agreed nor disagreed, agreed, or strongly agreed with each of the following satisfaction statements:

- My insurer makes me feel like a valued customer.
- My insurer gives me access to the doctors and hospitals of my choice.
- My insurer makes it easy to deal with billing issues.
- My insurer makes it easy to access and understand my preventive care benefits.
- My insurer provides access to online tools that help me manage my medical care and spending.

In this analysis, responses from approximately one-third of participants who said they could "neither agree nor disagree" were omitted to determine a "Net Agree" percentage. (Read more in the appendix¹.) Because the survey was based on voluntary responses from eHealth's customer base, the results may not perfectly reflect general consumer sentiment.

Coverage Satisfaction & Premiums

Are consumers more or less likely to feel valued by their health insurer if they receive advanced premium tax credits (also known as Obamacare subsidies)?

“My health insurance company treats me like a valued customer”

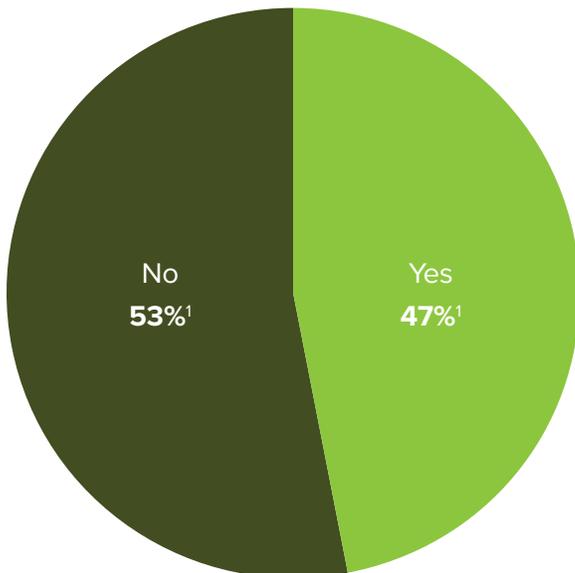
Net Agree— 53% ¹	
With a subsidy: Net Agree— 75% ¹	Without a subsidy: Net Agree— 48% ¹

- **Subsidy recipients are more likely to report feeling valued by their insurer.** An eHealth analysis published in 2014 shows that, on average, subsidy recipients spend nearly \$200 less per month, on health insurance than those who don't receive subsidies. Receiving a subsidy is correlated with satisfaction in the current analysis, and the prior eHealth analysis suggests this is due to the fact that subsidies substantially lowers monthly premium costs.

Coverage Satisfaction & Utilization

Are people who use their health plan more likely to feel valued by their insurance company?

“Have you or a family member used your health plan?”



“My insurer makes me feel like a valued customer.”

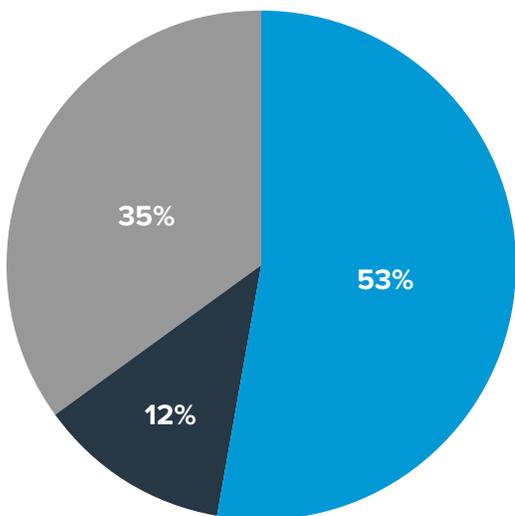
Among those who did not use their plan: Net Agree— 53% ¹	Among those who did use their plan: Net Agree— 52% ¹
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- **The act of using a health insurance plan doesn't generally seem to significantly change how people feel about their insurance company.** When individuals used their health insurance plan they were, in aggregate, no more or less likely to feel like their insurance company valued their business.
- Utilization combined with out-of-pocket spending has a larger impact on satisfaction, which is detailed later in this report.

