



Health Plan Selection: Factors Influencing Michiganders' Choice of Health Insurance

COVER MICHIGAN SURVEY



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Introduction

2014 marked the first open enrollment for individual coverage on the health insurance marketplace. In Michigan, over 272,000 people enrolled in health coverage during this time,¹ choosing from 60 non-catastrophic plans.² Plan choices ranged from 5 (Delta County) to 52 (Macomb, Oakland, and Wayne counties),³ and the average deductible for individual marketplace plans was approximately \$2,900 in 2014.⁴ In most cases, consumers had a wide choice of plans representing different provider networks and

levels of cost sharing. This brief examines the factors that most influenced consumer decision making among those with different types of coverage during the first enrollment period.

The brief is based on data from the Center for Healthcare Research & Transformation's 2014 Cover Michigan Survey of Michigan adults, fielded between September and November 2014. Those who purchased individual coverage on or off the marketplace are included in this analysis.

¹ U.S. Department of Health and Human Services. May 2014. *Profile of Affordable Care Act Coverage Expansion Enrollment in Medicaid/CHIP and the Health Insurance Marketplace, 10-1-2013 to 3-31-2014: Michigan*. <http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/pdf/mi.pdf> (accessed 4/10/15).

² CHRT analysis of data available at data.healthcare.gov.

³ J. Fangmeier. *Rate Analysis: 2015 Michigan Health Insurance Marketplace*. (Ann Arbor, MI: Center for Healthcare Research & Transformation, January 2015). <http://www.chrt.org/publication/rate-analysis-2015-michigan-health-insurance-marketplace>.

⁴ CHRT analysis of data available at data.healthcare.gov.

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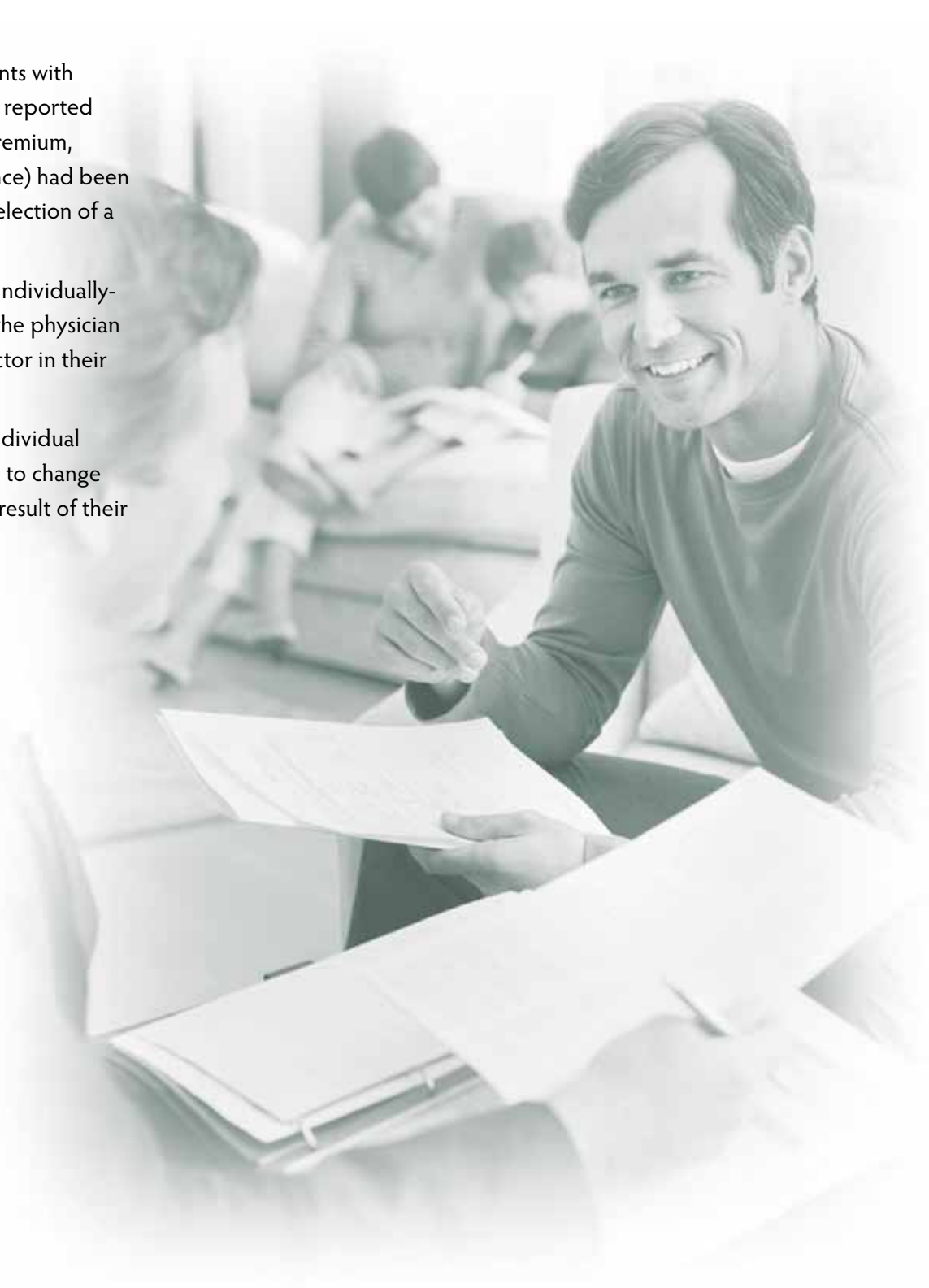


