

Exploring the Landscape Around
Purchasing Insurance Privately

Focus Group Findings | May 2018



The Project.

PerryUndem, in conjunction with Connect for Health Colorado, conducted a series of focus groups with Coloradans who buy or have recently bought insurance privately, off-marketplace. These participants are eligible to buy insurance through Connect for Health CO, and many would qualify for tax credits or a subsidy through the marketplace.

We wanted to use these focus groups to better understand the mindset of those who buy insurance privately, but not through Connect for Health CO. We explored perceptions of their health coverage, why they value being insured, how they access coverage, and what considerations are most important when buying insurance. We also wanted to gauge knowledge of Connect for Health CO, their experiences with the website, and what information might make them more likely to look into plans on Connect for Health CO in the future.

Following are findings from these focus groups.

Methods.



We conducted 5 focus groups from May 1 - May 3, 2018. All participants currently buy health insurance privately, or have bought a private plan recently. And, most had household incomes between 138% and 400% FPL. We had a mix of gender, age, and race/ethnicity in these groups.

- 2 groups in Colorado Springs (5/1)
- 2 groups in Denver (5/2)
- 1 group in Grand Junction (5/3)

A total of 38 consumers participated in the groups.

Contents.

Summary.....	4
Value of insurance.....	7
Buying insurance privately.....	12
Experience with Connect for Health CO	17
Information on Connect for Health CO.....	21
Looking ahead.....	26

Summary.

Participants feel buying insurance is a necessity. They cannot imagine living without coverage, and most have had insurance steadily for years. It is valuable for different reasons: they have a chronic condition, they want preventive services, their children need coverage, or it simply provides “peace of mind.” Most also say they will continue getting coverage moving forward.

They use a variety of services. These participants interact with the health care system differently depending on their situation. Some have serious health needs that require more regular visits or medications. Others, however, use it for preventive services or check-ups. And, some consumers view it merely as catastrophic insurance – they only use services if they really need them.

Many are satisfied with their plans. They feel confident that they made a good choice for their lives. Those who need care are able to get services; most have no problems seeing a primary care provider or specialist. A few, however, talk about access problems. And, others have had issues getting a certain medication or service covered under their insurance. But, most are generally happy with their care.

Costs is their primary frustration, however. While most consumers feel they chose the right plan, they are unhappy with how much they pay. Most feel they can “afford” their insurance, but they are stretching their budget. The premium is one frustration, but many also mention their deductibles and out of pocket costs. Some even say they put off care because they cannot afford it.

Summary.

For most, buying insurance privately is their only option. Many of these participants work in jobs where they are not offered insurance; some are self-employed, do contract work, or are part-time. Some received employer coverage in the past. But, they buy privately now because it is no longer available or the choices/price were better elsewhere. Others need to shop on their own now that they have retired.

Many are experienced shoppers, but it still has challenges. They feel confident they are able to choose the right plan. But, the process is time-consuming. Many compare plans by visiting multiple carrier websites and sorting through different options. Others use brokers who do much of the legwork. Overall, it is a process they are familiar with – but still find tedious.

Cost is the primary consideration. The price of a plan is the main factor when these participants shop. They want something they can afford; they look primarily at premiums, but also deductibles, co-pays, and out of pocket costs. They are savvy, and try to have a sense of how much they will spend during the year. Some also have particular providers or carriers they prefer, or need to make sure a specific prescription is covered.

Medi-Share in an option for some. While most are on plans from larger carriers (i.e. Kaiser, Blue Cross, etc.), a few purchased Medi-Share (or similar Christian plans). These participants feel that these plans are a good alternative. They have cheaper up front costs, but also reflect their Christian values. They understand it is not traditional insurance, but seem confident the trade-offs are worth it.

Summary.

Participants are familiar with Connect for Health CO. Almost all know Connect for Health CO is related to the Affordable Care Act. They view it is a place to buy health insurance, and some have heard of the tax credit. But, it is not their primary resource for shopping. Although many have looked into insurance through Connect for Health CO at some point, only a few have enrolled in a plan.

