Insight Driven Health

Eligible but unenrolled: How payers and public health insurance exchanges can engage 3.5 million health consumers who don't know they qualify for a subsidy

It's estimated that some 7 million of the US consumers who still lack health insurance could receive subsidies under the Affordable Care Act. Yet Accenture research reveals that 49 percent of them are unaware that they are eligible.

For payers and public exchanges struggling to balance risk pools, that represents a significant lost opportunity, especially as research also indicates that these unaware consumers—or "I Don’t Knows" (IDKs)—are younger and generally healthier than the overall public HIX population. Forty-one percent of them are Millennials (vs. 31 percent of the overall public HIX population); and 85 percent (vs. 75 percent) do not have a chronic health condition or recent serious illness (see Figure 1).

2 The Accenture 2015 Health Consumer Survey only includes respondents over 18 and therefore excludes non-adult HIX subscribers.
A more targeted, transparent and personalized approach would help engage this highly desirable group of consumers. Effective engagement could also deliver additional long-term benefits. Many of these people are likely to obtain employer-sponsored coverage at some point in the future so bringing them into the healthcare system now could help build health habits and insurer (and doctor) relationships that drive lifetime customer value.

First, however, payers and public exchanges need a deeper understanding of just who the IDKs are, and what matters to them.

**Less affluent, inexperienced—and confused**

Accenture research shows that most of the IDKs (64 percent) don’t enroll because they perceive HIX coverage to be “too expensive”—a likely reflection of the fact that only 8 percent (vs. 29 percent of the overall public HIX population) have annual incomes of $59K and above (See Figure 1). Yet their lower income level also means that many of the IDKs are likely to be eligible for Cost Sharing Reduction (CSR) subsidies, which would make coverage even more affordable. Clearly, this group needs more education and outreach to address its affordability concerns.

Relative to the overall HIX population, the IDKs are also more inclined (47 percent vs. 34 percent) to trust the opinions of friends and family on healthcare costs over other sources3, which is surprising for a younger age cohort, though “digital intensity”4 for IDKs is lower than that of public HIX enrollees overall.

Their reliance on friends and family may simply reflect the IDKs’ relative lack of general experience with health insurance. Accenture research shows more than half (61 percent) have been uninsured for more than a year, and 14 percent have never been insured. Hardly surprising then that 19 percent cited “too confusing” as a reason for not buying coverage.

Their lack of experience and sense of confusion also helps explain why IDKs appear to have different insurance preferences than the public HIX population as a whole. IDKs indicate they are more concerned about the range of coverage (32 percent vs. 22 percent) and getting their claims paid (18 percent vs. 14 percent) than they are with such personal preferences as staying with a trusted doctor (10 percent vs. 23 percent) (see Figure 2).

3 Accenture 2015 Healthcare Transparency Survey
4 Accenture’s proprietary digital intensity calculation considers the proportion of online channels used, the proportion of time those channels are accessed via mobile devices, and the consumer’s level of participation in social media.
Taken as a whole, these results suggest that the IDKs seek simplicity and low cost, and have not yet had enough experience with healthcare to develop strong preferences for doctors or other plan attributes.

A strategy for active engagement

Friends and family are plainly trusted sources and key influencers, so digital-only won’t cut it. Payers and exchanges need to reach into the offline environments where these people congregate and feel comfortable: a strategy that has proved successful in the financial services industry. Interest in products and services among otherwise hard-to-reach consumers received a significant boost when one financial services company hosted casual dinners and offered education and insight without any attempt to sell services.

A similar, education-first approach may also help payers and exchanges engage the IDKs and dispel their misconceptions about affordability: One state-based exchange is already taking such an approach. But additional “live” help will also be required to close the deal. Research revealed that 45 percent of new public HIX customers enrolled online, far less than the 64 percent online enrollment rate for existing public HIX consumers. Likewise, 41 percent of new public HIX customers needed live help to enroll versus 30 percent of existing HIX consumers who needed such help.

Given the income level and cost concerns of the IDKs, exchanges should analyze the eligibility process more carefully, and adjust it to avoid unintentionally confirming misconceptions about cost. Case in point: The positioning and wording of questions on exchange eligibility applications that relate to employer-sponsored insurance could lead the IDKs to believe that exchange enrollment will be just as expensive, or to perceive that a “yes” response automatically disqualifies them from being subsidy-eligible.

Exchanges should also keep this population’s preferences in mind when selecting and refining cost calculators. More realistic total cost-of-care estimates inclusive of cost-sharing reductions when applicable will help address the myth that health coverage is unaffordable – though simplicity and clarity will also be critical.

Accenture research suggests that the IDKs have significant concerns around claims coverage, so payers should focus on simple, easy-to-understand plans with low out-of-pocket costs. Incorporating the value of the Cost Sharing Reduction subsidy would help these consumers understand just how much of the cost they will need to pay, for instance. And both payers and exchanges should make it clear if routine services such as regular check-ups have no co-pay at all.

Payers and exchanges need an engagement strategy tailored to the specific requirements of the IDKs: a targeted and personalized, education-first approach designed to spur them to action. That will, of course, require investment. But it doesn’t have to be additional investment. Recalibrating current spending to target and meet the needs of the IDKs could yield significant ROI. The time to start is now.

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5 Accenture 2016 Consumer Survey for Public Health Insurance Exchanges
About the Accenture 2015 Health Consumer Survey
Accenture conducted an online survey of 6,178 healthcare consumers over 18 years of age in the United States. Respondents included insured (group, individual, Medicare, and Medicaid) and uninsured. The research aimed to understand healthcare consumer needs, expectations, and behaviors and was conducted between December 2015 and January 2016.

About the Accenture 2015 Transparency Survey
Accenture conducted an online survey of 2,007 adults, insured, residing in the US, and including a normalized sample across age, income, region, gender and insurance type. The research, conducted in November 2015 aimed to understand the sources of information consumers use during their medical decision-making process, how they perceive these sources, and what impact the sources have on purchasing decisions.

About the Accenture 2016 Consumer Survey for Public Health Insurance Exchanges
Accenture surveyed 3,005 adults in the United States to gain insight into the buying behaviors and attitudes of public health insurance exchange consumers. Respondents shopped or explored options for individual health coverage during the 2016 Open Enrollment Period and included 1,798 individuals covered under public health insurance exchanges for the majority of 2015. The survey was conducted in February 2016.

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