
Will Consumers Become More Informed & Cost-Effective Users of Care Under Consumer Driven Health Plans? Preliminary Findings

Judith Hibbard, DrPH

Jessica Greene

Jean Stockard

Martin Tusler

University of Oregon

**Department of Planning, Public Policy, and
Management**

Preliminary Findings

Research Questions:

- How do CDHP enrollees differ from enrollees in a PPO?
 - Will enrollees in a CDHP become more active, informed, cost conscious and “in charge” of their health care?
 - If these changes do occur, how long will it take for them to be apparent?
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Background

- A large employer offered DefinityHealth (CDHP) for the first time in 2004.
 - 60.4% of employees enrolled in Definity
 - A large employer offered both a high and low deductible version of Definity along with a PPO option
 - The options were available to both hourly and salaried employees
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Annual Employee Premium for the 3 Plans by Employee Category (Single Coverage, Non-Smoker)

	Definity Choice (higher deductible)	Definity Plus (lower deductible)	PPO
Hourly	\$84	\$180	\$354
Salaried	\$120 - \$156	\$300 - \$372	\$600 - \$756

Methods

- A cohort of Definity enrollees (1,200) and a cohort of PPO enrollees (800) will be followed over a two year period. Half of each cohort are salaried and half are hourly workers.
 - The two cohorts will be surveyed at: baseline (2004), one year, and two years post enrollment.
 - Claims data for the year prior to enrollment (2003) and for post enrollment years 2004-2006 will be analyzed.
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Hourly vs. Salaried Employees

	Hourly (n=960)	Salaried (n=944)
Education*** (% College Degree or higher)	5.0%	52.6%
Income*** (\$75,000 or more)	6.3%	49.7%
Age (Average)	46.7	46.5
Chronic Disease (1 or more)	62.5%	60.0%
Health Status*** (Excellent or very good)	47.3%	57.2%

*** p < .001

Characteristics of Enrollees in the Three Plans

	Definity Choice (higher deductible) (n=600)	Definity Plus (lower deductible) (n=535)	PPO (n=769)
Education (% College Degree or higher)***	41.1%	25.3%	20.9%
Income (\$75,000 or more)***	34.2%	27.4%	21.4%
Age (Average)***	44.6	47.1	47.8
Health Status (Excellent or very good)***	61.2%	49.3%	47.2%
Chronic Disease (1 or more)***	46.8%	64.9%	68.7%