Coverage Satisfaction and Utilization (cont.)

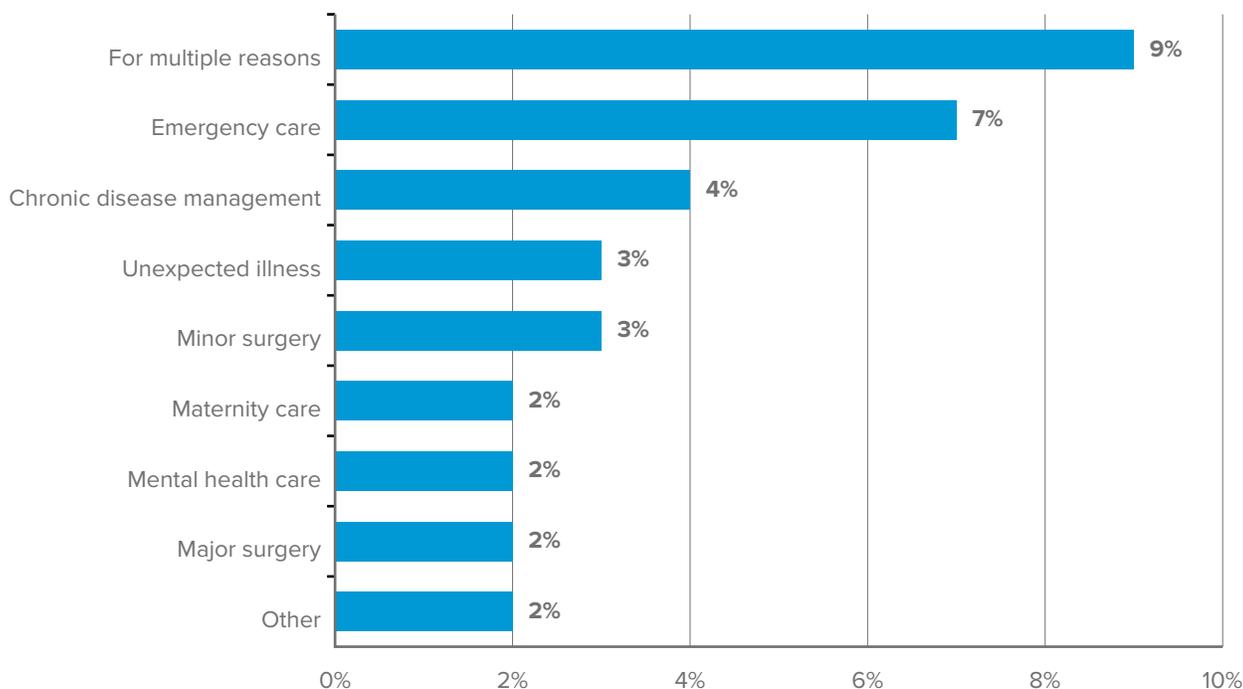
Among the 47% in the survey who said they used their health coverage, what did these individuals and families use their health coverage for?

- I did not use my health plan
- I received non-preventive medical care
- I only received scheduled, preventive care



- **One-in-three people used their health insurance coverage for something other than preventive care.** Nearly one-in-ten used their health plan for multiple reasons.
- **A slight majority had not used their “Obamacare” health plan.** A little more than half of those surveyed (53%) said they hadn’t used their health insurance plan at all.
- **Subsidies don’t seem to impact utilization of coverage.** Altogether, 53% of those receiving subsidies and 53% of those not receiving subsidies said they had not used their health coverage in the last year.
- **Subsidies do not impact the use of preventive care.** Altogether, 12% of those receiving subsidies and 12% of those not receiving subsidies said they’d used their health coverage for scheduled preventive care in the past 12 months.

What non-preventive medical care did you receive?*



*Figures have been rounded.

Out-of-Pocket Spending²

Among the 35% who used their health plan for non-preventive care, 91% said they had to pay out-of-pocket costs including co-pays, deductibles, co-insurance and out-of-network charges.

