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THE IMPORTANCE OF UNDERSTANDING HEALTH INSURANCE BENEFITS AMID POLICY AND ENVIRONMENTAL CHANGE

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ABSTRACT

Under the Affordable Care Act (ACA), most health insurance plans were required to cover ten specific categories of health care, referred to as the essential health benefits. Policy changes and interpretations allowed for a growing selection of plans which lack coverage in one or more of the ten categories. Consumer resources and curricula were created to address continuing confusion about plan benefits, selecting, and using health insurance plans. Results from pre and post surveys confirmed the hypothesis that consumer education results in increased knowledge of health insurance benefits and confidence in selecting the best plan.

One of the provisions of the Affordable Care Act (ACA) was to require standardization of benefits for increased access to covered services, greater transparency, and less confusion in coverage. Yet, both state waivers and individual policy exemptions allow plans to move away from those standardizations. Because policies governing health insurance can rapidly change on both the national and state levels, and can vary between states, knowledge of and skills in using health insurance benefits are necessary for consumers to make informed health insurance coverage decisions. To address these issues, The Smart Use, Smart Choice™ Health Insurance Literacy Program was developed to provide consumers with the self-efficacy to select and optimally use their health insurance plans to protect both health and financial well-being.

A major intent of the ACA was to remove barriers to health care by making health insurance more affordable. Low-income individuals have been the primary beneficiaries of the ACA's premium subsidies and Medicaid expansion (Kominski et al., 2017). However, the ACA

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still had problems with affordability. The new law was accompanied by a rapid increase in the average cost of premiums for employer-provided plans, which rose 55% between 2008 and 2018 (Kaiser Family Foundation, 2018). Marketplace premiums rose at an annual rate of 22% between 2014 and 2018 (Sacks, 2018). There were limits to how much some employers were able to absorb. There is evidence that these cost increases pushed some public insurance-eligible individuals out of the workplace (Li & Ye, 2017). Another goal of the ACA was to make health insurance more comprehensive for most policy holders. For consistency of care, all government-managed and employer sponsored plans were required to cover ten categories of services specifically detailed in the new law. These are referred to as essential health benefits (EHBs). The EHBs are: 1. ambulatory patient services, 2. emergency services, 3. hospitalization, 4. pregnancy, maternity and newborn care, 5. mental health and substance use disorder services, 6. prescription drugs, 7. rehabilitative and habilitative services and devices, 8. laboratory services, 9. preventive and wellness services, and 10. pediatric services (HealthCare.gov, 2022).

However, changes to the ACA allowed those who were unemployed or who were not eligible for employer-provided health insurance to purchase short term, low cost (STLC) health insurance with premium costs well below that of full benefit health insurance. These so-called “skinny plans” could be sold to individuals with an absence of one or more of the EHBs (Appleby, 2017) and were designed to provide inexpensive, limited coverage for those experiencing a gap in health insurance coverage (Pollitz et al., 2018). These plans could seem appealing to those experiencing a disruption in employment and income shortfalls; however, this leaves them susceptible to coverage gaps and less financial protection.

Shortly after the passage of the ACA, a team of researchers from University of Maryland (UMD) and University of Delaware (UD) Extensions began working to understand whether consumers were prepared to make health insurance decisions under the new law. The team worked to define the concept of health insurance literacy. They found that to fully understand health insurance, consumers had to be capable of understanding both health information and financial information (Kim et al., 2013). Health insurance provides access to health services, including preventative services for staying healthy (Brown et al., 2016). However, people have struggled to understand it (Levitt, 2015). A review of the literature showed that consumers were generally confused about health insurance terminology and did not feel confident in selecting the best health insurance coverage for their situation (Kim et al., 2013). Shifting state and federal policies have added to confusion (Doonan & Katz, 2015). It is incumbent on Extension to respond to legislative changes with educational resources (Rogers & Braun, 2015). Outcome evaluation has demonstrated that health insurance education does result in increased health insurance literacy (Koonce et al., 2017).

PURPOSE AND OBJECTIVES

Policy change creates the exigency of reliable consumer health insurance resources. The team identified the need to create educational materials to assist consumers in understanding the different types of health insurance benefits and how different plans covered these benefits. The resulting program, Smart Use Heath Insurance™ –Your Health Insurance Benefits (Benefits), has three objectives:

- Identify and describe the essential health benefits
- Explain how to receive the essential health benefits
- Explain the importance of getting and using the essential health benefits

The purpose of this study was to determine if health insurance education with a narrow focus on health insurance benefits could be effective in achieving the specific objectives of increased knowledge of the ten health insurance benefits, increased confidence to use those benefits to improve health outcomes, and increased confidence in selecting a policy which would meet health care needs. A study using the new curriculum was done to test the hypothesis that the educational program met these objectives and would result in statistically significant changes in the outcome measures.

METHOD

Five UMD Extension educators taught 18 Benefits workshops to 108 individuals between 2017 and 2019. Participants were recruited from program email lists, other community programs, and social media. Potential recruits were adults who currently had health insurance through an employer or through the state or federal marketplace. Educators were provided with a script for consistency.