Some negative perceptions persist. They have encountered problems with the website when searching for plans; others have had issues with the call center. Many found it difficult to shop for plans and gave up before advancing too far. For most, it was “not intuitive.” For those who looked, most did not think the plans were cheaper, and many did not see if they qualified for a tax credit.

Some encountered websites/brokers who (falsely) appear to be Connect for Health CO. A couple participants in every group had received countless phone calls from someone trying to sign them up for insurance. They thought these calls were from Connect for Health CO, and it turned them off to the marketplace entirely. They found the experience annoying and invasive, and said they would never use Connect for Health CO again.

Tax credit, ability to search and filter plans is the most powerful information. When participants find out about the average premium and average tax credit, they are surprised. They are looking for any cost relief, and this provides them with a reason to check out the marketplace again. Many also respond well to information that they can search and filter by different criteria. Anything that makes the shopping process easier is welcomed by these participants.

Value of insurance.



Insurance is a value.

Most participants feel buying insurance is a necessity. They have had insurance for years, and see it as something they have to purchase no matter what. Most have been insured throughout their lives. A few, however, have had periods where they were uninsured – either when they were younger or lost a job. But, they would not do it again; the protection of insurance is viewed as too important now.

They value health insurance, but often for different reasons. Some in the groups have chronic conditions; these require regular provider visits or prescriptions. Others want insurance for basic check-ups, or to be able to access preventive services. Parents also talk about the need to have insurance for their children – “if I wasn’t a parent I could live without it.”

Insurance offers peace of mind. For many, an overarching theme is the sense of security that being covered provides. They know they are protected in case something happens. Participants talk about times in their lives when friends/family members (or even themselves) faced financial hardships when they were uninsured. These experiences weigh on them when considering whether to sign up again.

“You can’t take care of other people if you can’t take care of yourself.”
–Woman, Colorado Springs

“You have to have [health insurance] ...I know the time period I didn’t have it, you’d have this nagging voice of, this is the day I’m going to fall down the stairs with the laundry basket.”
–Woman, Grand Junction

How they use their insurance.

Participants use their coverage for a variety of services. Some in these groups are dealing with chronic conditions; they need regular provider visits, medications, or have to see specialists. These participants have more experience with the health system, and a better understanding of what they need. Others, however, use insurance more sparingly – preventive services, vision, visits if they get sick or hurt themselves. But, they are not in need of regular provider care.

For some, their plans are merely catastrophic coverage. These participants get health insurance for the worst case scenario. They are generally healthy; they shop for a plan that meets their most basic needs. They do not use services unless it's an emergency. Some say they cannot afford significant out of pocket costs, so their approach is to only use insurance when they really need it.



Many are satisfied with their plans.

Participants are generally satisfied with their coverage. They feel confident that they made a good choice for what they need. Those who frequently use services are generally able to get care. Many have a primary care provider they like, and are able to see a specialist if needed. They also can get medications, or have tests done without too many issues. Their coverage is working well enough for most participants.

However, some have had problems with their plans. A few talk about access concerns; they had trouble getting into see a specialist, or could not find a primary care provider who would take them. In Grand Junction, access issues seemed more common. Others have had issues getting a certain medication or particular service covered. A couple mention particular carriers they will not use again because they were unhappy with the experience.

“I don’t think I’m ever satisfied...but there’s things about my plan that I like...because they cover my medications that I need.”
– Woman, Denver.

Their biggest complaint is cost.

“I pay as much for my health care as
I do for my mortgage.”
–Man, Colorado Springs

“In this day and age you’re not going to
get good value for your insurance.”
–Woman, Grand Junction

Cost is the what frustrates most participants. While most feel they chose the right plan, they are unhappy with how much they pay. They are making it work, but some say “just barely.” Although it is not surprising that cost is the overarching concern, it stood out as the primary worry across the groups.

