



## Consumers' CHECKBOOK's Health Plan Comparison Tool Wins First Place in Robert Wood Johnson Foundation's Plan Choice Challenge

WASHINGTON—March 24, 2015—Consumers' CHECKBOOK is proud to announce that the Robert Wood Johnson Foundation (RWJF) has named it the winner of the Foundation's first "Plan Choice Challenge," a nationwide competition to design a technology application that helps people choose their best health plan options.

RWJF set up the Plan Choice Challenge, facilitated by Health 2.0, amid increasing awareness that consumers in the Affordable Care Act marketplaces (exchanges) are choosing health plans that are costing them much more than necessary, do not have the doctors they want, or are not the best fit in various other ways.

"The direct-to-consumer insurance market is in its infancy, and developers can add a tremendous amount of value by helping consumers make better decisions," said Katherine Hempstead, PhD, who directs coverage issues at RWJF. "The response to this challenge has been overwhelming, and the creativity and talent on display in these applications confirms that developers will play a vital role in moving this market forward."

Consumers' CHECKBOOK's plan comparison tool, which won the Challenge, enables consumers to scroll through all available plans on a single webpage and compare each plan on:

- 1) Single-dollar-amount total cost estimate (premium after any available subsidy *plus* actuarially estimated total out-of-pocket) for people of the same family size, ages, health status, and other characteristics as the user,
- 2) Risk (the total cost in a very high health-care-usage year and the likelihood of having such a year),
- 3) Quality (an overall quality rating that the user can personalize based on what quality dimensions matter most to the user); and
- 4) Doctor availability (which of a list of preferred doctors the user has identified participate in the plan, not requiring the user to figure out how to find and use the provider directories at each plan's website).

Users can drill down for much more detail, but CHECKBOOK's research has found that 60 percent make their choices—good choices—based on these four key elements.

"Consumers' CHECKBOOK has had tools to help federal employees compare health plans for more than 35 years," said Robert Krughoff, president of CHECKBOOK. "We know that if they don't get quick answers, ideally in less than five minutes, they'll take shortcuts—like choosing based on lowest premium alone or lowest deductible—and end up wasting thousands of dollars."

CHECKBOOK illustrates the plan-choice problem that exists in the federally facilitated marketplace and in most state marketplaces with a family of four in Chicago. When using healthcare.gov, this specific family sees 143 health plans in the Illinois marketplace listed in order of premium cost, after adjustment for the tax credit subsidy the family can expect. First on the list is Blue Choice Bronze PPO 006 with a monthly premium of \$118 after subsidy—much more likely to be chosen by a consumer seeing this presentation than the Land of Lincoln Family Network Silver 3100 plan much farther down the list, with a monthly premium of \$211.

That's a problem because *the plan the consumer is more likely to choose in this presentation can be expected to cost a family like this about \$3,700 more per year than the other plan with the higher premium* when the full cost of the plans is taken into account: premium *plus* an actuarial estimate of out-of-pocket costs for deductibles, co-payments, and coinsurance. For different families, different plans come to the top, and similar mistaken choices are likely on the federal and state marketplace websites serving residents of most states. These marketplaces don't enable consumers meaningfully to compare total out-of-pocket costs.

This problem and other deficiencies in the help most state and federal marketplaces give consumers can be seen when those marketplaces are compared to the solution available in the [www.healthplanratings.org](http://www.healthplanratings.org) website created by CHECKBOOK for residents of Illinois with the support of the state agency, GetCoveredIllinois, and the Chicago Community Trust.

CHECKBOOK, a nonprofit consumer organization, has written extensively, and advised various states on what is needed to help consumers make the plan choices that best meet their needs and preferences. And CHECKBOOK's comparison tool can be easily implemented in any state's marketplace website or alongside the state's website so the user compares plans, chooses one, and then goes to the official marketplace website to enroll.

Krughoff points out various problems with the marketplaces in most states. "Some just offer a 'benefit description' model, detailing the deductible, out-of-pocket maximums, and other coverage rules for each plan," he said. "But a consumer just can't figure out: is a plan with the \$200 deductible and a \$10,000 out-of-pocket limit better for me than a plan with a \$2,000 deductible and \$4,000 out-of-pocket limit—and how about differences in co-pays, coinsurance, etc.?"

Other marketplaces offer an "expected-cost" model in which they ask the users how many doctor visits, prescriptions, etc. they will have next year. "These create the illusion of accuracy," Krughoff said, "but can be very misleading because they ignore the possible auto accident, heart attack, or other events that are not 'expected' but are a major reason for insurance."

CHECKBOOK also stresses the importance of other features of its Challenge-winning tool. For example, there is the importance of the tool's feature that enables users immediately to see for each plan whether it includes the user's preferred doctors—to avoid the surprises many marketplace enrollers have experienced—and there's the importance of having quality measures that let users know which plans are good on quality of provider network, ease of getting doctor appointments, freedom from claims hassles, and other quality features.

For more information on CHECKBOOK's plan comparison tool, visit [www.checkbook.org/exchange](http://www.checkbook.org/exchange).

### **About Consumers' CHECKBOOK/Center for the Study of Services**

Consumers' CHECKBOOK/Center for the Study of Services ([www.checkbook.org](http://www.checkbook.org)) is a nonprofit organization whose mission is to inform the consumers about the quality and cost of available service providers, educate consumers on how to select and deal with such providers, and disseminate information that can guide and motivate service providers to deliver higher quality, more efficient services. CHECKBOOK/CSS also has extensive experience doing research and surveys under contract with government and other organizations to produce information for public reporting on quality and cost of health plans and of health care providers.

### **About the Robert Wood Johnson Foundation**

For more than 40 years the Robert Wood Johnson Foundation has worked to improve health and health care. We are striving to build a national Culture of Health that will enable all to live longer, healthier lives now and for generations to come. For more information, visit [www.rwjf.org](http://www.rwjf.org). Follow the Foundation on Twitter at [www.rwjf.org/twitter](http://www.rwjf.org/twitter) or on Facebook at [www.rwjf.org/facebook](http://www.rwjf.org/facebook).

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