The contents of the program were written to help consumers understand the situations in which they might use different health insurance benefits, what might happen if their chosen plan did not cover healthcare services they wanted, and how to make sure to select a plan that would cover all the benefits they and their family required. During the workshop, educators taught the participants about the 10 EHBs and guided them through an activity so they could identify them. Participants also learned the best steps for getting and using health insurance benefits, including choosing in-network health providers and budgeting for costs. Finally, they learned why it is important to get and use health insurance benefits to stay healthy and protect finances.

The team piloted the program to ensure that it was achieving the stated objectives. The results of this pilot and its implication for consumers are discussed in subsequent sections. Brown et al., (2016) describe the five key theories that provided the program development framework: social learning theory, stages of change, planned health behavior, health communications, and adult education. Educational materials were created using the social cognitive and experiential learning frameworks. Participants received one hour of direct education and supporting materials on the ten essential health benefits and how to use them. The lesson included a case study to help participants experience identifying the ten benefits and their purposes.

A survey instrument, similar to ones tested with other program modules (Brown et al., 2016; Paez et al., 2014) was used to assess health insurance literacy levels both pre- and post-workshop. The instrument measured participants' likeliness to take informed health insurance actions and their level of confidence in these actions. Likelihood and confidence were measured using a 4-point Likert scale with responses ranging from "not at all likely" to "very likely" and scored respectively from 1-4. Approval for this research was obtained from the UMD Institutional Review Board. Participants were asked to complete pretest and posttest evaluations based on the program's objectives. Questions 1 and 2 measured confidence. Questions 3 through 5 measured likeliness to take action. The posttest, completed at the conclusion of the workshop, included the same 5 questions from the pretest and additional demographic questions. Paired T-tests were used to find out whether there were any statistically significant differences between pre- and post-survey data.

RESULTS

Pilot program participants were diverse in income, education, age, gender and race. Evaluations were received from 102 participants. Table 1 shows the demographic characteristics of the participants. The majority of participants (86.4%) were under 65 years. The majority of participants were female (66.7%) and currently had health insurance (95.8%). White or non-Hispanic individuals were the largest racial group (46.7%) followed by African Americans accounting for 31.1% of participants. Almost half (47.2%) of the participants had graduated from college, 13.5% obtained a Bachelor's degree, and 33.7% obtained a graduate or professional degree.

Table 1

Participant demographics (N=102)

Demographics	Total Sample *(n=102*
Age (in years)	N
18-29	30 (31.6%)
30-64	52 (54.9%)
65 and older	13 (13.7%)
Gender	
Male	16 (16.2%)
Female	66 (66.7%)
Other/Choose not to say	17 (17.2%)
Race	
Asian / Pacific Islander	4 (4.4%)
Black / /African American	28 (31.1%)
Hispanic or Latino	13 (14.4%)
Native American or American Indian	1 (1.1%)
White / Non-Hispanic	42 (46.7%)
Other/Choose not to say	2 (2.2%)
Health Insurance	
Yes	92 (95.8%)
No	4 (4.1%)
Education	
Less than high school	5 (5.6%)
High school graduate or GED	21 (23.6%)
Some college, or Associate's Degree	21 (23.6%)
Bachelor's Degree	12 (13.5%)
Graduate or Professional degree	30 (33.7%)

The SPSS v.24 software was used for statistical analysis. The impact of the workshops was measured by valid and reliable questions to measure consumers' confidence and likelihood of using their EHBs. A paired-samples t-test was used because the data were collected from one group of people on two different occasions (pre and post). All data in this analysis were matched. Results showed there were statistically significant differences between pre- and post- test responses on the improvement in confidence and likeliness to take action in all five items, as shown in Table 2.

Table 2

Program Evaluation Results

	Respondents					
	Pre test		Post test			
Question	M	SD	M	SD	t	p
1. How confident are you that you know how to figure out your share of the cost for care, after the health plan pays their share?	2.78	.991	3.58	.636	-9.087	<.001
2. How confident are you that you know how to find out what is and is not covered before you receive a health care service?	2.98	.912	3.69	.580	-8.875	<.001
3. How likely are you to pay your premium on time?	3.37	1.012	3.69	.677	-3.611	<.001
4. How likely are you to find out if a doctor is in-network before you see him /her?	3.43	.887	3.77	.615	-4.464	<.001
5. How likely are you to use the essential health benefits you qualify for?	3.27	.827	3.78	.462	-6.200	<.001

Results indicated that the workshops increased consumers' confidence in understanding health and coverage. The change in their perceived capability was statistically significant indicating an increased likelihood to apply knowledge, pay premiums on time, find out if a doctor is in-network before a visit, and use their EHBs. Questions 1, 2, and 4 do not directly address EHBs but are nonetheless important measures of health literacy and address necessary actions to maintaining access to health insurance (Paez et al., 2014).