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Key Findings

- Ninety-two percent of respondents with individually purchased insurance reported that at least one cost measure (premium, deductible, co-pay, or co-insurance) had been a very important factor in their selection of a health plan.
- Forty-one percent of those with individually-purchased insurance noted that the physician network was a very important factor in their consideration of a health plan.
- Eighteen percent of those with individual coverage indicated that they had to change their primary care physician as a result of their choice of health plans.



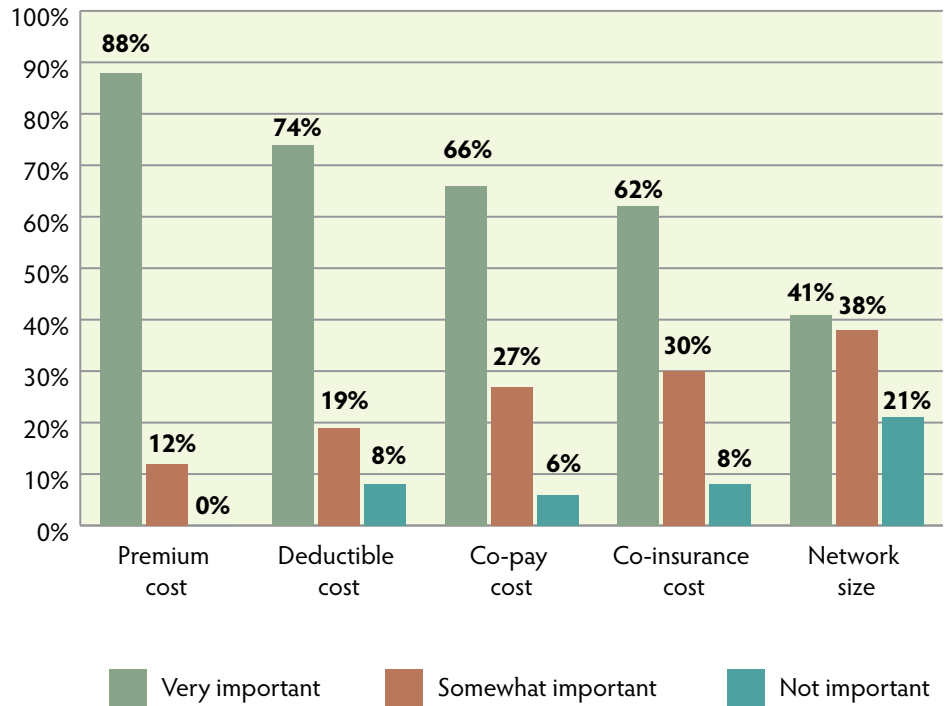
Relative Importance of Physician Choice and Costs in Health Plan Selection

Ninety-two percent of those with individually purchased coverage reported that at least one cost measure (premium, deductible, co-pay, or co-insurance) had been very important in their choice of health insurance.

Respondents with individually purchased insurance were most likely to report that premium costs were a very important factor in their selection of a health plan, with deductible costs coming in second. Almost nine out of ten respondents with individually purchased coverage reported that premium costs had been a very important factor in their decision, and none reported that premium costs had not been important. In comparison, 41 percent of those with individually purchased insurance reported that the number of physicians they could choose from in a plan was very important.

FIGURE 1

FIGURE 1
Importance of select factors in choosing a health plan among those with individually purchased insurance*



*Percentages may not add to 100 due to rounding

Source: CHRT Cover Michigan Survey 2014

Relative Importance of Physician Choice and Costs in Health Plan Selection *(continued)*

Those with individual coverage were more than twice as likely to report that premium costs had been very important in their choice of a health plan as they were to report that the number of physicians they would have access to had been very important to their decision. Respondents who had purchased their coverage on the individual market were 22 percent more likely than those with employer-sponsored insurance to report that premium costs had been very important.