How many people who used their insurance said they had out-of-pocket costs?

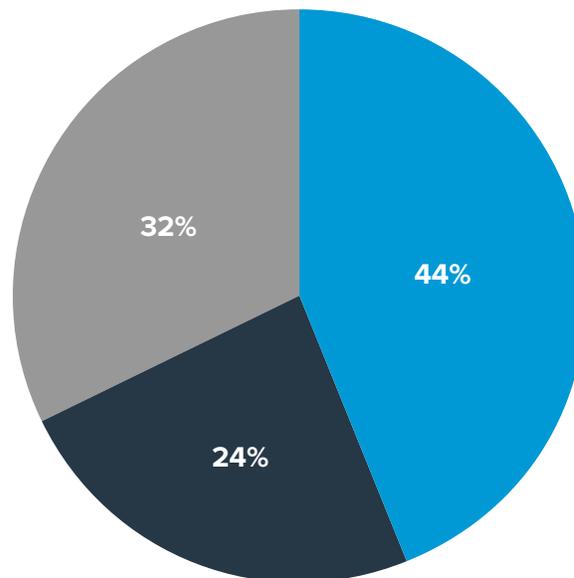
Overall: Yes—91%	
Subsidy recipients: Yes—86%	Non-subsidy: Yes—91%

How much would you estimate you spent, altogether, on co-pays, deductibles, coinsurance and out-of-network charges?

Average ² —\$2,380	
Subsidy recipients: Average—\$1,738 ²	Non-subsidy: Average—\$2,595 ²

Among all customers with out-of-pocket costs, how much did they spend:

- Less than \$1,000
- Between \$1,000 and \$2,500
- Over \$2,500

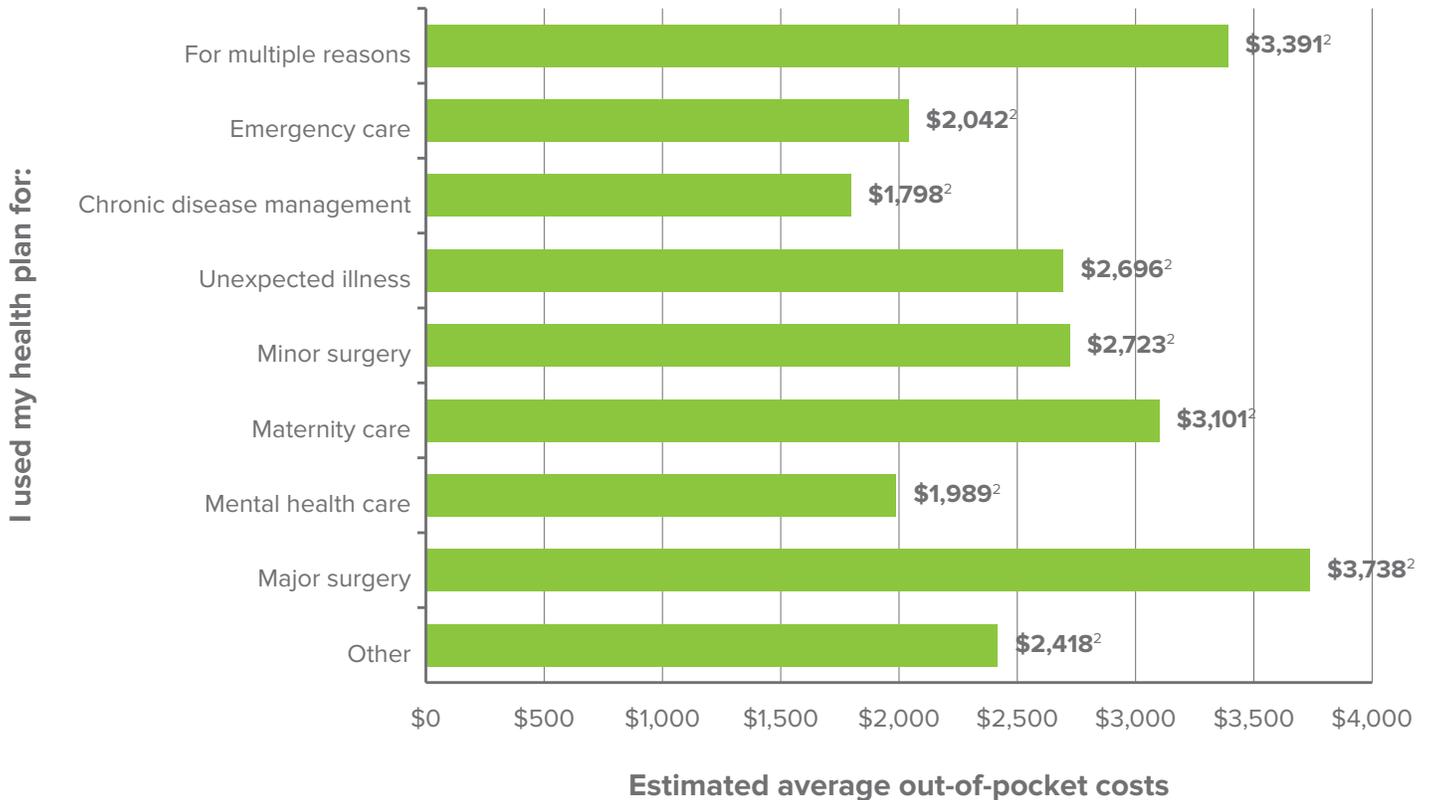


Points of Interest

- **Out-of-pocket costs are 50% higher, on average, for individuals who do not receive advanced premium tax credits (Obamacare subsidies).** Individuals who reported not receiving subsidies also reported having higher out-of-pocket costs for medical care.
- **Metal levels matter.** Those not receiving subsidies were more likely to report being on a bronze level health plan, while those receiving subsidies were more likely to report being on a silver-level health plan, which typically has fewer cost-sharing requirements.

Average Estimated Out-of-Pocket Spending for Specific Types of Medical Care

Among those who reported using their health insurance coverage and paying out-of-pocket costs for their medical care, how much did they spend, on average, toward deductibles, co-pays, coinsurance and out-of-network charges combined?

