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## **Consumers' CHECKBOOK Expert Explains, Demonstrates Key Features of Health Plan Comparison Tool in Speech at the World Health Congress on Health Insurance Exchanges**

*Model Is Based on CHECKBOOK's 32 Years Providing Tool to Help Millions of Federal Employees and Retirees Make Best Health Plan Choices*

**WASHINGTON** –In an effort to educate health-care leaders about providing a well-designed, consumer-friendly health plan comparison tool as part of the health insurance Exchanges being developed under the Patient Protection and Affordable Care Act, Robert Krughoff, president of nonprofit Consumers' CHECKBOOK, recently spoke at the World Health Congress on Health Insurance Exchanges and demonstrated key features of a successful plan comparison tool.

A key component of any effective health insurance Exchange required by the health reform law will be a tool that consumers can use to find the health insurance plans that best fit their needs.

"Private and public resources, where they exist, to help consumers choose among health plans are generally nowhere near as helpful as they could be," said Krughoff. "The state insurance Exchanges under health reform can do better."

The CHECKBOOK organization ([www.checkbook.org](http://www.checkbook.org)) has for more than three decades provided consumers evaluations of price and quality of insurance companies (auto, home and health), health care providers (doctors, hospitals, dentists, etc.) and other service firms. For 32 years, it has provided its *Guide to Health Plans for Federal Employees and Annuitants*. Thousands of individual consumers purchase the *Guide*, in print or online, each year and, for the past 10 years, dozens of federal agencies have purchased online subscriptions in bulk for their employees—HHS, Labor, IRS, U.S. Congress, Federal Reserve and many others.

Krughoff shared a description of features and demonstrated a model for a plan comparison tool that state Exchanges are urged to implement. Key features of a consumer-friendly tool, based on CHECKBOOK's experience observing and interacting with thousands of consumers, include—

- Comparison of *insurance value*—showing the average expected out-of-pocket cost including premium—for the user's age, family size and other characteristics.
- An Exchange-wide provider directory so that the user can quickly see which plans have his or her preferred providers.

- Information on the quality of each provider, with measures evolving over time.
- Measures of each plan's quality, including its health promotion programs, with the ability for the user to focus on the quality dimensions of greatest interest to him or her.
- Descriptions and assessments of the value of special plan features such as dental coverage, hearing aid coverage or a fitness club benefit.
- Highlighting of any unusual coverage or service gaps.
- Design, language, illustrative examples, interactive demonstrations and other features that are user-tested to ensure that the tool is easy to use and understand.
- Features to enable intermediaries—from family members to brokers to Navigators to the media—to extract or print out information to help consumers who want help.
- Ability to get the user to an excellent plan choice quickly—usually in five minutes or less—with flexibility for users to drill down, if they wish, for increasing detail. CHECKBOOK has found that many consumers will not stick with a tool that requires a half hour or even 15 minutes to reach a good answer—and therefore will make decisions based on misguided criteria, like lowest premium or lowest deductible, when a different plan might actually cost thousands of dollars less and be of higher quality.

The *insurance value* comparison is a key element of CHECKBOOK's recommended plan comparison model. Based on extensive population expenditure data, the recommended model shows the estimated average yearly cost for the user (premium plus out-of-pocket cost) under each available plan based on the user's age, family size, and other characteristics. It also shows the cost under each plan in a very high-expense year and a very low-expense year and the maximum possible out-of-pocket cost.

The total cost figures and plan rankings available in the CHECKBOOK-recommended model are in sharp contrast to the type of information available in the comparison tools generally in use now in government and private exchanges, including the Massachusetts Connector and Healthcare.gov. Those other tools generally provide just a description of benefits and coverage terms and leave the user to figure out the dollar consequences.

"It is difficult or impossible," Krughoff said, "for the ordinary consumer to figure out, for example, whether a plan with the \$200 deductible and a \$10,000 out-of-pocket limit is a better deal than a plan with a \$1,000 deductible and a \$4,000 out-of-pocket limit. And what about differences in co-payments, coinsurance percentages, rules about which expenses are counted toward the out-of-pocket maximum, etc.?"

The CHECKBOOK model also contrasts with the "known-usage" model used in some cost-comparison tools. In that model, the user is expected to enter estimates of the number of doctor visits, drug prescriptions and other types of health care usage in the coming year and the tool calculates what the expenses for such usage would be under each plan.

"A 'known-usage' model is misleading because it ignores the unknowns—expenses for diseases and accidents that can't be anticipated and that are a major reason for insurance," Krughoff said. "The 'insurance value' approach in CHECKBOOK's recommended model can make adjustments to take into

account known usage—for example, for a planned pregnancy—but cost comparisons should not be based on known usage alone.”

Krughoff also demonstrated how an exchange-wide provider directory should work, ways to let users look at various aspects of plan quality and other features of CHECKBOOK’s recommended model.

### **About Consumers’ CHECKBOOK**

Consumers’ CHECKBOOK, based in Washington, D.C., publishes ratings of various types of service firms in *CHECKBOOK* magazine and at [checkbook.org](http://checkbook.org) in seven major metropolitan areas and produces print and online versions of its *Consumers’ Guide to Hospitals* (including risk-adjusted death rates and adverse outcome rates), its *Guide to Top Doctors* and other consumer-information resources. It also does analyses, reports and surveys under contract for government agencies and other organizations. For example, it developed the first nationwide survey for public reporting of member evaluations of health plans in 1994 in cooperation with the U.S. Office of Personnel Management (OPM); it has a contract to compile and analyze all member survey data reported to OPM by the health plans that are required to do a standardized member experience survey as a condition for participating in the Federal Employees Health Benefits Program; Under a contract with the Centers for Medicare and Medicaid Services, it has managed all of Medicare’s surveys of members about Medicare Advantage and Prescription Drug Plans, producing results that are reported at [Medicare.gov](http://Medicare.gov); and it conducts evaluations of patient experience with doctors for public reporting under contracts with various state healthcare coalitions.

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