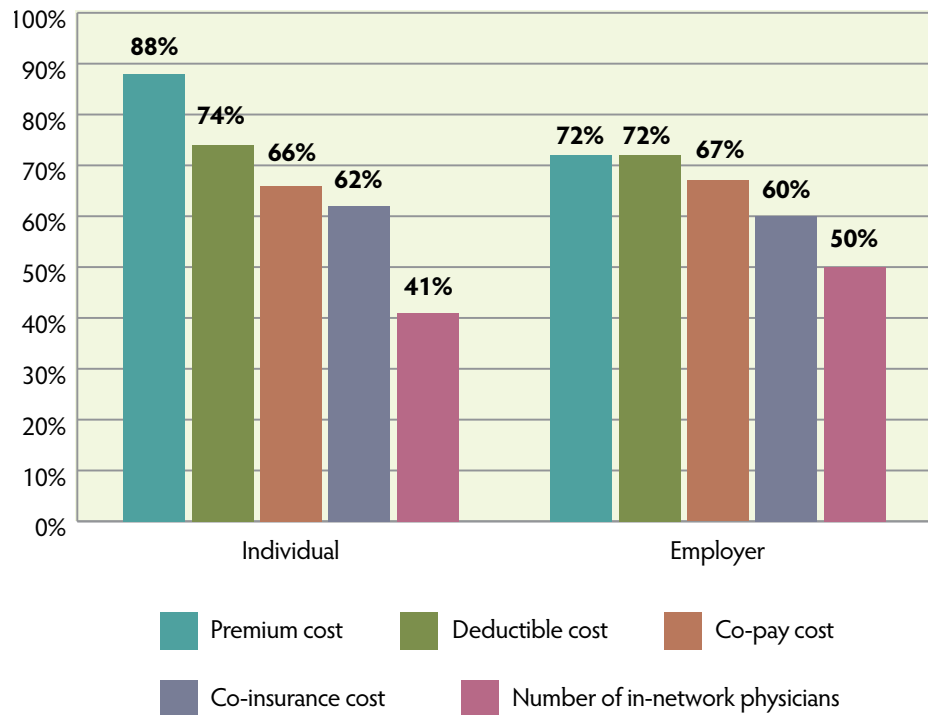
FIGURE 2

The differences between factors were less dramatic among those with employer-sponsored insurance than among those with individually purchased insurance, but were still substantial: respondents with employer-sponsored coverage were 43 percent more likely to report that premium and deductible costs were very important than they were to report that the number of in-network physicians was very important.

FIGURE 2

FIGURE 2

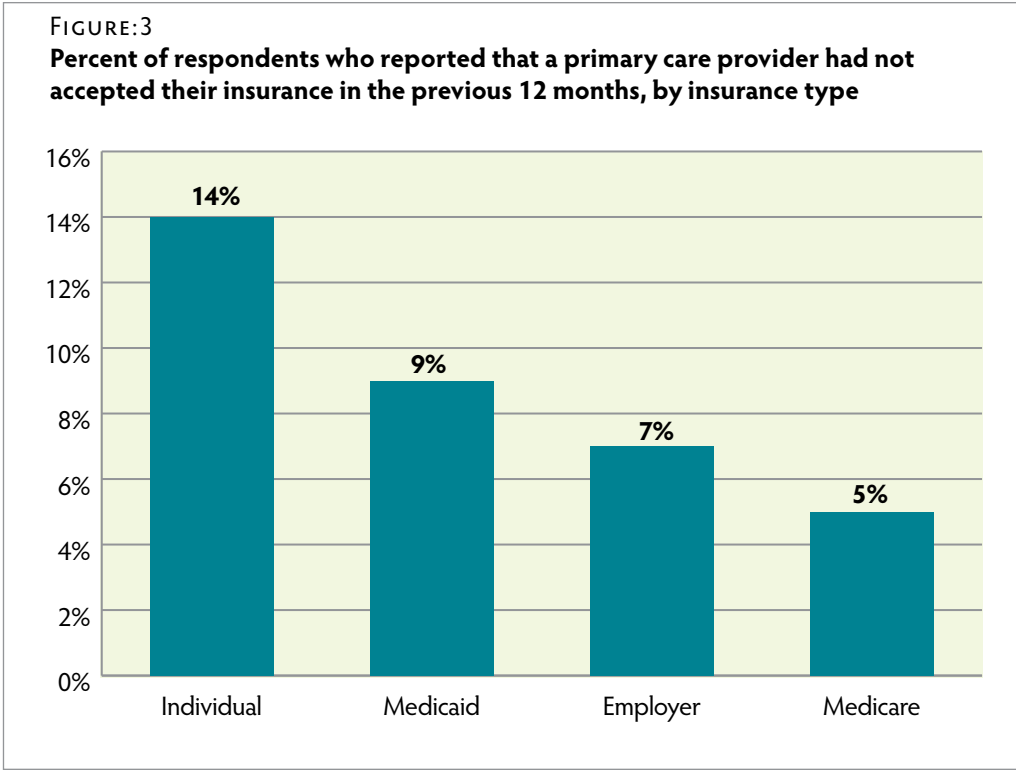
Percent of respondents ranking each insurance plan characteristic as very important among those with employer-sponsored and individually purchased insurance