Most feel they can “afford” their insurance, but they are at their limit. Many feel they are paying more every year for the same plan. In some cases, they opted for more basic plans than in years past. However, most do not think there is a better alternative. They feel that other people are paying something similar for insurance – and it’s a necessary expense that just has to fit in somehow.

The premium is the primary cost frustration. However, many also mention their deductibles and out of pocket costs. They feel that their health care costs (including the price of accessing services) are putting pressure on them financially. They have a broader cost picture than just their monthly premium; co-pays and other out of pocket costs start to add up. Some even say they put off care because they cannot afford the extra money.

Rising costs could make insurance out of reach. A few say they will need to consider dropping their insurance if the prices continue to increase. Several are paying premiums above \$1000 dollars a month and they wonder if it would be cheaper to pay out of pocket for care. They are not sure if they are getting value for their money.

Buying insurance privately.



Why they shop privately.

Most work at jobs which do not offer insurance. Many participants are self-employed, work in a contract job, or are part-time workers. These jobs do not allow them to have insurance coverage. For many, this has been the case throughout their careers – they have no expectation of getting insurance through a job.

Some have had employer coverage in the past. Most who had employer coverage in the past liked having it available to them. A few currently have the option of an employer plan. However, they prefer to buy on their own – they feel they have more options, or they are able to find less expensive plans. Some older participants had to start buying privately recently because they retired before Medicare age.

Mandate was not a big motivator. We expected to hear some mention that they bought insurance because of the tax penalty. But this did not seem to factor into their decision making. Most have been purchasing insurance privately before the ACA was implemented.

“I like to have options. I like to make my own choices. I don’t want...here are your two choices, or one, or whatever it is. And I frankly feel that I can make a better decision than what the company or someone else is going to offer to me anyway.”

- Man, Denver

They know how to shop, but it can be challenging.

Participants are experienced shoppers. Many have been doing this for years, and they have gotten used to buying insurance on their own. They do not enjoy the process – “no one likes shopping for insurance” – but they are confident they are getting the best deal.

But, it is still a challenging process. Most go directly to a specific carrier, and these websites can be complicated and hard to navigate. Some described a process of going to multiple insurance carrier websites and comparing plans – “I had 10-15 screens open at a time.” They are doing it, but it does not mean the process is easy or efficient.

The process can involve multiple steps to find a plan. Participants mention talking with friends and family members for advice, calling insurance carriers, calculating costs, and trying to estimate how often they will need care during the year.

Those with brokers find the process easier. A few had long standing relationships with brokers, others have started using them more recently. Trust in their brokers is high and they believe they are finding the best plans for them. The broker usually gives them a few plans to pick between. However, most are unsure if the broker is also checking Connect for Health CO.



“[Insurance] is like it’s a foreign language.”
–Man, Denver

“I crowdsource pretty heavily before I go
to the broker.”
–Woman, Colorado Springs

“I mean, I get the services, but it’s the cost. At the end of the day, you can get what you need from any company. It’s just a matter of what you’re going to be paying for it.”
–Woman, Denver



Many participants are willing to switch carriers if they get a much better price for their coverage. But, some are loyal to a specific carrier or have specific providers they trust. So, they need to know that whatever carrier they choose provides some consistency of care. Cost is the driving consideration, but they weigh it against other factors.

Cost is the main factor when shopping.

Participants are most focused on the cost. The price of a plan is the main factor when these consumers shop. They want something they can afford. For most, their premium is the main factor. When thinking about their budgets, participants want to know what they will pay every month. And, many are frustrated that costs continue to increase. They are finding it more difficult to afford insurance.

They are sophisticated in how they view cost. While the premium is the main cost consideration, many of these participants are experienced shoppers. They understand that their true cost of care involves deductibles, co-pays, maximum out of pocket. And, many try to figure out what their total costs of coverage will be for each year. They use these estimates to choose a plan that fits their needs.