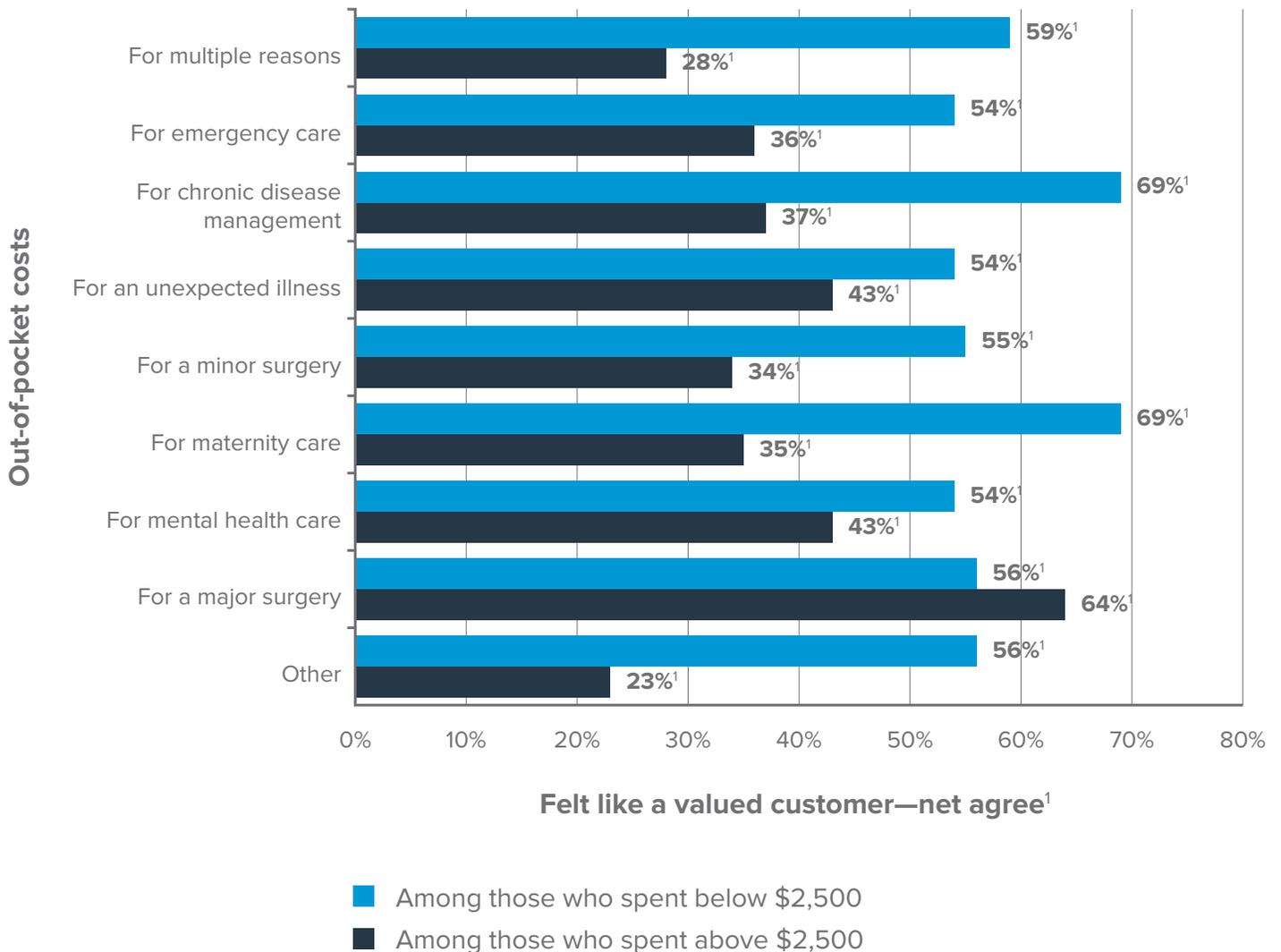


Point of Interest

- While only 47% of survey respondents reported using their health plan for medical care, out-of-pocket expenditures for many medical services ran into multiple thousands of dollars. The average out-of-pocket expenditure among those with out-of-pocket costs was \$2,380.

Coverage Satisfaction & Out-of-Pocket Spending

How did out-of-pocket spending impact a consumer's feeling about their insurance company?



Point of Interest

- **Out-of-pocket costs have a large impact on how people feel about their health insurance company.** When a person's out-of-pocket costs are below \$2,500, their satisfaction with their insurance company is comparable to those who didn't use their plan at all and had no out-of-pocket costs. However, once out-of-pocket costs go above \$2,500, a person's sense that their insurance company values their business decreases significantly.

Coverage Satisfaction & Prescription Drug Coverage

How does out-of-pocket spending for prescription drugs compare among individuals who reported receiving premium tax credits (Obamacare subsidies) and those who reported not receiving tax credits?

Did you spend more than expected on prescription drugs in 2015?

