



Press Release

J.D. Power and Associates Reports: Interest in Health Insurance Exchanges Grows in Both the Individual and Group Health Insurance Markets

Health Plans Face Challenges in Finding Simple and Understandable Ways of Sharing Costs

WESTLAKE VILLAGE, Calif.: 13 March 2012 — Anticipating the impact of healthcare reform, nearly four in 10 health plan members with employee-sponsored insurance say they would shop for coverage through a health insurance exchange if they had the opportunity, according to the J.D. Power and Associates 2012 U.S. Member Health Plan StudySM released today.

Now in its sixth year, the study measures member satisfaction among 141 health plans in 17 regions throughout the United States by examining seven key factors: coverage and benefits; provider choice; information and communication; claims processing; statements; customer service; and approval processes.

A majority of health plan members who purchase insurance on their own indicate they would likely use one of the state health insurance exchanges (55%), which are conceived, in part, to address their needs. However, a sizable percentage of health plan members who are covered under an employer-sponsored program—39 percent—also indicate they would shop for insurance through an exchange if it were available.

In addition, the 2012 study finds increased levels of interest in state-sponsored health insurance exchanges, compared with the previous year. In 2012, only 37 percent of health plan members say they would not be likely to use an exchange, compared with 50 percent in 2011 who expected to continue obtaining coverage at work.

“Health insurance exchanges are meant to appeal to individuals who must buy coverage on their own, yet the level of interest among those who obtain health insurance at work could have important implications for the future of employer-sponsored coverage,” said Rick Millard, senior director of the healthcare practice at J.D. Power and Associates. “Satisfaction among some health plan members may be low enough that an alternative, direct retail model could become more attractive than traditional wholesale purchasing by employers.”

The study also finds substantial interest among health plan members in private health insurance exchanges, in which an employer might provide employees with vouchers for purchasing health insurance independently. Approximately 41 percent of employer-insured health plan members indicate they would use this approach if it were available.

“The private exchange model could further erode reliance on obtaining health insurance at work,” said Millard. “Creating new channels for purchasing insurance could trigger more changes. It could mean more attention will be paid to direct purchasers, and also make higher levels of satisfaction critically important for health plans that strive to acquire and retain members.”

In 2012, overall member satisfaction averages 702 on a 1,000-point scale, compared with 696 in 2011. There are notable gains in the information and communication; statements; and claims processing factors.

“Health plans that excel in member satisfaction know how to create simpler benefit designs that members perceive to be consistent and dependable,” said Millard. “As health insurance exchanges take hold and consumer shopping for coverage increases, it will become even more critical for plans to communicate in clear and concise ways.”

Health plan members in Michigan, the Illinois/Indiana region and Ohio are the most satisfied with their health plan experience, while members in the Mountain region and Colorado are the least satisfied.

Health plans ranking highest in their respective regions are (in alphabetical order): Anthem Blue Cross and Blue Shield of Connecticut; AvMed Health Plans; Blue Cross Blue Shield of Alabama; Blue Cross Blue Shield of Illinois; Blue Cross Blue Shield of Kansas City; Blue Cross Blue Shield of Texas; Dean Health Plan; Geisinger Health Plan; Health Alliance Plan (HAP); Independent Health Association; Kaiser Foundation Health Plan (which ranks highest California, Colorado, the Northwest region, the South Atlantic region and the Virginia-Maryland-Washington D.C., region); Medical Mutual of Ohio; and SelectHealth.

J.D. Power offers the following tips to health plan members and consumers who are shopping for health insurance coverage:

- Understand your coverage. Health insurance plans are sometimes difficult to understand, with complex rules for deductibles, co-payments, and other kinds of expenses. If you don't have a clear understanding of the coverage and you have a choice of plans, opt for the simpler approach. For example, you may be more satisfied with fewer options for doctors in order to have coverage with less complicated costs.
- Before enrolling in a health plan, familiarize yourself with online tools that may be offered by your insurance company. Some health plans are set up to offer online services to track your medical condition, receive prescriptions, make appointments, or even email your doctor.
- If you obtain health insurance coverage through your employer, be prepared for fewer choices. More than one-half of health plan members who receive health insurance at work are given only one option.
- If you purchase coverage on your own, understand how your state will offer a health insurance exchange (such as the Massachusetts Connector). This is a new feature based on the Affordable Care Act, which is intended to make it easier for individuals to find affordable coverage.

The 2012 U.S. Member Health Plan Study is based on responses from more than 32,000 members of commercial health plans. The study was fielded in November 2011 and January 2012. For more comprehensive health plan rankings for all 17 U.S. regions, please visit www.jdpower.com.

About J.D. Power and Associates

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NOTE: Two charts follow.

J.D. Power and Associates 2012 U.S. Member Health Plan StudySM

Regions Included in the U.S. Member Health Plan Study

California

Colorado

East South Central (includes Alabama, Kentucky, Louisiana, Mississippi and Tennessee)

Florida

Heartland (includes Iowa, Kansas, Missouri and Nebraska)

Illinois-Indiana

Michigan

Minnesota-Wisconsin

Mountain (includes Arizona, New Mexico and Utah)

New England (includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont)

New York-New Jersey

Northwest (includes Idaho, Oregon and Washington)

Ohio

Pennsylvania

South Atlantic (includes Georgia, North Carolina and South Carolina)

Texas

Virginia-Maryland-Washington, D.C.

Source: J.D. Power and Associates 2012 U.S. Member Health Plan StudySM

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J.D. Power and Associates 2012 U.S. Member Health Plan StudySM

Top Three Plans in Overall Member Satisfaction by Region

California*

Highest: Kaiser Foundation Health Plan

Colorado*

Highest: Kaiser Foundation Health Plan

East South Central

Highest: Blue Cross and Blue Shield of Alabama

Blue Cross and Blue Shield of Louisiana
Humana

Florida

Highest: AvMed Health Plans

Blue Cross and Blue Shield of Florida
CIGNA

Heartland

Highest: Blue Cross and Blue Shield of Kansas City

Blue Cross and Blue Shield of Nebraska
Blue Cross and Blue Shield of Kansas

Illinois-Indiana*

Highest: Blue Cross and Blue Shield of Illinois

Michigan*

Highest: Health Alliance Plan (HAP)

Blue Cross Blue Shield of Michigan

Minnesota-Wisconsin

Highest: Dean Health Plan

HealthPartners
Medica Health Plans

Mountain*

Highest: SelectHealth

Blue Cross Blue Shield of Arizona

New England

Highest: Anthem Blue Cross and Blue Shield of Connecticut

Harvard Pilgrim Health Care
Blue Cross & Blue Shield of Rhode Island

New York-New Jersey

Highest: Independent Health Association

Aetna
MVP Health Care

Northwest

Highest: Kaiser Foundation Health Plan

Group Health Cooperative
Regence BlueCross BlueShield of Oregon

Ohio*

Highest: Medical Mutual of Ohio

Humana

Pennsylvania

Highest: Geisinger Health Plan

Highmark Blue Shield
Capital Blue Cross

South Atlantic

Highest: Kaiser Foundation Health Plan

Humana
UnitedHealthcare

Texas*

Highest: Blue Cross and Blue Shield of Texas

Virginia-Maryland-Washington, D.C.

Highest: Kaiser Foundation Health Plan

CIGNA
Aetna

**No other plan in this region performs above the region average.*

Source: J.D. Power and Associates 2012 U.S. Member Health Plan StudySM

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