Carriers, providers, and prescriptions are also important. For different participants – especially those who utilize more care – they have other priorities beyond cost. Some have preferences for a carrier or provider. Others need to know a certain prescription is covered in any plan they choose.

Medi-Share is a real option for some.

Medi-Share has some traction. In these focus groups, we had several participants who were members of Medi-Share and other Christian medical bill sharing programs. While Medi-Share is not technically insurance, we recruited these consumers to see why they were drawn to these programs.

Views of Medi-Share are generally positive. In Colorado Springs and Denver especially, many had positive feelings around this coverage. They feel that Medi-Share is in line with their own Christian values and something that they want to support.

The lower up-front costs are a major draw. Most mentioned that the premiums seemed much more affordable. When looking at Medi-Share in comparison to other plans, this was an excellent deal. And, when other participants hear about these premiums, they are interested in looking into Medi-Share too.

Some acknowledge that Medi-Share is not traditional insurance. However, those on it think it is essentially the same thing. A few have had problems with getting reimbursed after having to pay out of pocket, but this is not a major concern to them. They feel these are problems with all insurance.

“[With Medi-Share] I had to jump through a few hoops for my surgery, but it didn’t matter which insurance I had. I’ve had to, you know just jump.”
–Man, Colorado Springs

Experience with Connect for Health CO.



Most are familiar with Connect for Health CO.

“I looked on Connect, summer of 2016, and after I got the COBRA estimate, and I knew I wanted to be with Kaiser so I only looked at Kaiser on there...It was too high there too, so I went to the Kaiser website, and clicked on unit member, member rates...I was able to find something cheaper than what Connect had.”

– Woman, Denver

Almost all have heard of Connect for Health CO. They have heard news stories about the marketplace, talked to friends or family about it, or seen ads in recent years. Most know it is associated with the Affordable Care Act. And, many said they agreed with the initial idea of Connect for Health CO to help people have better access to health insurance.

Many have looked into insurance on Connect for Health CO. At different points over the past few years most have visited the website. Some got to the point of comparing plans and seeing whether they qualified for a tax credit. But, many seemed to take a more cursory look and just see what’s available before looking elsewhere. A few, however, enrolled in a plan or helped a family member sign up.

However, some were put off from returning. Some who visited the website after its launch found the experience too difficult or frustrating. And, they decided not to come back in recent years. A few also have worries about giving too much private information – it makes them wary of using Connect for Health CO.

“It just, it was not intuitive even a little bit...just not intuitive. The links that you clicked go nowhere, you’re not prompted to do anything. Or maybe you get an email and the email says what your next steps are, but there is not a link that says click here to complete this step or something like that.”

– Woman, Colorado Springs

Impressions of Connect for Health CO.

A few have bought insurance through the site in the past. And, they have generally had good experiences. Those who have used Connect for Health CO more recently thought the process was relatively easy. They were able to use the compare and filter plans to find a plan that worked for them.

However, many encountered problems when using Connect for Health CO. They found the website to be difficult to navigate, confusing, and “not intuitive.” Some talk about getting tripped up at different stages of the process. And, many decided to give up before they reached the step of selecting plans. Some had problems with the website freezing, or were locked out of their account because of password problems.

Call center and available assistance were also a problem for some. Participants who needed assistance through Connect for Health CO were unsatisfied with the process. They felt people were unable to answer their questions, and they got the impression that they were no more knowledgeable about the website than those trying to enroll.

Most did not view Connect for Health CO as more affordable. Those who looked into plans through the website did not think they were “getting a good deal.” Some thought there were extra fees if they bought through the marketplace, and most were inclined to go directly to the carrier. Participants were unclear why they should choose a plan through Connect for Health CO, instead of going to Kaiser directly.