All: Yes—35%	
Subsidy recipients: Yes—32%	Non-subsidy: Yes—36%

Coverage Satisfaction & Out-of-Pocket Rx Spending

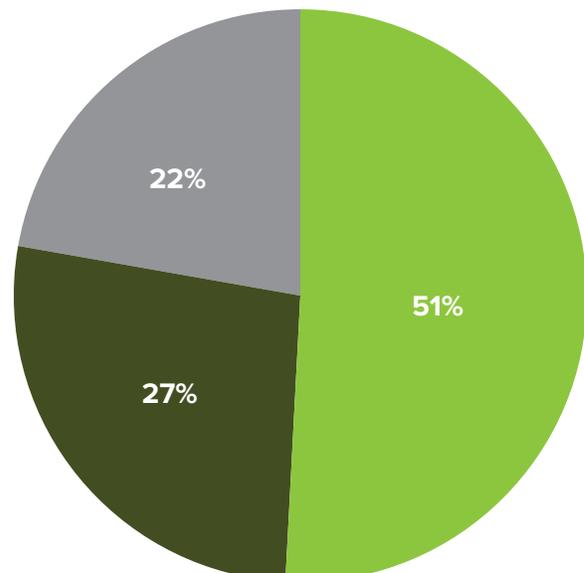
Among the 35% who reported spending more than expected for prescription drugs, how much did they report spending out of pocket³?

How much would you estimate you spent out of your own pocket on prescription drugs?

Average Unexpected Rx Drug Costs—\$848 ³	
Subsidy recipients: Average—\$743 ³	Non-subsidy: Average—\$900 ³

Distribution of respondents who reported spending more than expected on prescription drugs:

- Spent less than \$500
- Spent between \$500 and \$1,000
- Spent over \$1,000



Coverage Satisfaction & Out-of-Pocket Rx Spending (cont.)

Did you receive any medical care from an “out-of-network” doctor or hospital?

Subsidy recipients: Yes— 14%	Non-subsidy: Yes— 20%
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How did out-of-pocket spending for prescription drugs impact an individual’s perception that their insurance company treated them like a valued customer?

All customers	“My insurer makes me feel like a valued customer” Agree— 53% ¹	
Customers who had unexpected drug costs:	Unexpected Drug Costs Below \$1,000: I’m a valued customer— 53% ¹	Unexpected Drug Costs Above \$1,000: I’m a valued customer— 37% ¹

