PRACTICES AND STRATEGIES TO IMPROVE HEALTH POLICY

2006 Survey: What Consumers Want to Know About Their HMOs

POLICY BRIEF
Center for Health Improvement
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Nearly half of all Californians receive their health care from a health maintenance organization (HMO).[1] Of the 17.2 million Californians enrolled in an HMO in 2005, 69% had employer-based insurance, 19% received care through the California Medi-Cal insurance program, and 8% received care through Medicare, the federal health insurance program for older persons and persons with disabilities. Nationally, the proportion of the population with health insurance coverage through an HMO has been declining,[2] but California remains one of the states with the highest HMO enrollment.[3]

In 1998, the California Legislature passed one of the most comprehensive reforms in the nation to address the problems that consumers were experiencing in managed care plans. The Office of the Patient Advocate (OPA), created in 2000, is responsible for informing and educating California consumers about their rights and responsibilities as HMO enrollees.

OPA recently commissioned a random sample survey of 1,224 adult Californians enrolled in HMOs. Goals of the survey were to:

- Determine the kinds of information HMO enrollees would like to know about their health plan and how it works.
- Identify the sources of information that consumers trust and the sources of information they find most useful. Specifically, the survey sought to understand how consumer information needs vary by source of coverage (employer, Medicare, or Medi-Cal), demographics, and geography.
- Document the changes in consumer experiences since 1997, when a similar survey was conducted. The 2006 survey included several parallel questions about consumer experiences in HMOs.[4]

Consumer Knowledge About How Their HMO Works

In 2006, at least two-thirds of HMO enrollees said they knew how to contact their health plan, what to do in an emergency, how to choose a doctor, and what services and treatments were covered under their plan.

However, consumer knowledge about their HMO was very poor in three areas. At least 40% or more of HMO enrollees reported knowing a little or not much at all about:

- What to do if they have a problem or complaint (40%)
- What medications are covered under their plan (44%)
- How to get care from a doctor outside of their medical group (55%)

HMO enrollees knew more about how their plan worked:

- The longer they had been enrolled in their plan (more than one year)
- The more visits they had in the last year
- If they were enrolled in Kaiser Permanente (compared to other HMOs)

Information Consumers Are Most Likely to Seek

When asked how likely they would be to seek out or look for nine types of comparative health information, HMO enrollees indicated they would be very or somewhat likely to seek information comparing:

- Quality of care provided for specific health conditions (79%)
- Provision of recommended care (77%)
- Out-of-pocket costs (76%)
- Quality of physicians (73% all enrollees; 81% Medi-Cal)
- Quality of care by health plans (72% all enrollees; 82% Medi-Cal)
- If patients are treated equally in different plans (62% all enrollees; 79% Medi-Cal)

Finding Useful HMO Information

Fewer than half (44%) of HMO enrollees reported that they had looked for information about their health plan in the last year. However, among this group, 76% said it was easy to find the information they sought, and among those who found information, 90% said the information was helpful.

Figure 1. Most Useful Sources of HMO Information By Coverage Source, 2006

Source of Information	Source of Coverage		
	Employer	Medicare	
Health plan*	35%	51%	10%
Internet*	35%	11%	10%
Doctor or hospital*	18%	28%	39%
Employer	15%	3%	6%
Family/friends	9%	6%	16%
Print media	3%	4%	6%
Government agency*	1%	3%	10%

Source: A Survey of California Adults Insured through a Health Maintenance Organization (HMO), 2006, Center for Health Improvement.
* Results significant at $p<.05$

HMO enrollees were much more likely to look for information if they:

- Have a choice of health plans
- Received any care in the last year
- Were hospitalized in the last year
- Have a high education level

Most Useful Sources of HMO Information

While 90% of those who sought information found it to be useful, no single source of information was described as *most useful* by more than one-third of those enrollees who had looked for and found information. The percentage of respondents identifying each of the following sources as *most useful* is:

- The health plan (32%)
- The Internet (26%)
- The enrollee's doctor or hospital (19%)
- Their employer (11%)
- Family, friends, or coworkers (9%)
- Newspapers and magazines (3%)
- The government (2%)

As shown in **Figure 1**, there are differences in the usefulness ratings of different sources of HMO information by source of coverage (employer, Medicare, or Medi-Cal):

- More than half of Medicare enrollees (51%) found their HMO to be a useful source of information compared to only 10% of those with Medi-Cal coverage.
- More than one-third of HMO enrollees with employer-based coverage (35%) found the Internet to be a useful source of information compared to 10-11% of those with Medi-Cal or Medicare coverage.
- Medi-Cal HMO enrollees were most likely to report that their doctor or hospital provided them with useful information (39%).
- Only 1-3% of enrollees with employer-based or Medicare coverage found the information provided by government to be useful, compared to 10% of those with Medi-Cal coverage.

The Most Trusted Sources of HMO Information

Survey respondents were asked if they would trust information about health plans and medical care from a variety of sources. The two sources of information that respondents said they would trust a lot are:

- The enrollee's doctor or hospital (75%)
- The health plan (64%)

Other sources that more than one-third of HMO enrollees said they would trust a lot include:

- The government (38%)
- Their employer (37%)

Sources of information that fewer than one-third of HMO enrollees said they would trust a lot include:

- Family, friends, or coworkers (30%)
- The Internet (18%)
- Newspapers and magazines (10%)

Trust in the different sources of information about HMOs varies considerably depending on the source of coverage (employer, Medicare, or Medi-Cal).

- In general, Medi-Cal enrollees are less trusting of most sources of information, with the exception of family and friends, than enrollees with employer-based or Medicare coverage.
- HMO enrollees with employer-based coverage are more likely than those with Medicare or Medi-Cal coverage to trust:
    - Their employer
    - The Internet
    - Newspapers and magazines
- HMO enrollees with Medicare coverage are more likely than those with Medi-Cal or employer-based coverage to trust:
    - Their doctor or hospital
    - Their health plan

Latinos/Hispanics Who Completed the Survey in Spanish Have the Greatest Information Needs

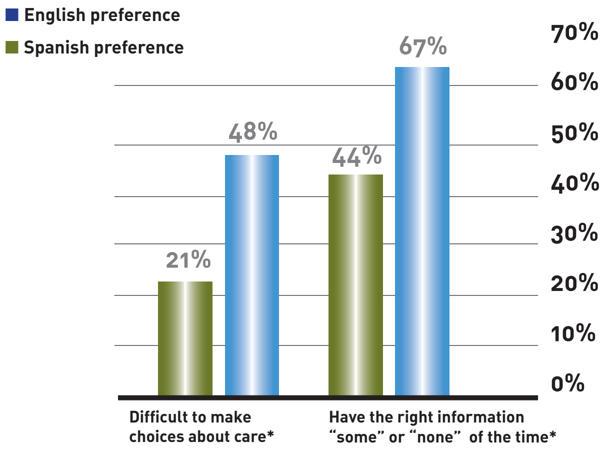
Survey respondents were asked their preference for completing the survey in English or Spanish. Those who completed the survey in Spanish were found to have a greater need for information about their HMOs.

Compared to Latinos/Hispanics who completed the survey in English, Latinos/Hispanics who completed the survey in Spanish are more than twice as likely to report that they have a difficult time making choices about their health care, and they are less likely to report that they have the right information they need to make decisions about their care **(See Figure 2)**.

In addition, more than three-quarters of Latinos/Hispanics who completed the survey in Spanish report that they know a little or not much at all about how their health plan works, how to get care from a specialist, what drugs are covered, and what to do if they have a problem **(See Figure 3)**.

