

Effective Case Studies: Making a *Smart Choice Health Insurance*® Decision

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Abstract

The passage of the Patient Protection and Affordable Care Act of 2010 (ACA) created an opportunity for more than 31 million consumers to obtain health insurance but many people are challenged with making optimal decisions based on their personal health and financial situations. *Smart Choice Health Insurance*® is an integrated health and financial literacy curriculum designed to help consumers gain knowledge, develop skills, and offer guidance through the process of selecting health insurance. The curriculum includes a case study that provides consumers the opportunity to practice making health insurance selections. Consumers, through active engagement and small group discussion, consider their families' needs and wants, a spending plan, insurance plan costs, and available coverage to gain a deeper understanding and build confidence.

Keywords

Health insurance literacy, Affordable Care Act, financial literacy, health literacy, case study, consumer decision making

Introduction

With the passage of the Patient Protection and Affordable Care Act of 2010 (ACA), more than 31 million consumers are now eligible to obtain health insurance through the health insurance Marketplace, private employer insurance, or Medicaid expansion (KFF 2012), (APHA 2012). The ACA provides new protections and benefits for both currently insured and uninsured individuals and families (KFF 2012). However, many consumers need help understanding these changes and how to effectively choose coverage based on their personal health and financial

situations (Quincy 2012). The ACA has created a teachable moment as consumers need to better understand health insurance to ensure optimal decisions (Kim, Braun, and Williams 2013).

Because many consumers are challenged with making health insurance decisions, a working definition of health insurance literacy was developed, with the assistance of Consumers Union and American Institutes of Research, as follows: the degree to which individuals have the knowledge, ability, and confidence to (a) find and evaluate information about health plans, (b) select the best plan for his or her family's financial and health circumstances; and (c) use the plan once enrolled (Quincy 2012). To best help consumers overcome these challenges an unbiased, research-based curriculum, *Smart Choice Health Insurance*[®], was developed by the Health Insurance Literacy Initiative (HILI) team of University of Maryland Extension and University of Delaware Cooperative Extension. This integrated health and financial literacy curriculum was designed to guide consumers through the process of selecting an optimal health insurance plan. The guiding hypothesis for the curriculum is that increased consumer capability and confidence along with reduced confusion will lead to consumers making smart choices about their health insurance. The Smart Choice curriculum includes a PowerPoint presentation with educator notes, educator toolkit, program evaluation plan, marketing plan, consumer workbook, case studies, and workshop materials (<http://extension.umd.edu/insure/educator-resources>). The intent of this article is to discuss the development of the first case study, which provides an opportunity for consumers to practice making health insurance selections based on family needs, wants, spending plan, insurance plan costs and available coverage, as well as to share case study best practices for broader implementation.

Literature review findings

Consumers need help navigating through the ambiguity of health insurance (Hibbard et al. 2002; Wroblewski 2007; Hanoch and Rice 2011; Frank and Laniraud 2009). Because consumers believe health insurance to be more complicated than other types of insurance, eliminating perceived barriers and improving understanding will help consumers actively engage in health insurance plan decisions (Wroblewski 2007; Walsh, Fitzgerald, Gurley-Calvez, and Pellillo 2011). Several studies suggest that consumers want to better understand health insurance terminology, plan costs, and benefit specifics of health insurance (Kim et al. 2013; Sinaiko and Hirth 2011; Quincy 2012). In addition, consumers prefer fewer options as well as information presented in a single or simplified format to reduce the complexity and suboptimal decision-making (Hibbard et al. 2002; Loewenstein, Friedman, McGill, Ahmad, Linck, Sinkula, Beshears, Choi, Kolstad, Laibson, Madrian, List, and Volpp 2013). While little can be done to limit the options consumers have, the ACA stipulates standardization in the Summary and Benefits of Coverage provided by insurance companies (KFF 2012; APHA 2012). Although the ACA provides greater consumer protection, researchers and practitioners advocate for improved health insurance education (Hibbard et al. 2002; Wroblewski 2007; Hanoch and Rice 2011; Frank and

Laniraud 2009). Because many consumers find selecting health insurance to be complicated and overwhelming, researchers suggest better education is needed to improve the likelihood of an optimal health plan decision (Sinaiko and Hirth 2011; Lako, Rosenau and Daw 2011; Loewenstein et al. 2013). Health insurance education can ultimately lead to improved health outcomes (Kim et al. 2013; Loewenstein et al. 2013).

In addition to improved education, Kim et al. (2013) found that consumers need an easy yet effective tool to compare plans. However, no existing curricula effectively addressed cost factors or simultaneously addressed consumer decision making based on affordability, adequate coverage, or identified health care service needs (Kim et al. 2013). Findings from the literature review led the HILI team to focus on ways to help consumers both obtain and understand information about plan options, coverage, costs, and affordability.

As a result of the literature review, the HILI team developed the *Smart Choice Health Insurance*® curriculum using the theory of planned behavior, transtheoretical model of change, and adult education theory (Ajzen 1991; Prochaska, DiClemente, and Norcross 1992; Cercone 2008; Braun, McCoy, and Little 2013). The theoretical framework and research base provided a scientific approach to conduct interventions that increased the likelihood of behavior change and provided a way to evaluate and explain the findings. Careful application of these theories increases the likelihood that intended outcomes will be achieved. As employed through adult education theory, active consumer engagement was designed to build on the strengths, assets, needs, and interests of consumers. As supported by the six assumptions of adult education theory, the curriculum and related activities express the primary reason for learning, draw from consumers' experiences including errors, build upon the responsibility and accountability of health insurance selection decisions, address the immediate relevance, review the problem and find solutions to resolve it, as well as demonstrate internal and external motivators such as the avoidance of medical bankruptcy and the realization of better health outcomes (Knowles 1980). The curriculum was designed comprehensively to aid consumers in answering six essential questions:

1. Why do I need health insurance?
2. Why is it important?
3. What do I need and want?
4. What are my choices?
5. How much will it cost?
6. How much can I afford?