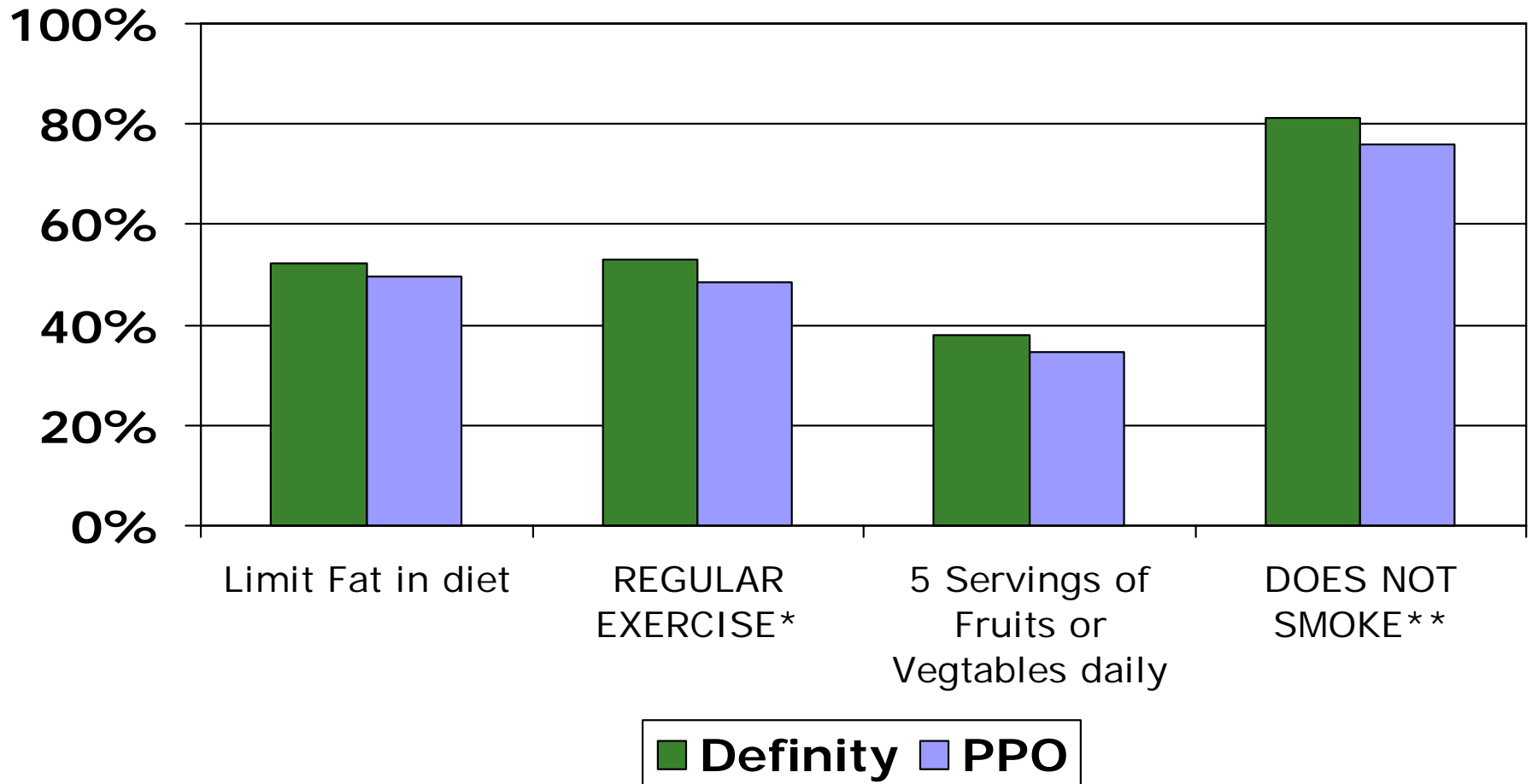
*** p < .001

Enrollment Type and Self-Reported Health Care Utilization (2004)

	Definity Choice (n=600)	Definity Plus (n=535)	PPO (n=769)
Office Visits (average)***	1.6	2.4	2.3
Hospital nights (average)	.12	.09	.09
Emergency room visits (average)*	.11	.10	.16