DISCUSSION

Health insurance protects both health and financial wellbeing (Russell et al., 2014) and therefore an understanding of what is covered in a health insurance plan is important for making personal cost-benefit decisions. Results support our hypothesis that attending the Benefits program results in increased knowledge of health insurance benefits and confidence in selecting the best plan. The pre-program responses indicated that consumers have low confidence in their ability to determine their share of health costs and what benefits they are entitled to prior to receiving care. This supports earlier research that affirmed the complexity of accessing this information (Mehrotra et al., 2017; Sherman et al., 2017). Following the one-hour workshop, participants reported a statistically significant increase in their likelihood to use their EHBs, a key factor in staying healthy. Research indicates that consumers who understand and use their health insurance benefits stay healthier (Wang, 2020). Our results also indicate that program participants felt more confident in their ability to understand the usage of their health insurance benefits. We cannot say for certain that program participants will use their health insurance benefits, but the significant increase in intention to do so is promising. The limitations of behavioral intention are discussed more in subsequent sections . However, the results of this study show that the educational program was able to increase confidence and likelihood to engage in positive health insurance behaviors .

Understanding health insurance benefits is important for many reasons. First, access to testing, wellness checkups, and care is not just an individual need but a public health necessity. Consumers who understand and use their health insurance benefits stay healthier, and data from their health care touchpoints helps inform disease surveillance (Wang, 2020). Second, access to health insurance is highly tied to employment. In times of increasing employment interruption, as occurred during the COVID shut-downs, more consumers are finding themselves insurance shopping, and vulnerable to gap policies with lower costs but greater risk exposure (McDermott et al., 2020). However, these concerns are neither situational nor time bound. Third, one of the most frequently omitted services in skinny plans are mental health benefits, which are a growing need (Appleby, 2017). Finally, under Section 1322 of the Affordable Care Act, states can apply for innovation waivers which could reduce standardization and lessen the impact of plan comparability (Kaiser Family Foundation, 2020; Gannot et al., 2018). This creates an environment where a move between states or even between plans in the same state might create confusion for a consumer reviewing the plans available to them. Frequently, cost becomes the predominant factor when making health insurance decisions, exposing consumers to both health and financial risk if there are gaps in coverage (Somers et al., 2017).

Health care and health insurance have been policy issues for decades. Because of this, timely, reliable, educational response to legislative changes with curricula and communication is imperative for Extension (Braun, 2012). Results of our pilot program showed that education makes consumers more likely to make informed cost-benefit decisions regarding the selection and use of their health insurance plans. The combination of rising rates of chronic illness (Parrill, 2020), health policy disruption, mental health needs, and policy destandardization necessitates a health insurance literate population.

Within the present policy environment, there is pressure to return a portion of both funding and flexibility to the states (Rice et al., 2018). This has the potential to further increase variability in benefits across plans. Extension is a well-respected leader in health insurance literacy, and well positioned to deliver consumer education widely and across diverse modalities (Kiss et al., 2018). Future research is needed to explore whether the increased knowledge and confidence gained from health insurance education translates into actionable steps to select health insurance with adequate benefits and to use those benefits to maintain or improve health. Additional research is also needed to know if impacts differ by race, gender, or age. It is important to better understand that health and financial impacts are derived from Extension health insurance literacy education.

A few limitations should be noted. First, participants self-selected for program participation. It can be inferred that those who chose to attend a health insurance workshop did so because of a perceived low level of health insurance literacy and the desire to gain knowledge. Second, the geographical representation is limited. All of the participants in the study were from a single state, Maryland, Under the Affordable Care Act, states have latitude concerning the expansion, operation, and management of health insurance (Lines et al., 2021). Some states established state-based marketplace exchanges. Other states decided against implementing their own exchanges, instead directing their citizens to the federal exchange (Knudson et al., 2015). Yet others took a hybrid approach, partnering with the federal government to build exchanges. The results of this study could be different if conducted in other regions of the country. Lastly, workshop attendees experienced statistically significant self-reported gains in health insurance use confidence and capability, but it must be noted that confidence and capability do not necessarily lead to direct action.

CONCLUSION

Health insurance policy is a continually evolving landscape. Consumers do not have a sufficiently comprehensive understanding of their health insurance benefits, and therefore do not utilize the full range of those benefits to maximize health. Individuals who understand and use their health insurance benefits have better health outcomes than those who do not. As such, it is important for Extension to continue to be a leader in health literacy education. The study of our pilot program demonstrates that education successfully helps consumers to make informed choices with their health insurance plans. They indicated likeliness to use their benefits to stay healthy and had the confidence to determine costs and coverage, all validated measures of health insurance literacy. Understanding how to compare policies using the EHBs gave our pilot participants the knowledge and confidence to select plans that meet their needs, and that protect their health and finances. When experiencing a health care need, health insurance benefit decisions have significant consequences. Benefits increased confidence and reduced confusion for our pilot participants by providing important information about EHBs. This gave them the knowledge and confidence to select plans that met their needs, and to make informed decisions that protect their health and finances.

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