Finally, Latinos/Hispanics who completed the survey in Spanish are less likely to trust nearly every source of information about their HMO compared to those who completed the survey in English, with the exception of family and friends. In particular, trust for print information was the lowest with only 6% of Latinos/Hispanics who completed the survey in Spanish trusting information in newspapers and magazines a lot and 8% trusting information from the Internet a lot. Further, 47% of Latinos/Hispanics who completed the survey in Spanish trust the information they get from their doctor or hospital a lot, and 37% trust information from their health plan or a government agency a lot.

Figure 2. Adequacy of Information for Decision Making, Latinos/Hispanics by Language Preference**, 2006



Source: A Survey of California Adults Insured through a Health Maintenance Organization (HMO), 2006, Center for Health Improvement.
* Results significant at p<.05
**Language preference is based on a phone survey where respondents indicated their preference for completing the survey in English or Spanish.

Figure 3. Knowledge of How HMO Works, Latinos/Hispanics by Language Preference**, 2006

Percent Knowing A LITTLE or NOT MUCH AT ALL about...	English Preference	Spanish Preference
How health plan works*	41%	81%
How to get care from a specialist*	37%	79%
What drugs are covered*	54%	81%
How to contact plan*	20%	60%
How to choose a doctor*	26%	71%
What to do if have a problem*	40%	78%
How much have to pay for doctor visits or drugs*	26%	68%

Source: A Survey of California Adults Insured through a Health Maintenance Organization (HMO), 2006, Center for Health Improvement.
* Results significant at p<.05
**Language preference is based on a phone survey where respondents indicated their preference for completing the survey in English or Spanish.

Changes in Consumer Experiences in HMOs in the Last Decade

The rates at which HMO enrollees report experiencing any problem[5] with their HMO in the last year have not changed since 1997, with a few exceptions. The percentage of HMO enrollees who reported experiencing any problem with their health plan was 43% in 1997 and 41% in 2006 (difference is not statistically significant). **Figure 4** presents the prevalence of HMO problems in 1997 and 2006.

Some Problems with HMOs Have Gotten Worse

The rates at which HMO consumers experience three specific types of problems with their HMO have increased since 1997. In 2006, HMO enrollees were 1.5–2 times more likely to report:

- Being required to change medications
- Having language or communication problems
- Being denied care or treatment

2006 Survey Methodology

Statewide random sample survey of 1,224 adult Californians enrolled in HMOs that was designed, conducted and analyzed by the Center for Health Improvement, Field Research Corporation, and the Center for Health and Public Policy Studies in the School of Public Health, University of California-Berkeley (UCB). Computer-assisted telephone interviews were conducted between January 3 and February 12, 2006, in English and Spanish. 14% of interviews were conducted in Spanish.

- Sample characteristics:
  - 47% male, 53% female
  - 69% enrolled in employment-based insurance
  - 15% enrolled in Medicare
  - 14% enrolled in Medi-Cal
  - 32% enrolled in Kaiser Permanente
  - 28% Latino/Hispanic
  - 21% in fair/poor health status
  - 37% have one or more chronic health conditions
  - 74% received any medical care in the last year
  - 12% were hospitalized in the last year
  - 21% visited an emergency room in the last year
- Demographic characteristics (age and gender) and geographic location of respondents were similar to those of respondents in the California Health Interview Survey (CHIS) of 2003.[6]

Figure 4. Change in Problems with HMOs Reported by HMO Consumers, 1997 vs. 2006

	1997	2006
ANY PROBLEM	**43%**	**41%**
Not receiving appropriate or needed medical care	**13%**	**12%**
Important benefits not covered	**13%**	**12%**
Difficulty getting a referral to a specialist	**12%**	**10%**
Delays in getting needed care	**12%**	**14%**
Problem with billing or payment	**12%**	**11%**
Required to change doctors	**8%**	**8%**
Misunderstandings over coverage/benefits	**8%**	**10%**
Difficulty selecting a doctor or hospital	**7%**	**8%**
Required to change medications*	**4%**	**8%**
Language or communication problem*	**4%**	**7%**
Denied care or treatment*	**4%**	**6%**

