



To: SHAP Grantee States

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From: Elizabeth Lukanen, Deputy Director, State Health Access Reform Evaluation
elukanen@umn.edu; 612-626-1537

CC: Andrea Cooke and Mike Millman, HRSA
NASHP SHAP Team

RE: Methods for Assessing Enrollee Perception of Affordability of Health Care Coverage Using a Survey

Overview

Many SHAP grantees are expanding coverage by leveraging multiple sources of funding, including an enrollee fee or premium. Since most of these programs target low income people, states naturally want to assess whether the enrollee share is “affordable”. To do this, many plan to survey program enrollees and several have requested assistance in evaluating enrollee perceptions of affordability. This memo lays out some general concepts for assessing affordability and some specific example questions. For general information on enrollee surveys please refer to the June 23 companion memo “Composition of Enrollee Surveys”.

Perceived affordability is of great interest to policymakers, but is a concept that is difficult to capture. To approximate perceived affordability, SHADAC suggests that states measure concrete items that assess enrollees’ experiences with cost in the present, costs in the recent past and the consequences of these costs.

Before states begin selecting questions to measure any concept, SHADAC recommends they consider what it is they would like to know about the respondents and how having this information will help inform decisions. Thinking through these questions in advance can help states hone in on key questions of interest.

Some internal questions to consider: What do you want to learn from enrollees? Do you have a benchmark in mind from another group against which you would like to evaluate your program? Do you want to use this information to make programmatic changes? Will this information help you make decisions about programs/services?

There is a wide array of well-developed questions about health care costs and consumer behavior, but questions that assess perceptions of affordability are harder to identify. Commonalities across surveys include questions about medical debt/problems paying medical bills, delayed/unmet care due to affordability, and confidence that one will be able to afford care in the event of serious illness. Other surveys address the value of coverage. This memo examines options for measuring perceived affordability.¹

¹ The questions originate primarily from national or state-level population surveys, a list of which can be found in the sources section at the end of the memo.

Questions About Medical Debt/Problems Paying Medical Bills

Some surveys use questions related to medical debt and problems paying bills to assess affordability. Because respondents might have difficulty with exact dollar amounts and relating premiums, co-payments and deductibles to their other household expenses, questions that ask about difficulty paying for health services can be more effective and reliable.

- *In the past year have you had problems paying medical bills, or not? (KFF, 2005)*
- *Do you currently have any medical bills that are overdue, or not? (KFF, 2005)*
- *Have there been times during the past year when you did not have enough money to pay for medical or health care? (KFF, 2005)*
- *Over the last 12 months, have you had to change your way of life significantly in order to pay medical bills? (Commonwealth, 2007)*
- *Please tell me if you have ever had these problems with YOUR CURRENT health insurance plan. Has this ever happened while you've had your current plan?*
 - a. You had expensive medical bills for services **not** covered by your insurance*
 - b. Your doctor charged you a lot more than your insurance would pay and you had to pay the difference*
 - c. The doctor's office told you they do not accept your insurance*
 - d. You had to contact your insurance company because they did not pay a bill promptly or denied payment (Commonwealth, 2007)*

Questions About Premium Costs

The affordability of insurance premiums can be captured in surveys through assessments on the percentage of total income devoted to premium payments. Some surveys ask about difficulty paying for premiums, others assess the likelihood of an uninsured household member enrolling in an insurance plan at various dollar amounts. Survey questions can also target perception of affordability and whether the enrollee felt the premiums were too high, too low or just right. Depending on research needs, questions can vary to include assessments on program fees, co-payments, out-of-pocket and prescription medication costs.

- *About how much do you pay every [week, two weeks, month, etc.] in premiums on this plan including any amount deducted from a paycheck? (Commonwealth, 2007)*
- *How easy or hard was it to afford to pay the premium? (MaineCare, 2006)*
- *If the uninsured adults were eligible for coverage, how likely would they be to enroll in this program if the monthly premium was \$400 per adult? (Vermont Division of Health Care Administration, 2008)*

Questions About Delayed Care/Unmet Need

In addition to assessing financial burden (e.g. unpaid medical bills), affordability can also be approximated by asking questions relating to postponement of health care services due to cost. These questions identify enrollees who choose not to pursue care or delay care because of the costs.

- *Have you delayed or not received the care you needed in the past year [since enrolling in this plan] because of cost?*
- *Have you done any of the following in the past year [grantees may want to consider adapting to “since enrolling in this plan...”] because of cost?*
 - a. *Did not fill a prescription*
 - b. *Skipped a recommended test or treatment*
 - c. *Needed medical care but didn’t get it*
 - d. *Took less than prescribed dose of medicine*
 - e. *Had problems getting mental health care*
 - f. *Had problems getting dental care² (Adapted from KFF, 2006)*

SHADAC suggests first asking an overarching question (like the first bullet point above) before asking respondents to answer a more detailed question (like the second bullet point above). Those who respond that they have delayed or not received care in the past year (or since enrolling in their current plan) could then be directed to the more detailed questions.

The overarching question can serve as a benchmark for future reference, while the detailed question attempts to capture several aspects of delayed care/unmet need and will give a better picture of specific problems enrollees have encountered.

Questions About Confidence

Enrollee perception of plan affordability is related to both present and future concern over being able to pay for necessary health care services. To accurately assess this concern, consumers can be questioned about their level of confidence in their ability to pay for services now or in the future.