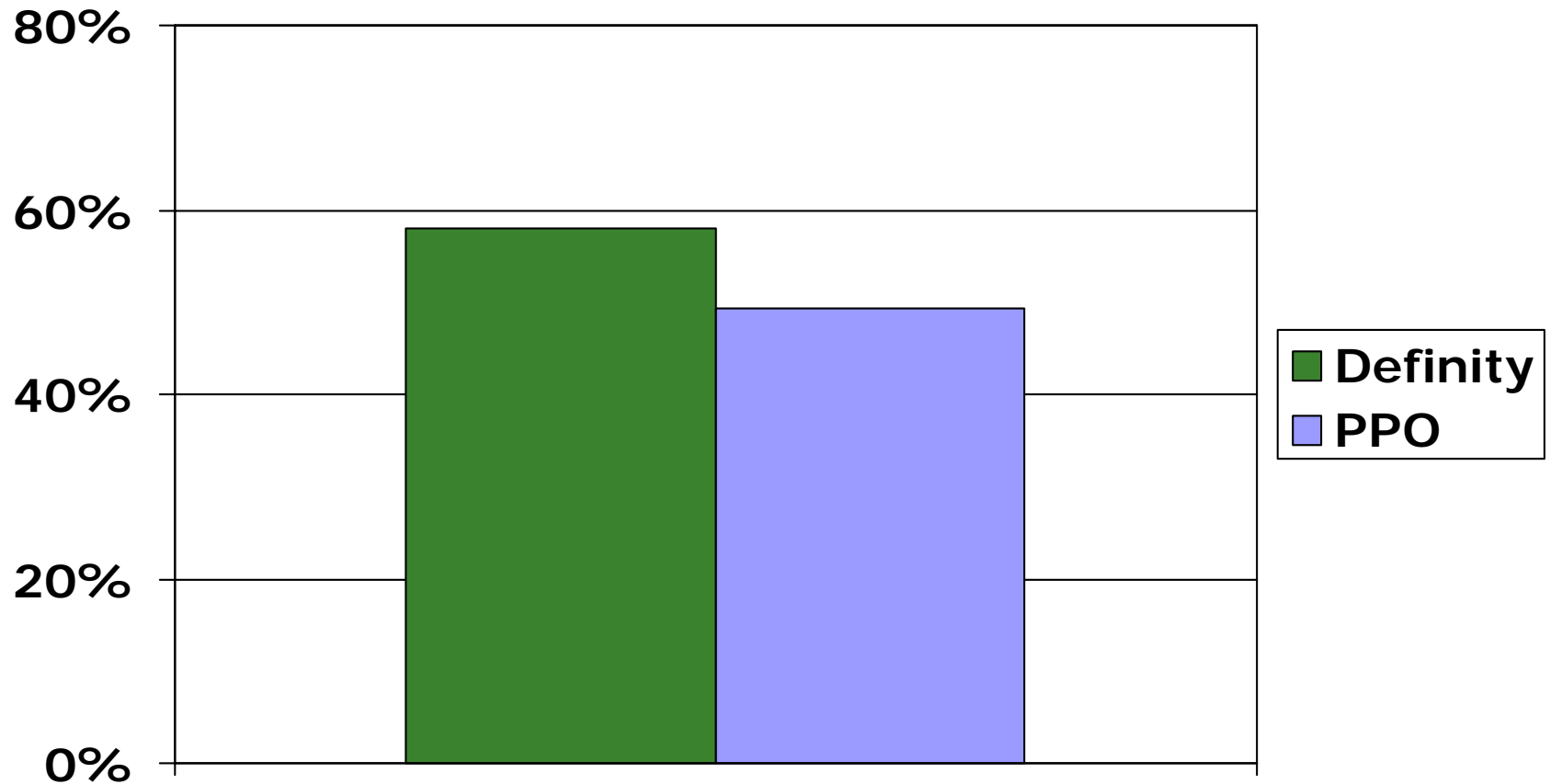
* $p < .05$, *** $p < .001$

Health-Related Behaviors



* $p < .05$, ** $p < .01$

Very Good or Excellent Internet Skills ($p < .05$)



Internet access

(Between Hourly and Salaried $p < .001$,
Within Hourly, $p < .01$)