Source: A Survey of California Adults Insured through a Health Maintenance Organization (HMO), 2006, Center for Health Improvement.
* Results significant at p<.05

> “Sometimes the documents they send are difficult.... You read them and they’re in Spanish, but we all speak different kinds of Spanish. Right? It’s a bit complicated.”
> Latino/Hispanic focus group participant with Medi-Cal coverage

Problems with HMOs Vary by Source of Coverage

As shown in **Figure 5**, the rates at which HMO enrollees report specific problems varies significantly by their source of HMO coverage (employer, Medicare, or Medi-Cal):

- Medi-Cal HMO enrollees are 2–3 times more likely to report each of 10 problems with their HMO compared to persons with employer-based coverage.
- Fewer than 10% of Medicare HMO enrollees report experiencing any of 10 problems with their HMO in the last year and Medicare enrollees are least likely to report a problem with their health plan, with the exception of transportation problems and being required to change medications.

More Information and Personal Connection Desired by Consumer Focus Groups

Participants in six statewide focus groups reported many barriers in understanding their HMOs and navigating health care. Consumers wanted information that is easier to understand and customized for their health plan and health care needs, as well as more ways to talk to a representative who is knowledgeable about HMO choices and navigation—including HMO help lines, advice lines, and in-person counseling.

Participants who were Spanish-speaking, on Medi-Cal, or on Medicare reported significant problems accessing and understanding information about choosing their health plans.

- Focus groups with Latino/Hispanic participants reported the highest interest in spoken information, indicating that they would benefit from person-to-person information, as well as information provided by video and telephone.
- Spanish-speaking participants underscored the critical need to have information relevant to their linguistic variation of Spanish, as well as the need to have support from culturally competent, Spanish-speaking providers.
- Medicare beneficiaries reported receiving a lot of mailed information, yet still reported confusion about how Medicare works.

Although fluent English-speaking participants, those covered by employer-based health plans, and Kaiser Permanente members reported fewer problems, they faced similar barriers in understanding and navigating their HMOs. Focus group participants receiving coverage through their employer reported the highest level of satisfaction with the information they receive. These participants wanted HMO information to be provided by their employer. Participants in one focus group described how the union liaison provided a critical link for transferring information to low income, home-based workers.

Overall, focus group participant comments illustrate the disproportionate burden on Spanish speakers, seniors, and consumers with lower income or education in accessing appropriate health care.

About the focus groups: Six focus groups were conducted by Health Research for Action in the School of Public Health (UCB) and Research and Evaluation Systems with a total of 55 adult Californians enrolled in HMOs.

- Participants in two groups had HMO coverage through an employer (one of these groups consisted only of enrollees in Kaiser Permanente).
- Participants in two groups had Medicare HMO coverage.
- Two groups were conducted in Spanish (one group had HMO coverage through an employer, and the other through Medi-Cal).
- Four groups were conducted in Northern California and two in Southern California.
- Focus group participant characteristics:
    - 20% male, 80% female
    - 49% enrolled in employment-based insurance; 38% in Medicare; 13% in Medi-Cal
    - 35% enrolled in Kaiser Permanente
    - 40% Latino/Hispanic
    - 22% in fair/poor health status; 45% have one or more chronic health conditions
    - 71% had household income less than $40,000

People Most Likely to Have a Problem with Their HMO

Those most likely to have experienced a problem with their health plan in the last year are HMO enrollees:

- In health plans *other* than Kaiser Permanente
- In Medi-Cal
- In fair or poor health status
- With chronic conditions lasting three or more months
- Living in households with annual incomes below $20,000

Some Main Problem Rates Have Declined

In the survey, HMO enrollees were asked whether they had one or more problems with their HMO in the last year. For those who reported two or more problems, they were asked to identify the "main" or most serious problem.

