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# For Third Enrollment Period, Marketplaces Expand Decision Support Tools to Assist Consumers

Charlene A. Wong  
*University of Pennsylvania*

Daniel Polsky  
*University of Pennsylvania, polsky@wharton.upenn.edu*

Arthur T Jones  
*University of Pennsylvania*

Janet Weiner  
*University of Pennsylvania, weinerja@mail.med.upenn.edu*

Robert Town

*See next page for additional authors*

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## **Abstract**

In the latest open enrollment period, ACA marketplaces added features to help consumers browse and pick a health plan, including total cost estimators and provider look-up tools. Marketplaces differ in how they estimate out-of-pocket costs and how they display plan choices, although most continue to present plans in premium order.

## **Keywords**

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## **Author(s)**

Charlene A. Wong, Daniel Polsky, Arthur T Jones, Janet Weiner, Robert Town, and Tom Baker



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Charlene A. Wong, Daniel E. Polsky, Arthur T. Jones, Janet Weiner, Robert Town, and Tom Baker

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**KEY FINDINGS:** In the latest open enrollment period, ACA marketplaces added features to help consumers browse and pick a health plan, including total cost estimators and provider look-up tools. Marketplaces differ in how they estimate out-of-pocket costs and how they display plan choices, although most continue to present plans in premium order.

## THE QUESTION

The design of the Affordable Care Act’s online health insurance marketplaces, including how plan options are displayed and the tools available to help consumers, can improve how consumers make complex health plan choices. During the third open enrollment period, LDI Senior Fellow Charlene Wong and colleagues went “shopping” on the 13 state-based marketplaces (SBMs) and HealthCare.gov. They documented what consumers saw during “window-shopping” (before creating a personal account) and “real-shopping” (after creating a personal account). How had the choice environment changed from previous years?

## THE FINDINGS

Compared to previous enrollment periods, the researchers found greater adoption of some decision support tools, such as total cost estimators and integrated provider lookups. In real-shopping, both California and Kentucky provided consumers with an estimate of their total out-of-pocket costs (premiums plus cost-sharing). In window-shopping, HealthCare.gov, Kentucky, Connecticut, Minnesota and Washington DC had total cost estimators. The marketplace websites differed on the information required in order to estimate these costs. Some asked about self-reported levels of medical use and prescription use, while others had consumers select from lists of medication conditions, expected treatments, and ongoing prescriptions.

In real-shopping, eight SBMs and HealthCare.gov had integrated provider look-ups, where consumers could search for participating providers. Six of them allowed consumers to search for in-network providers by radius around a ZIP code, specialty or language spoken. Only two states (Massachusetts and Rhode Island) provided an indicator of network size for each plan. Five sites offered quality ratings, although the criteria used to create the ratings varied. Other aspects of the choice environment and shopping experience are summarized below.

	Window-Shopping	Real-Shopping
<b>Default order of plans by:</b>		
Premium	11	10
Estimated total out-of-pocket cost	2	2
Best fit for consumer	0	1
Silver plans first	0	1
Metal tier	1	0
<b>Consumer Decision Aids</b>		
Total cost estimator	5	2
Integrated provider lookup	8	9
Integrated drug lookup	1	0
Quality ratings	4	5
Pop-up definitions	9	11

During real-shopping, nine of 13 SBMs, as well as HealthCare.gov, presented plans in the order of premiums, from cheapest to most expensive. Two states (California and Kentucky) listed plans based on total out-of-pocket costs. Massachusetts listed silver plans first, explaining that these plans were among the most popular and “offer a good balance between monthly premiums and out-of-pocket costs.” Minnesota listed plans in order of best fit based on consumer preferences.

If consumers qualified for cost-sharing reductions, however, HealthCare.gov and nine SBMs directed consumers toward silver plans. Six explained in text only that cost-sharing reductions were limited to silver plans, while four used a stronger nudge that listed silver plans first or showed consumers only silver plans.

Across all marketplaces, consumers could sort and filter according to common features, such as premium, deductible, metal level, insurance carrier, maximum out-of-pocket cost, and plan type.

## THE IMPLICATIONS

The most notable additions in the third enrollment period compared to the first two periods were total cost estimators and integrated provider lookups. Certain key tools, such as cost estimators, were available only to window-shoppers on some marketplaces. Few marketplaces offer consumers consistent indicators of network size or quality. Greater adoption of decision tools can help consumers pick an optimal plan, or at least avoid a poor choice.

Further refinements are needed to improve the default order of plans. Most marketplaces still organize plans according to a single attribute: the monthly premium. Because the default order has a strong influence on consumers, marketplaces could consider presenting plans in more sophisticated ways, such as in order of estimated out-of-pocket cost, best fit, or a “smart default” that nudges consumers towards plans that are best for their needs. This is especially important for consumers that can only use cost reduction subsidies if they choose a silver plan.

More research on actual plan choices is needed to discern the value and impact of different decision tools and choice environments. These data will help both consumers and marketplace officials as they seek to improve the next iteration of health care marketplaces.

## THE STUDY

The research team went shopping on the 13 SBMs and on Healthcare.gov in November 2015 (the beginning of the third open enrollment period). At least two researchers independently surveyed each site with detailed screenshots. The process simulated a typical marketplace shopping experience, both in terms of “real-shopping” (after consumers create an account with personal identification) and “window-shopping” (when browsing plan options anonymously before creating an account).

They examined each marketplace’s default order of health plans, filtering and sorting functionality, indicators of a health plan’s network size, availability of consumer decision aids, and whether and how total cost estimates were generated.

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## LEAD AUTHOR: DR. CHARLENE WONG






**Charlene Wong, MD, MSHP** is a pediatrician with a subspecialty in adolescent medicine at the University of Pennsylvania and The Children’s Hospital of Philadelphia. She completed her pediatrics residency at Seattle Children’s Hospital/University of Washington where she researched adolescent vaccines and American Indian/Alaska Native pediatric mortality in partnership with the Centers for Disease Control and Prevention where she previously worked. Subsequently, she completed a health policy fellowship at Penn as a Robert Wood Johnson Foundation Clinical Scholar. Her research focuses on improving the health of adolescents and young adults through health policy and innovative strategies to motivate youth behavior change. Currently, her work focuses on the impact of the ACA on young adults, consumer choice on the exchanges, and the role of behavioral economics and technology in engaging adolescents and young adults with their health.



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Colonial Penn Center  
3641 Locust Walk  
Philadelphia, PA 19104-6218  
P: 215-898-5611  
F: 215-898-0229

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