Has a Good Understanding of What Health Plan Pays For

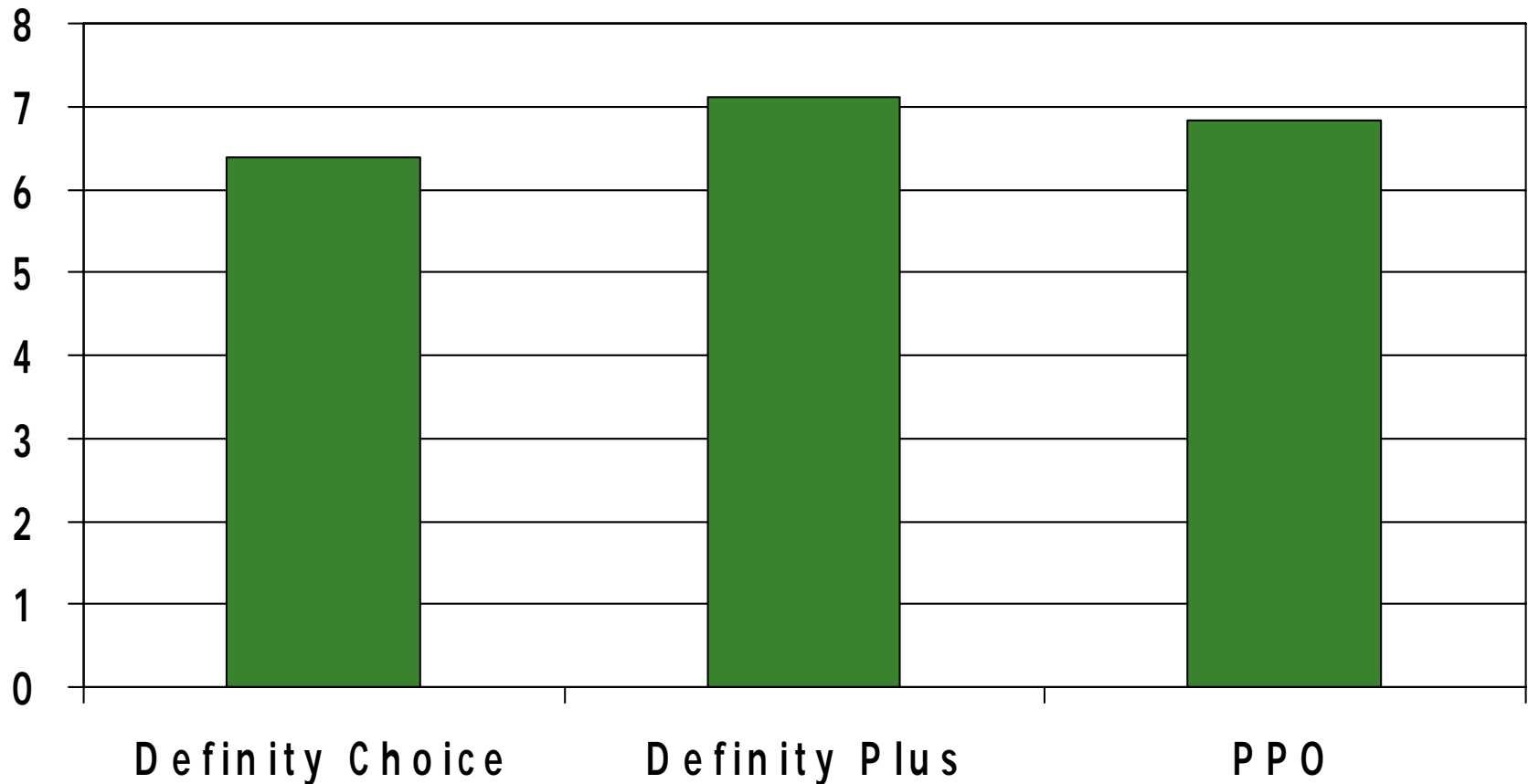


Difference between Definity and PPO overall $p < .05$. Within salaried $p < .05$, within hourly non significant.

Preliminary Findings: Enrollee Differences among Three Options

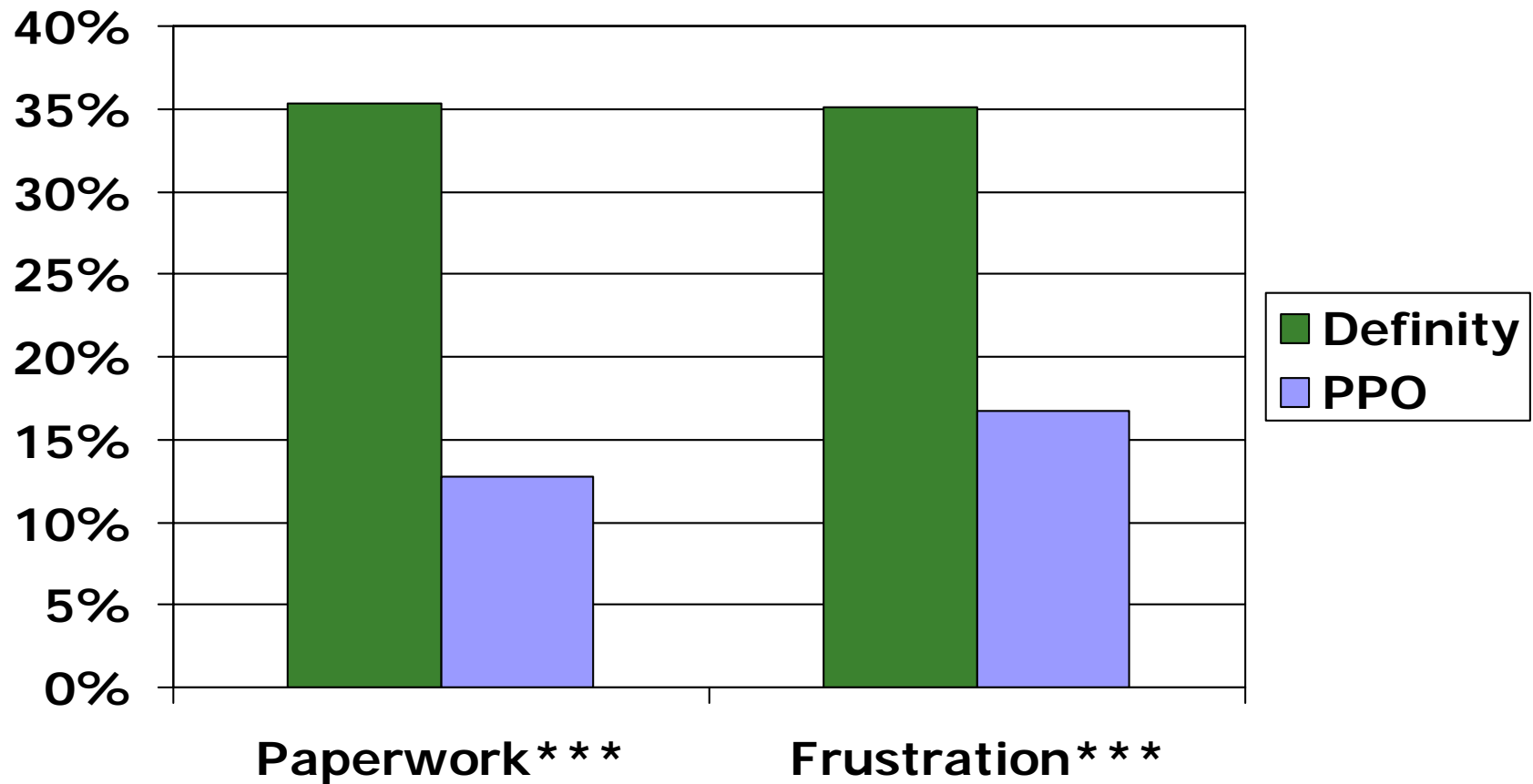
- Definity Plus (low deductible) enrollees more like PPO enrollees than the Definity Choice (high deductible) enrollees
 - Definity choice enrollees have more education, better health, fewer chronic illnesses, and lower utilization than PPO or Definity Plus enrollees.
 - Overall, Definity enrollees tend to have better health, health behaviors, and have greater internet skill than PPO enrollees
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Satisfaction with plan, 2004 (On a scale from 0 to 10)