Two of the main problems showed significant improvement over the last nine years. In particular, the percentage of HMO enrollees who reported a main problem with:

- Billing or payment declined from 15% in 1997 to 10% in 2006
- Getting a referral to a specialist declined from 14% in 1997 to 9% in 2006

Rates of Problem Resolution

Since 1997, there have been no changes in the rates at which HMO enrollees tried to resolve problems with their health plan (56%) or the rates at which efforts to resolve these problems have been successful (58%).

However, there have been changes since 1997 in the approaches consumers take to resolve their problems. The percentage of HMO enrollees with a problem who:

- Contacted a state or local agency for help more than doubled from 6% to 14%
- Changed health plans more than tripled from 2% to 7%

Awareness of the Toll Free Help Line

One reform adopted in the late 1990s requires plans to include the toll-free phone number of the Help Center in the Department of Managed Health Care on members' cards. This multi-lingual Help Center is designed to help consumers resolve their HMO problems. This reform appears to have had little effect, however, on HMO enrollee awareness of California's toll free Help Line. In fact, the proportion of HMO enrollees who had seen or heard of the toll free Help Line phone number declined significantly from 26% in 1997 to 22% in 2006.

> **"It's almost like you have to be in the plan, find out it doesn't work in order to get the information you need . . . what are the hospitals that your child can go to?"** Focus group participant with employer-based coverage

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Endnotes

[1] Cattaneo & Stroud, Inc. *2005 Statewide HMO & Special Programs Enrollment Study.*

[2] *Employer Health Benefits 2005 Annual Survey.* Kaiser Family Foundation.

[3] *Trends and Indicators in the Changing Health Care Marketplace.* Kaiser Family Foundation, 2006.

[4] HH Schauffler, SB McMenamin, J Cubanski, HS Hanley. 2001. "Differences in the kinds of problems consumers report in Staff/Group Health Maintenance Organizations, Independent Practice Association/Network Health Maintenance Organizations, and Preferred Provider Organizations in California." Medical Care 39(1): 15-25.

[5] Respondents were asked if they had any problems or difficulties with their health plan, specifically: misunderstandings over health care benefits or coverage; your plan not covering some important benefits you needed; delays in getting needed care; difficulty selecting a doctor or hospital; a language or communication problem; a problem with billing or payment of claims or premiums; being denied care or treatment; difficulty getting a referral to a specialist; not receiving the most appropriate medical care or what you needed; transportation problems; doctors, nurses, administrators or other staff were insensitive or not helpful; you were required to change doctors; and you were required to change medications.

[6] The sample for the CHIS was designed to provide population-based estimates for most California counties and all major ethnic groups. The CHIS sample was representative of California's non-institutionalized population living in households.

Figure 5. Medi-Cal Enrollees Most Likely and Medicare Enrollees Least Likely to Report Problems with their HMO, 2006

	Employer	Medicare	
Misunderstood coverage/benefits*	**9%**	**6%**	**22%**
Important benefits not covered*	**10%**	**9%**	**25%**
Delays in getting needed care*	**14%**	**6%**	**29%**
Difficulty selecting a doctor or hospital*	**8%**	**4%**	**14%**
Language or communication problem*	**6%**	**4%**	**16%**
Denied care or treatment*	**5%**	**2%**	**14%**
Not receiving appropriate or needed medical care*	**11%**	**8%**	**24%**
Transportation problem*	**3%**	**8%**	**15%**
Required to change medications*	**7%**	**8%**	**15%**
Difficulty getting a referral to a specialist*	**10%**	**3%**	**19%**

Source: A Survey of California Adults Insured through a Health Maintenance Organization (HMO), 2006, Center for Health Improvement.
* Results significant at p<.05

Conclusions and Recommendations

Study Findings: Medicare HMO enrollees receive a lot of information about their health plan and report relatively few problems with their health plan. However, they are still confused about how Medicare works.
Recommendation: It may be useful for the Office of the Patient Advocate to develop special information programs for enrollees in Medi-Cal and employer-based managed care plans, while continuing its efforts to educate all health plan enrollees, including Medicare, about how their plans work.