Points of Interest

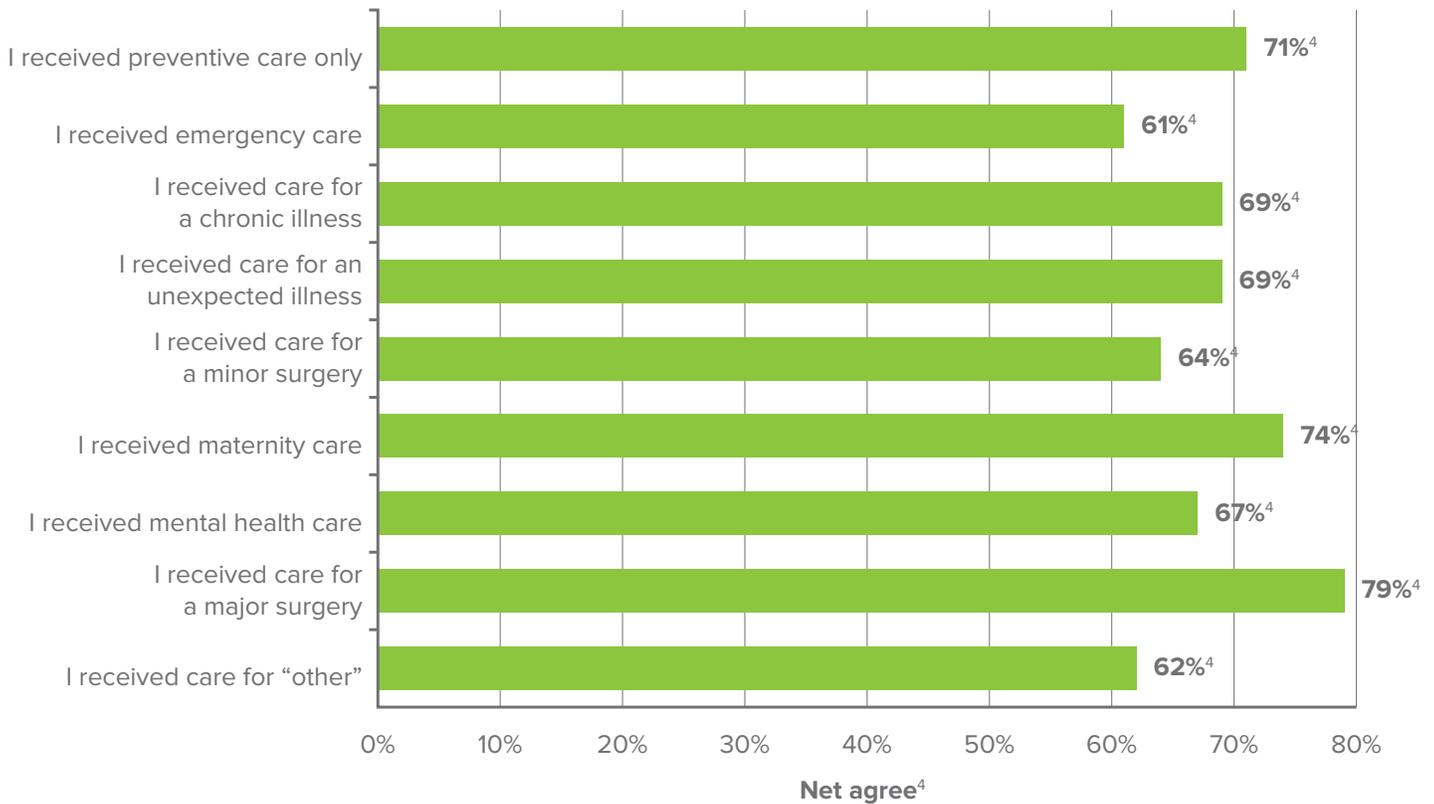
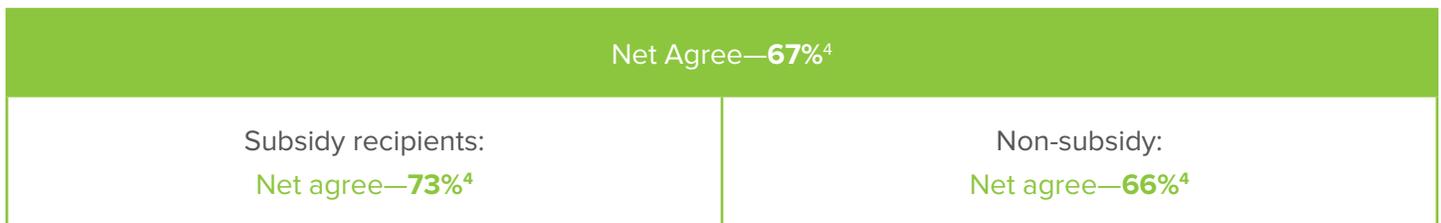
- **Subsidies don’t guard against unexpected drug costs.** Individuals who reported receiving advanced premium tax credits (Obamacare subsidies) were nearly as likely to face unexpected out-of-pocket prescription drug costs as those who said they had not received advanced premium tax credits (32% vs. 36%).
- **About one-in-five (22%) with unexpected drug costs spent over \$1,000 out-of-pocket.** 78% of those with unexpected drug costs spent \$1,000 or less out-of-pocket. Some bronze level health plans only cover prescription drug costs after the full medical deductible has been met. Those receiving subsidies were less likely to report being on a bronze level health plan than those who did not receive a subsidy.
- **Satisfaction decreases 30% when unexpected drug costs exceed \$1,000.** An individual’s sense that their insurance company values them as a customer did not change until their unexpected drug spending exceeded \$1,000.

Utilization & Satisfaction with Provider Access

Of the more than 6,500 individuals who took the survey, 24%, said they could *neither agree nor disagree* with the statement, “my insurer gives me access to the doctors, specialists and hospitals of my choice.” Since this snapshot reports on divergences among those who expressed satisfaction or dissatisfaction only, those responses were dropped from the results reported below.

Among those who reported having used their health insurance coverage for medical care, respondents expressed satisfaction with their access to medical providers overall and based on the kinds of medical care they had received, as shown below.