- *How confident are you that if you become seriously ill you will be able to afford the care you need? (Commonwealth, 2007)*

SHAP states might also consider adapting this question to the following:

- *How confident are you that if you become seriously ill your current health plan will cover the care you need?*

Some surveys ask people about whether they are worried about health care costs and affordability. Such examples are not included, because perception of worry tends to fluctuate greatly depending on a number of factors external to whether or not one is enrolled in health care coverage. Because much of what may affect an enrollee’s perception of worry is related to circumstances outside of the program’s control, this information is likely not useful or relevant.

² Dental care was not an option on the original survey, this was added to as a response option to the original question.

Questions About Access/Value

The following questions are from an enrollee survey (HIFA, 2009) that was used to understand the value of health insurance to enrollees. The first series of questions ask about access to care under the enrollee's current plan, while the second series attempts to capture what an enrollee thinks their access would be if they were uninsured.

Although adding the second series of questions does help assess the value of the program as compared to a state where the enrollee has no coverage, "future looking" questions may be problematic because predicting the future is often very difficult for people. In addition, actual behavior and perceptions/predictions of future behavior are often not strongly related.

- *In thinking about your current health insurance coverage [health plan], how much do you agree or disagree with the following statements [response options include strongly agree, somewhat agree, somewhat disagree, strongly disagree]:*
 - *Having health insurance has improved your ability to get in for regular or routine care. (i.e. physical check-ups, blood pressure or cholesterol checks, mammograms, pap smears and other types of preventive care)*
 - *Having health insurance has improved your ability to get care when you are sick or injured.*
 - *Having health insurance has improved the quality of health care you receive.*
 - *Having health insurance has improved your choice of the clinics and/or providers that you can go to.*
 - *Having health insurance has improved your ability to afford health care. (HIFA, 2009)*

- *If you did not have any health insurance, in your opinion, would it be more or less difficult to access: [response options include more difficult, about the same, or less difficult?]*
 - *regular or routine health care?*
 - *health care when you are sick or injured? (HIFA, 2009)*

Questions About Willingness to Pay

Survey questions designed to determine how much an individual is willing to pay for an item or service (e.g., "How much would you be willing to pay for health insurance?") are widely considered to lack validity and reliability. Because such questions are popular on environmental surveys (e.g., "How much more would you be willing to pay for an electric car?") the National Oceanographic and Atmospheric Administration convened a panel to review the reliability of such questions. In 1993, this panel of experts concluded that open-ended questions "willingness to pay values" produced biased and erratic results.

Observed Bias:

There are many possible reasons for the observed bias in these types of questions.

1. Some respondents may give socially desirable responses to a survey on health insurance by saying they are willing to pay far more than they actually would if given the chance.

2. Often “willingness to pay” questions wrongly assume that a person who says he/she is “willing to pay” a certain amount has the means to actually pay that amount.
3. Finally, responses to such questions are difficult to assess because dollar figures (e.g., \$30 a month) have completely different meanings to someone making \$15,000 a year versus someone making \$35,000 per year.

Alternative Approaches

There are several alternatives to asking the “willingness to pay” questions.

1. **Pairing:** Take these questions and attempt to value health insurance for a person in relation to the other items by asking a series of questions about whether the person values X over Y. For example, “Which is more important to you: a) having health insurance or b) having a car?”
2. **Establish budgetary context:** Ask questions about income and number of household members to determine a basic budget for a household. Follow-up with questions such as “Would you be willing to pay \$X for health insurance?” The researcher manipulates the amount of X to yield a similar relative value for each household.

Targeted Technical Assistance

This memo provides guidance on how to approach the development of questions on affordability, some categories of interest and some example questions. Given the variety of programs being implemented under SHAP, the language used to assess affordability will likely differ by state. SHADAC is available to consult with states one-on-one to review specific survey items and related questions.

Sources

The questions above were derived from the following sources and are available from SHADAC upon request:

- The *USA Today*/Kaiser Family Foundation/Harvard School of Public Health Care Costs Survey, 2005 (<http://www.kff.org/newsmedia/upload/7371.pdf>)
- Kaiser Family Foundation (KFF) National Survey of Enrollees in Consumer Directed Health Plans, 2006 (<http://www.kff.org/kaiserpolls/upload/7596.pdf>)
- Commonwealth Fund Biennial Health Insurance Survey, 2007 (http://www.commonwealthfund.org/~media/Files/Surveys/2007/2007%20Commonwealth%20Fund%20Biennial%20Health%20Insurance%20Survey/2007_Biennial_Health_Insurance_Survey_QQ%20pdf.pdf)
- Massachusetts Health Reform Survey (MHRS)/Massachusetts Health Insurance Survey (MHIS) (http://www.mass.gov/?pageID=eohhs2terminal&L=4&LO=Home&L1=Researcher&L2=Insurance+%28including+MassHealth%29&L3=Health+Insurance+Surveys&sid=Eeohhs2&b=terminalcontent&f=dhcfp_researcher_resident_survey&csid=Eeohhs2)
- Robert Wood Johnson Foundation Health Care Consumer Confidence Index, 2010 (<http://rwjf.org/healthreform/product.jsp?id=44528>)
- Health Insurance Flexibility & Accountability (HIFA) Enrollee Survey, 2009
- Vermont Division of Health Care Administration Survey, 2008 (http://www.shadac.org/files/VT_2008_HH_Instr.pdf)
- MaineCare Child Health Survey Instrument, 2006 (http://www.shadac.org/files/ME_2006_HH_Instr_ChildMaineCare.pdf)