Study Findings: Kaiser Permanente members (enrollees in a large group model health plan) report fewer problems with their health plan, greater knowledge about how their plan works, and greater ease in making choices about their medical care compared to HMO enrollees in IPA/Network model HMOs.
Recommendation: While continuing its efforts to address the information needs of enrollees in all types of HMO plans, the Office of the Patient Advocate should consider targeting purchasers and sponsors of IPA/Network HMOs to better address the needs of enrollees in these plans.

Study Findings: Fewer than 50% of HMO enrollees know what to do if they have a problem with their plan. Fewer than 25% have heard of or seen the toll free number for the consumer Help Center in the Department of Managed Health Care (DMHC).
Recommendation: The Office of the Patient Advocate should consider partnering with DMHC, the Department of Health Services, and State purchasing programs (Managed Risk Medical Insurance Board, California Public Employees' Retirement System) to increase public awareness of problem-solving strategies and offer health plan assistance from a single toll-free number.

Study Findings: Medi-Cal enrollees are most likely to experience a problem with their HMO, and they have special needs for information about how their plan works, what benefits are covered, and how to resolve problems.
Recommendation: The Office of the Patient Advocate should consider working with the Department of Health Services (DHS) to address special information needs for Medi-Cal managed care enrollees.

Study Findings: Latinos/Hispanics who completed the survey in Spanish have a great need for information about their health plan that they can use and trust. Besides family and friends, trust is greatest in the information provided by their health care provider, health plan, or a government agency.
Recommendation: The Office of the Patient Advocate should consider partnering with physicians, hospitals, and health plans in the design and dissemination of information on how to use an HMO for Latinos/Hispanics whose preferred language is Spanish. A multi-media approach combined with personal contact may work best for this group.

Study Findings: Consumers are increasingly experiencing problems with having to change medications and almost one-

half do not know what drugs are covered under their plan.
Recommendation: The Office of the Patient Advocate (OPA) should consider partnering with the Department of Managed Health Care (DMHC), which has regulatory authority over health plans, to encourage plans to provide easy access to information on what drugs are covered and on issues related to changing from brand name to generic drugs.

Study Findings: Persons with poor health status and chronic conditions are more likely to report a problem with their health plan.
Recommendation: The Office of the Patient Advocate should consider partnering with plans and providers to provide assistance to persons who are ill or have chronic conditions in navigating their health plan, or should consider housing within OPA such a navigating function to assist people with accessing needed care.

Study Findings: The sources of HMO information that consumers are least likely to trust are the Internet, magazines, and newspapers. HMO enrollees with employer-based coverage had the highest level of trust in the Internet and found it to be most useful. Regardless of source of coverage, however, no more than 10% of HMO enrollees trust information from magazines and newspapers, and fewer than 5% of those who sought information from these sources found the information useful.
Recommendation: The Office of the Patient Advocate should consider working with employers and health plans regarding using the Internet to communicate HMO information to enrollees with employer-based coverage.

Study Findings: Approximately 80% of HMO enrollees indicated that they would be likely to seek information that compares the quality of care provided for different health conditions across HMOs. In addition, about 80% of Medi-Cal enrollees indicated an interest in seeking out information that compares equitable treatment of patients by different HMOs.
Recommendation: The Office of the Patient Advocate should consider adding additional measures to its report cards addressing the comparison of quality of care provided for different medical conditions across HMOs, as well as information comparing the equitable treatment of enrollees in Medi-Cal managed care.

Center for
Health Improvement

The Center for Health Improvement (CHI) is a national, independent, nonprofit health policy center dedicated to improving population health and encouraging healthy behaviors. CHI uses evidenced-based research as the basis for policy innovation and implementation. Since 1995, CHI has partnered with all levels of government, advocacy and community organizations, philanthropic foundations, and educators.

The State of California Office of the Patient Advocate (OPA) commissioned the 2006 survey of California consumers' information needs and this publication.

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