Some had problems with websites and brokers who appeared to be associated with Connect for Health CO. Participants in every group had experiences where they received countless phone calls trying to get them to sign up for insurance. They thought these were from Connect for Health CO, and it turned them off the marketplace entirely. They found the experience so annoying and invasive that they said they would never use Connect for Health CO again.

“I’ll never go back to [Connect for Health CO] because the phone never stopped ringing and it was sick...I probably had 200 phone calls after I talked to them...I’d hang up and the phone would ring again...I’m not kidding, it was insane. So I don’t ever want to deal with that again.”

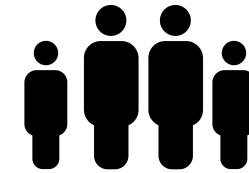
Woman, Denver

Awareness of the tax credit is low.

Some have heard of the tax credit, but they were unsure of who qualified. Though participants know about the subsidy, most think it would not apply to them. They believe their income is too high, even though it appears many would qualify. When finding out the actual income levels, some were surprised they had not qualified when they last looked.

Not always sure how the tax credit works. Some thought the tax credit was something that would be given in their tax returns. It was not clear to everyone that a tax credit is provided every month to lower their premiums. One woman believed she would have to pay the subsidy back when she filed her taxes.

Most did not reach the stage of finding out. Very few participants who looked at plans through Connect for Health CO reached the point of seeing their tax credit (or they did not realize they did). This is a barrier to enrollment – it was not clear to many whether or not they would be eligible. Several participants recommended prominently displaying income eligibility at the start of the process.



55K

Maximum yearly income participants thought would qualify a family of 4 for a tax credit.

Information on Connect for Health CO.



Reasons to visit Connect for Health CO.

Please rate each piece of information on a scale of 0 to 10, with a 10 meaning it would make you very likely to look into plans through Connect for Health CO and 0 meaning it would make you not likely at all to look into plans through Connect for Health CO. Then please circle the TWO that you feel are most important.

	# of times chosen as top reason	Rating (0-10)
People can compare multiple plans at the same time using different search and filter criteria on the Connect for Health CO website	16	7.9
The average monthly premium after a tax credit is \$136	14	6.7
The average monthly tax credit people receive is \$505	12	6.6
You can search on the Connect for Health CO website to find out which providers and hospitals are covered in certain plans	9	7.2
A family of 4 making up to 98,000 a year could be eligible for tax credits	8	6.2
There is free enrollment assistance available with in-person assisters or through the Connect for Health CO call center	7	5.8
69% of people who sign up through Connect for Health CO receive financial assistance	5	5.9
You can search on the Connect for Health CO website to find out which prescription drugs are covered in certain plans	4	6.3
More than half of those who enrolled through Connect for Health CO did so with the help of a broker	1	5.2
165,000 Coloradans are enrolled in Connect for Health CO plans for 2018	0	4.7

The tax credit, ability to search and filter plans are most powerful.

Participants like the idea of easier plan comparison. Hearing that Connect for Health CO allows different search and filter criteria is the most powerful information across the groups. Right now, participants are unable to easily compare plans when they shop – it is usually a process of visiting multiple carrier websites. Anything to simplify and streamline their shopping experience is well-received. And, this differs with their current perception of Connect for Health CO’s website.

Tax credit figures resonate. Many are “surprised” or “shocked” to find out the average premium and tax credit figures. Most did know the tax credit could save people so much money. And, the premiums are much lower than what most are paying currently. Some mentioned being eager to check in next time open enrollment comes around.

Make this information more readily available, visible. They want an easy way to know upfront if they qualify for a tax credit. This might already exist, but most are not seeing it. So, however possible, ensure that potential shoppers are getting a sense of their tax credit (or average subsidy amounts) early on in the process.

“[That tax credit] would be a life changer to my family.”
–Man, Colorado Springs



1. People can compare multiple plans at the same time using different search and filter criteria on the Connect for Health CO website
2. The average monthly premium after a tax credit is \$136
3. The average monthly tax credit people receive is \$505

Other search and shopping tools are also important.

