



E-NEWSLETTER

Comparing Health Insurance Plans

By Jennifer Ginn, CSG Associate Editor

Robert Krughoff thinks a lot of people are talking about how to make buying insurance easier in their state's health insurance exchanges, but not a lot of people are doing the right things to make it a reality.

Krughoff is president of Consumers' CHECKBOOK/Center for the Study of Services, a nonprofit consumer information and education organization. For the past 33 years, the center has produced a comparison-shopping tool for the 8 million people insured through the Federal Employee Health Benefits Program.

Under the Patient Protection and Affordable Care Act, states are required to set up health insurance exchanges by Jan. 1, 2014. These exchanges are supposed to make it easy for consumers to pick an insurance plan.

"In fact, the law itself says health insurance exchanges must be places where consumers can easily choose among health plans," Krughoff said. "Everybody is mouthing the words. ... I think the officials who are setting up these exchanges just need to start focusing on this. I think people are under tremendous pressure to get anything up and running."

So far, Krughoff said, the exchange-like pieces that have been set up in the states are sorely lacking. They usually only include information on premium costs and deductibles.

"Very large consulting and engineering firms are getting these contracts (to set up health insurance exchange portals)," said Robert Ellis, director of operations and online services for Consumers' CHECKBOOK. "It's fairly easy to come up with eye-appealing colors and icons. But if that's all there is for consumers to make a choice, they've missed a golden opportunity."

Consumers' CHECKBOOK asks consumers to fill out information about their family size, gender, age, whether they smoke and if they take a lot of medicines or plan to have a surgery or child in the coming year. They get a list of plans available in their area, quality scores and can even see if their doctors are included in the plan. It also estimates what the consumer's entire medical costs—including co-pays and deductibles—are likely to be for the coming year and what the maximum amount they could pay would be.

Ellis said shopping for insurance is confusing and often looks like an alien landscape.

"They don't understand the language, don't understand the terminology," he said. "Many times, consumers take the easy way out and base it on the premiums. Many times, that's the wrong choice."

Krughoff said creating a truly meaningful health insurance exchange Web portal for consumers is possible for states. Consumers' CHECKBOOK has even written sample language for a request for proposals that outlines what the plan-comparison tool should include.

"We think they (states) can do it very economically," Krughoff said. "We do it for federal employees for 200 health plans around the country. It costs us a couple hundred thousand dollars a year. That's for more than 200 plans that are servicing 8 million federal employees. We think it can be done economically compared to the massive amounts states are spending on these vendor contracts."

Ellis said these health insurance portals have the opportunity to provide truly meaningful information about what high quality health care is and why it's important.

"If you look beyond the moment of implementation, ... this is something that could really evolve into a quite rich and useful tool over time," he said. "But you've got to have that core structure of meaningful information to have the opportunity for refinement."

Krughoff will be speaking about the importance of state health plan comparison tools at The Council of State Governments' National Leadership Conference in La Quinta, Calif. He is a panelist for the health policy task force meeting, "Moving Forward on Health Care Reform: With or Without the Affordable Care Act," scheduled for 2:30-4:30 p.m. PDT, May 18.