“My health plan provides access to the providers of my choice.”



Utilization & Satisfaction with Provider Access (cont.)

Points of Interest

- The majority of consumers feel their health plan provides them with access to the provider of their choice. Only about a quarter (26%) of consumers feels their health plan does not give them access to the providers of their choice.
- Individuals receiving subsidies are more likely to feel good about their access to doctors, specialists and hospitals. One-in-three (35%) respondents who pay full price for their health plan do not feel they can access the providers of their choice; one-in-four (27%) who receive subsidies feel the same way.
- Individuals who used scheduled preventive care are more likely to feel good about their access to doctors, specialists and hospitals. Nearly three-out-of-four people (71%) who only received preventive care said their health plan provided them with access to the providers of their choice.
- Individuals who undergo major surgeries or receive maternity care are the most likely to feel good about their access to doctors, specialists and hospitals. Nearly four-in-five individuals (79%) who had major surgery felt they had good access to doctors and hospitals; three-in-four who used maternity care felt they had good access to doctors and hospitals.
- Individuals receiving emergency treatment were least likely to feel good about their access to providers. Less than two-thirds (61%) who received emergency care said their health plan provided them with access to the doctors and hospitals of their choice.

Appendix

¹To determine how individuals felt about their insurance company, eHealth examined 4,519 responses to the survey from individuals who either strongly agreed, agreed, disagreed or strongly disagreed with the statement, “my insurance company treats me like a valued customer.” In 2,086 responses, eHealth customers said they could neither agree nor disagree with that statement, and these responses were excluded from “Net Agree” and “Net Disagree” calculations.

²To estimate what individuals and families were spending out of pocket for deductibles, co-pays, co-insurance and out-of-network costs, customers were first asked if they had any out-of-pocket costs, including deductibles, co-pays, co-insurance and out-of-network costs. 2,596 responded that they had to pay out-of-pocket costs. Those customers were asked to estimate their spending from a series of choices ranging from “\$500 or less” up to “\$10,000 or more.”

³To estimate what individuals spent out of pocket for prescription drugs, customers were asked if they had faced unexpected prescription drug costs. 2,223 responded that they had, and were asked to estimate their spending from a series of choices ranging from “\$100 or less” up to “\$5,000 or more.”

⁴To determine how individuals felt about their access to providers, eHealth examined 5,067 responses to the survey from individuals who either strongly agreed, agreed, disagreed, or strongly disagreed with the statement, “my insurer gives me access to the doctors, specialists and hospitals of my choice.” In 1,538 responses, eHealth customers said they could neither agree nor disagree with that statement, and these responses were excluded from “Net Agree” and “Net Disagree” calculations.

Methodology for Estimating Average Out-of-Pocket Costs

- eHealth used survey responses to a multiple-choice question to estimate average out-of-pocket costs.
- Customers were first asked if they had any out-of-pocket costs, including deductibles, co-pays, co-insurance and out-of-network costs.
- Those who responded “yes,” were asked to estimate their total out-of-pocket costs from a range of 15 options, ranging from “\$500 or less” up to “\$10,000 or more.”
- To calculate the average out-of-pocket costs for the purpose of this report, eHealth took the middle value in each range of costs (a “\$500 or less” answer was worth \$250, while a “\$10,000 or more” answer was worth \$11,600 – the middle value between \$10,000 and the \$13,200 out-of-pocket maximum per family in 2015).
- Each middle value was multiplied by the number of times it was selected by a customer to produce the total estimated out-of-pocket costs for respondents in the survey.
- That total estimated out-of-pocket spending was then divided by the number of responses to the survey to produce an average cost, per response.
- The same process was used to calculate out-of-pocket spending for prescription drugs. Consumers were given ten options ranging from “\$100 or less” to “\$5,001 or more”
- Only responses from customers on individual plans were counted in the analysis and a “\$5,000 or more” answer was calculated at \$5,800 – the middle value between \$5,000 and the \$6,600 out-of-pocket maximum per individual in 2015.