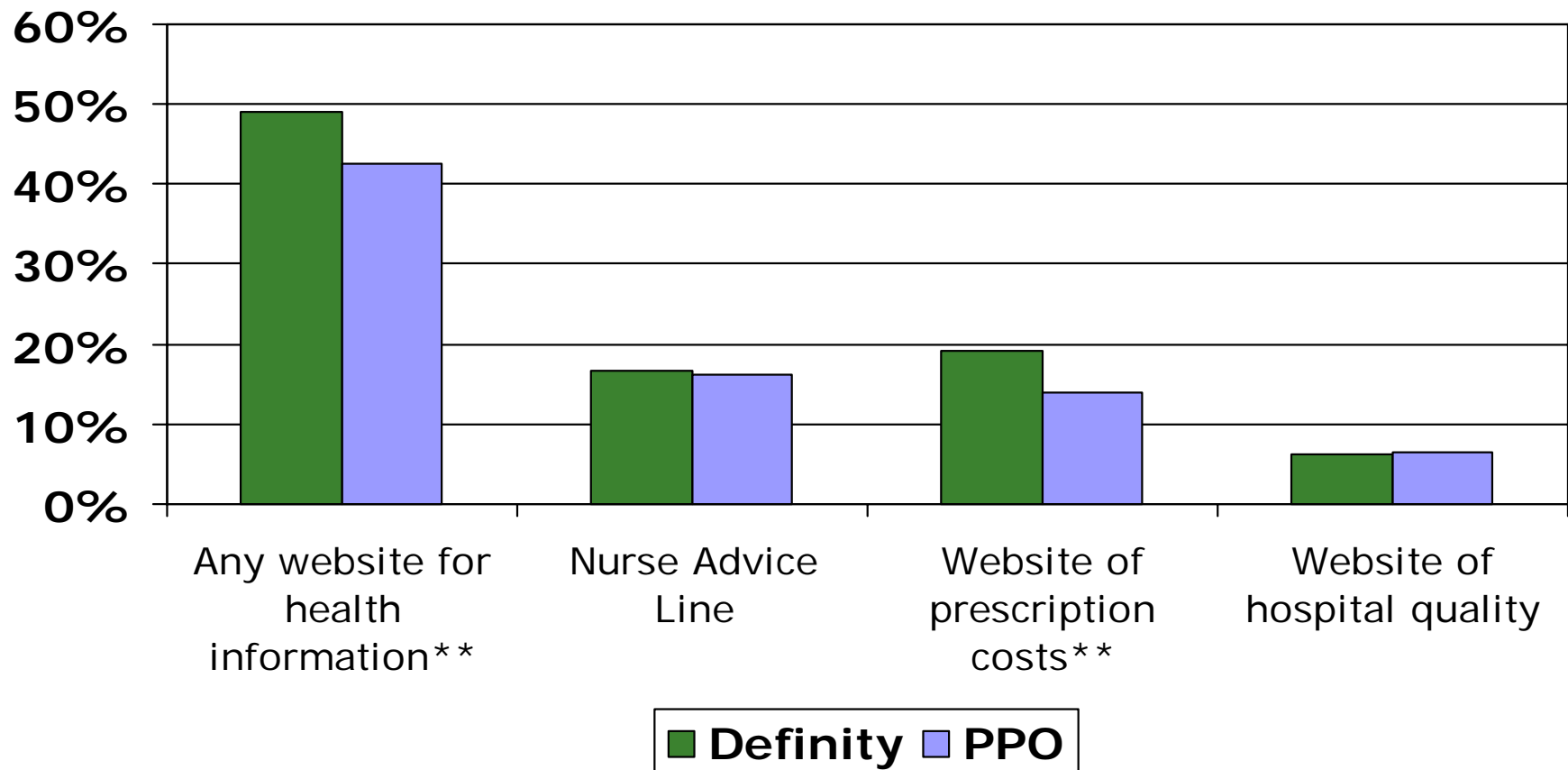
*** $p < .001$

Compared to last year less paperwork and less frustration



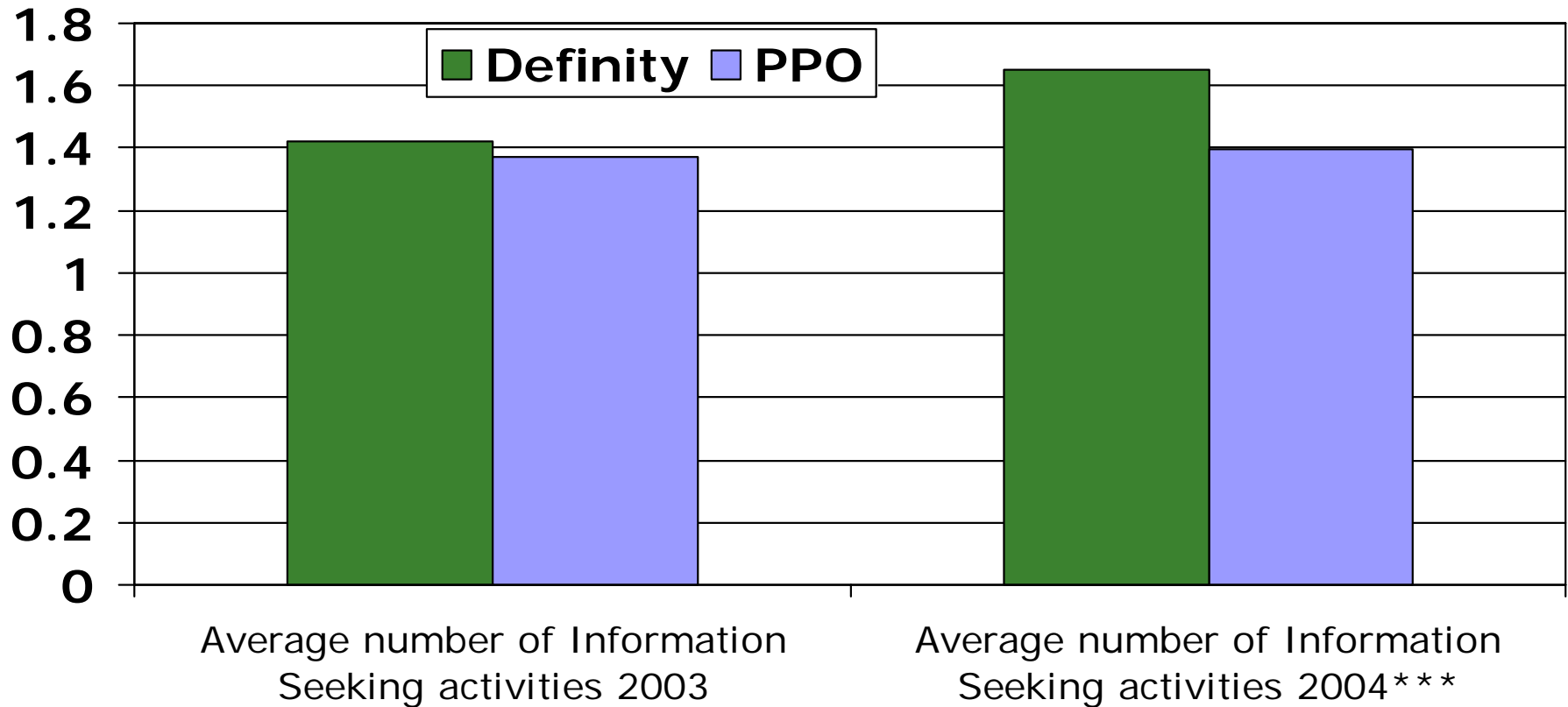
*** $p < .001$

Using Health Information Sources 2004



** $p < .01$

Summary Index of Using Health Information



*** $p < .001$

During 2004, have you tried to find out how much a visit to the doctor or lab test would cost before going in for care? (% Yes)