Answers to these questions guide consumers through the health insurance selection process and help them determine family needs, their current spending plan, and affordable health plan options.

Case study

Once informed by a literature review of research findings, the Smart Choice Health Insurance[®] curriculum was developed and tested. During the pilot test, consumers experienced challenges completing the consumer workbook using their personal health and financial information. Concerned that consumers would not leave with the necessary skills to compare and analyze health plans and drawing upon adult education and learning theory, a case study was developed to allow consumers an opportunity to learn and practice by making a collective decision based on a fictional family (Gagnon 2010; Cercone 2008). A case study was selected to provide meaning through guided interaction, relevant materials and other activities (Schmidt 2010; Knowles 1980). Case studies provide the opportunity for maximized recall since the information is learned in a context that is similar to the one in which the learning is to be used (Schmidt 2010; Knowles 1980).

The case study was reviewed, discussed, and practiced during the consumer workshop session, which provided the opportunity for consumers to learn skills needed while in an environment of anonymity and without having to share or discuss their personal situations. Consumers gained knowledge and practiced skills that can be applied to their personal circumstances that may increase the likelihood of a smart choice health insurance decision. Active engagement and small group discussion were encouraged as consumers worked through the case study process. Case studies help consumers gain a deeper understanding as well as build confidence (Gagnon 2010).

To ensure success for all consumers, the case study addressed numeracy and literacy skills. Numeracy, or the ability to effectively think and express in mathematical terms, was addressed by providing opportunities to practice the necessary calculations and was supported with available calculators for each consumer. Literacy skills of reading and comprehension were considered in each aspect of the curriculum to ensure eighth-grade reading levels and a plain language approach. Additionally, common vocabulary and concepts were introduced to expose consumers to the terminology prevalent in health plans and insurance documents. The HILI team wanted to ensure consumers would understand key vocabulary and concepts prevalent in the health insurance plan materials. Additionally, readability considerations were addressed by appropriate formatting and aesthetics of the text and worksheets.

The case study was composed of four components: family scenario, *Smart Choice Health Insurance*[®] workbook, sample health plans, and a family spending plan. The case study exposes consumers to best practices and key concepts with respect to financial management, consumer decision making, and health practices by incorporating information into the scenario as well as the *Smart Choice Health Insurance*[®] workbook. In the workshop, consumers are introduced to the case study, while working in groups of two to four, and are asked to help a fictional family make a health insurance selection. The case study references Cameron, who is married to Pat and

has a 12 year old child, Colin. The family scenario uses national average family size and income data and provides consumers with specifics such as ages, family health history, employment information, health care preferences and challenges, as well as interests and desires. The case study intentionally used unisex names to embrace diversity and the multitude of family situations.

The family scenario provides information on the types of physicians seen, frequency of medical visits, and future medical considerations. Best practices are illustrated by indicating recommended annual visits to medical professionals, including physicians and dentists. Consumers are introduced to the *Smart Choice Health Insurance*® consumer workbook (https://extension.umd.edu/sites/default/files/_images/programs/insure/Workbook%208.14.14.pdf). To serve as a model for making a smart choice health insurance decision, the workbook is partially completed for consumers during the workshop and case study process.

The selected workbook components provide definitions of common health insurance terms and provide other resources to help guide consumers through health insurance decisions. It illustrates best practices of comparing at least three plans before making a decision (O'Neill and White 2014). Sample health plans, adapted from those offered to State of Maryland employees, are included and provide details for three distinct plans.

The sample plans are analyzed based on the family scenario using information such as the number of visits to physicians, specialists, urgent care as well as needs for the upcoming benefit year. The included spending plan is partially completed based on financial literacy best practices. In addition to specific line items for health insurance and other health related expenses, the spending plan includes savings for short-term, long-term, and retirement, as well as specific financial goals. The spending plan is designed to support a detailed analysis of the family income and expenses and follows the 70-20-10 rule of 70 percent for living expenses, 20 percent for debt repayment, and 10 percent for savings. The workshop participants are asked to review the spending plan and encouraged to make adjustments as necessary.

Enhancements and expansions

The case study, now in its third iteration, has undergone many changes since its creation. Initially, consumers were able to build their own character and family specifics during the case study but this was confusing for many consumers. The second trial provided for multiple income levels and family situations. Assigning each group a different family situation proved difficult for educators to manage and stifled group discussion. The current case study has provoked engaging and insightful discussion. Recently a new case study that features a tax-credit eligible family scenario has been developed, tested, and released.

Conclusion

Case studies, if thoughtful and well-designed, are tools that provide opportunities for practice and increase knowledge of necessary skills (Gagnon 2010). Imbedded teaching strategies, such as small group discussion and activities and hands-on problem solving, encourage consumers to learn from each other, ask questions, and gain confidence. The case study used in the *Smart Choice Health Insurance*® curriculum provides a holistic and integrated approach that builds upon both financial and health literacy. In fact, the pilot results suggest increased consumer confidence to make a smart choice.

The *Smart Choice Health Insurance*® curriculum offers Cooperative Extension the opportunity to mobilize nationally and help consumers develop the skills and confidence necessary to make the health insurance selection process easier. To become a Smart Choice certified educator and gain access to the curricula and other materials, visit www.extension.umd.edu/insure.

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