Source: CHRT Cover Michigan Survey 2014

Provider Acceptance of Insurance

Fourteen percent of those with individually purchased insurance reported that a primary care provider had not accepted their insurance in the previous 12 months. Those with individually purchased coverage were twice as likely as those with employer-sponsored insurance to report that a primary care provider had not accepted their insurance. **FIGURE 3**

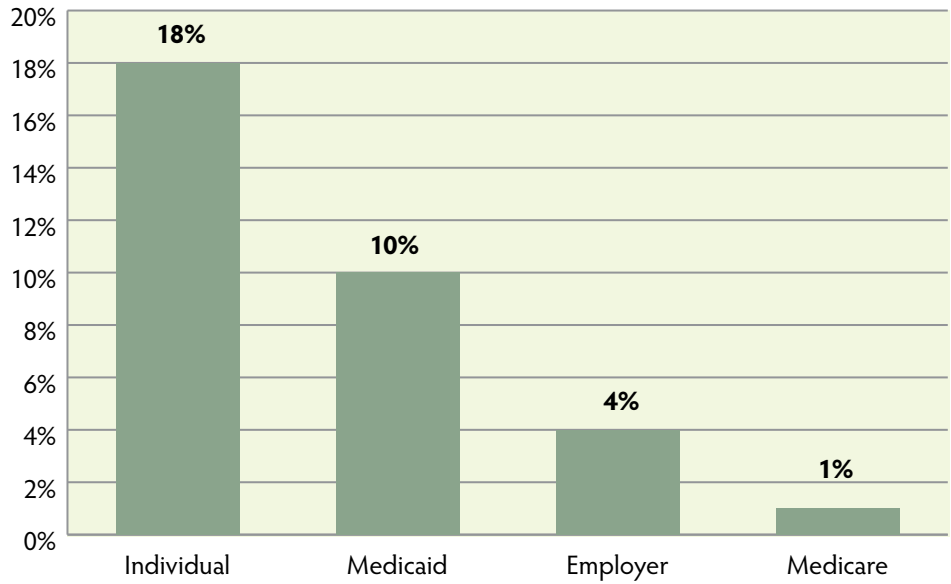


Source: CHRT Cover Michigan Survey 2014

Provider Network Participation

Almost one in five respondents with individually purchased insurance reported that their choice of insurance required them to switch primary care providers in the previous 12 months. Those with individually purchased insurance were four and a half times more likely than those with employer-sponsored insurance to report switching primary care providers due to insurance. **FIGURE 4**

FIGURE 4
Percent of respondents who switched primary care providers due to insurance in the previous 12 months among respondents with all insurance types



Source: CHRT Cover Michigan Survey 2014



Conclusion

Although the number of providers a health plan offered was an important factor in the choice of health insurance, more respondents with individual coverage reported that cost factors had been very important in their decision. Almost one-fifth of respondents with individually purchased insurance reported having switched primary care providers because of their insurance. These findings suggest that consumers may be willing to accept narrow networks when reduced costs accompany declining provider choice.



Methodology

The survey data presented in this brief were produced from a series of survey questions added to the Michigan State University Institute for Public Policy and Social Research (IPPSR) quarterly State of the State Survey. The survey was fielded between September and November 2014 and included a sample of 1,002 Michigan adults, with a 20.2 percent response rate. Ninety respondents reported having individually purchased insurance and 532 respondents reported having employer-sponsored insurance. All those with individually purchased or employer-sponsored insurance who responded to questions about factors involved in their selection of a health plan were assumed to have had more than one plan from which to choose. The margin of error for the entire sample was ± 3.9 percent. The sampling design, a random stratified sample based on regions within the state, was a telephone survey conducted via landline and cellular phones of Michigan residents.

For analytical purposes, survey data were weighted to adjust for the unequal probabilities of selection for each stratum of the survey sample (for example, region of the state, listed vs. unlisted telephones). Additionally, data were weighted to adjust for non-response based on age, gender, and race according to population distributions from 2009-2013 American Community Survey data. Respondents who reported both Medicare and Medicaid coverage were considered Medicaid recipients for the purpose of this analysis. Results were analyzed using SAS 9.3 software. Statistical significance of bivariate relationships was tested using z tests or chi-square tests for independence. All comparison tables are statistically significant at the $p \leq 0.05$ level unless otherwise noted.

A full report of the IPPSR State of the State Survey methodology can be found at: <http://ippsr.msu.edu/soss/>.



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