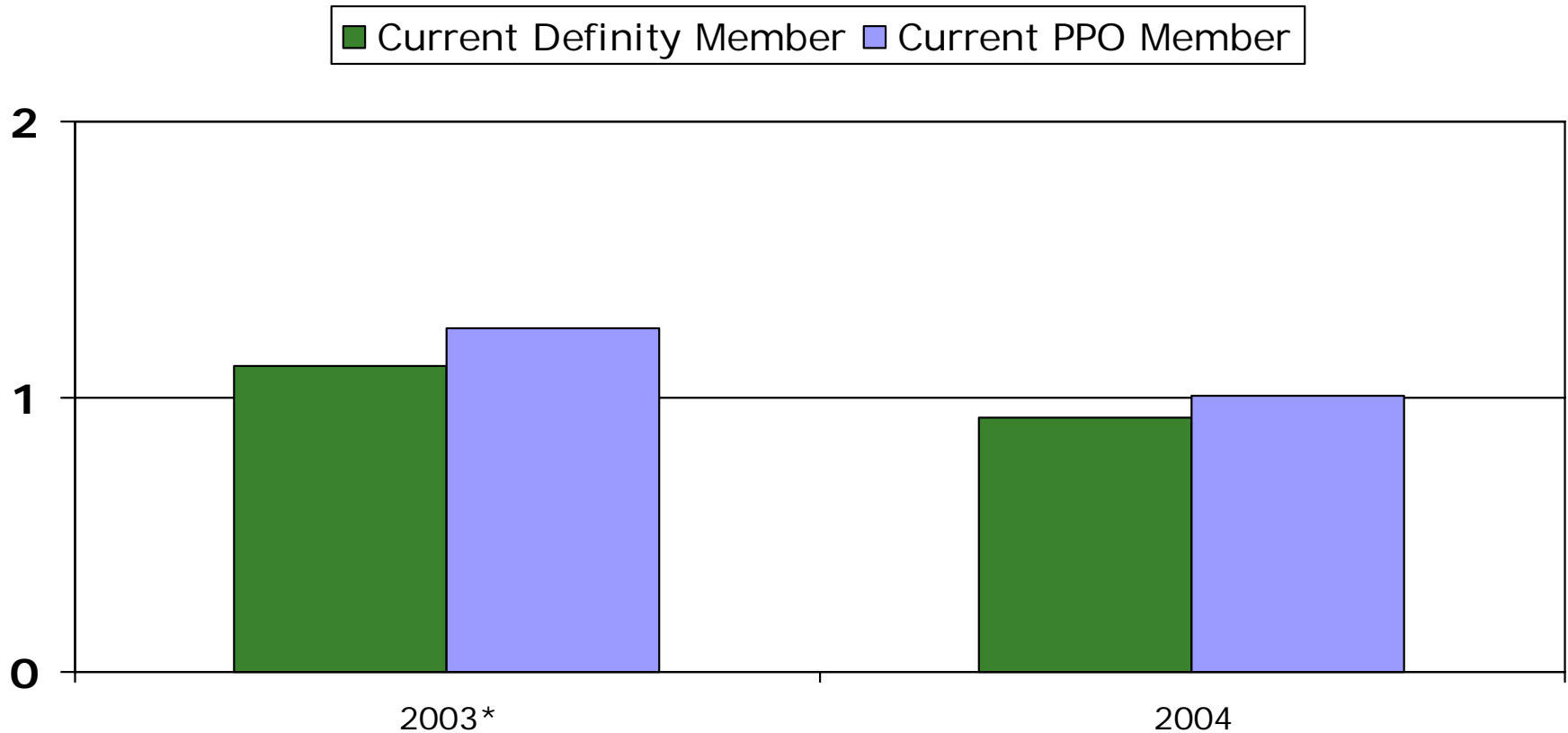
- Definity 16.3%
- PPO 15.7%

Cost Saving Actions and Percentage of Subjects Who Did Them in 2004

To save money, have you done any of the following:	Definity (n=1,135)	PPO (n=769)
Decide not to go to the doctor when you thought you should have?	14.4%	12.8%
Decide against having a lab test?	7.3%	6.8%
Delay or decide against having a medical treatment or surgery?	8.2%	8.7%
Purchase a generic prescription drug instead of a brand name drug?**	48.0%	54.7%
Take a lower dose of a prescription drug than was recommended?	4.0 %	4.3%
Not fill a prescription?	7.8%	9.7%
Decide to have a less expensive diagnostic test?	4.5%	4.5%