Being about to search on providers, hospitals, and prescriptions has some traction. For those who use certain services regularly, they have preferences for their care. It is positive for them if Connect for Health CO allows them to search for plans that cover their specific needs.

The tax credit income levels are helpful. Almost all are surprised by how high the limit was to qualify. While the family of 4 statistic is a good benchmark, it may also be helpful to give examples of 1 and 2 person households, particularly for young people.

Enrollment assistance could be helpful, but they have negative associations. For some, call center assistance is appealing. But those who have tried it have had bad experiences in the past; they are reluctant to try it again. They feel call center workers are unhelpful and poorly trained. Still, it is nice for participants to know assistance is available – especially those who have less experience shopping for insurance.



4. You can search on the Connect for Health CO website to find out which providers and hospitals are covered in certain plans
5. A family of 4 making up to \$98,000 a year could be eligible for tax credits
6. There is free enrollment assistance available with in-person assisters or through the Connect for Health CO call center
7. 69% of people who sign up through Connect for Health CO receive financial assistance
8. You can search on the Connect for Health CO website to find out which prescription drugs are covered in certain plans

Highlighting brokers and enrollment numbers is less effective.

Broker information finds mixed results. Those who like using a broker will continue to do so; they often have a personal relationship and trust them to find the right plan. Others, however, view brokers negatively. In part, this seems to be driven by the repeated calls they received about signing up. These participants wrongly assumed those calls were coming from Connect for Health CO – and they now view broker help as unwanted and harassment.

Talking about enrollment numbers does not work. Most are unsure how this applies to them – “why do I care how many people enrolled?” Participants think it is irrelevant to how they choose to buy their own insurance.



9. More than half of those who enrolled through Connect for Health CO did so with the help of a broker
10. 165,000 Coloradans are enrolled in Connect for Health CO plans for 2018

Looking ahead.



Looking ahead.

1. **“Check back in” with Connect for Health CO.** Many of these consumers have looked into health insurance through the marketplace beforehand. But – often because of website problems or worries about cost – they are not going back each open enrollment period. Talking about website improvements since the launch, as well as financial assistance, could get some to check back in with you.
2. **Emphasize your search and comparison tools.** These consumers are experienced at shopping for insurance. But, it can still be a challenge, and they want an easier, more streamlined process. Knowing that Connect for Health CO allows for an easier search and comparison experience is appealing to many in the focus groups. Some like the idea of the website as “an Orbitz for health insurance.” You can be a resource that makes researching insurance easier.
3. **Continue to tweak, improve the shopping experience.** You have already implemented many useful tools to assist with the shopping experience. And, those who have used them have found them to be helpful. But, the more you can simplify the experience, the more likely consumers are to stay and shop. Even tools like a glossary and health insurance explainers are useful for some; for younger participants, they want to know more about insurance.

Looking ahead.

4. **Push tax credit, eligible income levels.** Most consumers know about the tax credit, but they are misinformed about the income thresholds and how it actually works. Figures about the average monthly premium and average monthly tax credit are powerful with these individuals. Some are still skeptical of these numbers, but it gives them pause and makes them more likely to consider Connect for Health CO. Many are surprised that the income levels are “so high.”
5. **Where possible, try to combat misleading sites/brokers.** It’s unclear what can be done to lessen the presence of websites or brokers that give the impression they are affiliated with Connect for Health CO. But, they definitely made an impact with participants – some said they will never consider Connect for Health CO again. If you can, try to minimize the impact of these sites. As it stands, they are undermining your brand with some potential enrollees.
6. **Medi-Share has traction with some.** A few participants are on Medi-Share plans currently. When shopping they found the premiums much cheaper, and so far have been able to get the services they need. And, when others in the groups hear about Medi-Share costs, it has some appeal. Among people who are shopping privately, their presence could continue to grow – especially as other premium costs rise. You might need to start drawing distinctions between traditional insurance, and the risks associated with Medi-Share.