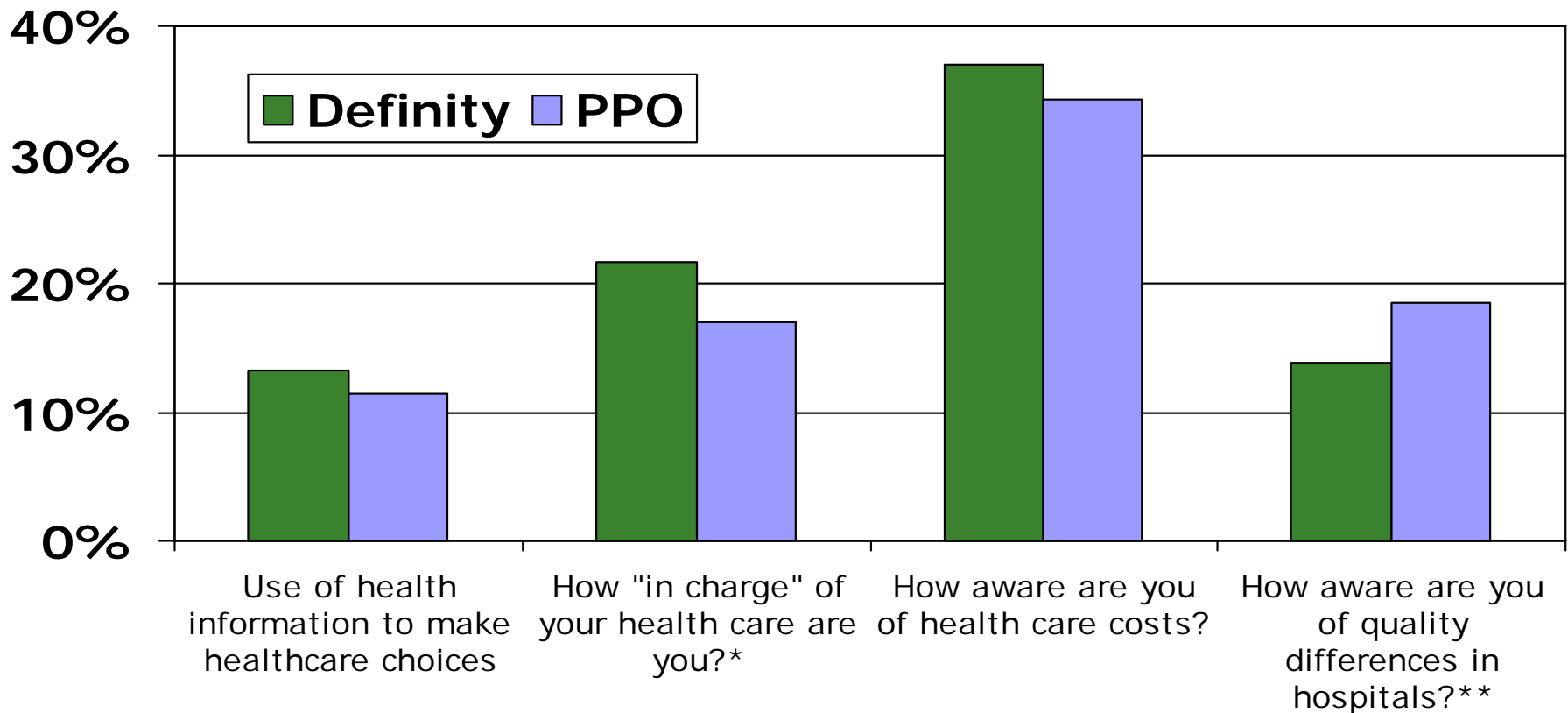
** p < .01

Number of Cost Saving Actions Reported in 2003 and 2004 (Average)



* $p < .05$

Percent who answer “More than last year” Reporting Changes from 2003 to 2004



* $p < .05$, ** $p < .01$

Summary

- Healthier and more health conscious employees more likely to enroll in Definity
 - Those with more internet skill are also more likely to enroll in Definity
 - Definity enrollees less likely to understand their plan
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Summary continued

- Information seeking is slightly higher among Definity enrollees, they also increased their information seeking from the pre-enrollment period
 - No differences on seeking out cost information, however, cost cutting actions are slightly greater in the PPO group
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Conclusions:

- At baseline the behaviors of PPO and CDHP enrollees are either similar or there are only small differences. We will monitor these behaviors over time.
 - Next steps will be to examine:
 - pre-enrollment utilization differences
 - behaviors after one year experience in the plans
 - how differently or similarly enrollees in the CDHP and PPO plans handle a major health issue
 - Identify factors associated with switching into and out of CDHPs in the first year
 - Monitor how hourly vs salaried employees behave in the CDHPs
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Please Send Factual Questions

Chat Feature – Please type your factual questions at this point during the cyber seminar and click send.

