
Healthcare Benefits Communication Preferences

Channel and Behavior

February 2010

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Introduction

Background & Purpose

As companies try to strengthen customer relationships while controlling costs, customer communication management programs are under increased scrutiny. The movement toward multi-channel delivery and the rise of electronic communications seems to be a given. The shift has raised challenges for communications program from delivery to driving response to costs. Pitney Bowes conducted this study to understand the consumer preferences in the search for better communications management programs in the healthcare industry.

Research Objectives

Specific objectives of the study were to:

- Identify who is involved in a household's healthcare benefit discussions.
- Determine recipient communications channel preference and why
- Assess desire to receive suggestions for healthier living

Research Method

The study was conducted for Pitney Bowes via telephone by ICR, an independent research company. Interviews were conducted from November 18 – 22, 2009 among a nationally representative sample of 849 respondents.

A copy of the questionnaire used in this study appears as an appendix to this report.

Summary of Findings

Health Insurance Benefits Coverage

The majority of respondents in this survey reported having healthcare benefits or health insurance (77%). Households with lower incomes, under \$25K and younger respondents, 18-34 were less likely to have health insurance than older respondents with higher incomes. Significantly more females than males say they have health insurance (82% vs. 72%). The detailed survey results only include those who have coverage.

Insurance Coverage

While many have insurance through an employer, some have individually paid policyholders and Government-sponsored programs. The totals suggest that many have a combination of coverage.

- Employer based 50%
- Individually paid policy 39%
- Medicare or Medicaid 34%
- Other Government plan 10%

Primary Decision Maker for Healthcare Decisions

Many in the survey were the primary decision maker. Decisions regarding healthcare are most often made by the respondent or the respondents spouse/partner. Slightly more than one-third of married/living with a partner report that decisions about healthcare are made by their spouse (36%). For these households this spouse may be assigned other decision-making regarding healthcare and should be considered in any communication program.

Discussions About Yearly Benefit Selections

Choosing benefits is not a solo activity. For almost all surveyed it is a discussion. The vast majority (96%) said they discussed their yearly benefits package with someone

else such as a partner/spouse (82%) or family members (15%). The age of the respondent also suggests a likelihood of a healthcare benefit discussion. Both 18-34 year olds (29%) and those 65 or older (19%) are significantly more likely to discuss their yearly insurance benefit selections with family members.

Types of Communications from Health Insurance Provider

Healthcare providers send various types of communications to their subscribers. The perception of what customers think that they receive is as important as what is sent. When asked about various types of communications, EOBs were mentioned most at (81%).

- Explanation of Benefits (EOB) 81%
- Program Change Notifications 70%
- Enrollment/Decision Guides 66%
- Welcome Kits 62%
- Health/Wellness Advice/Tips 56%
- Reminders 46%
- Other Communication Types 19%

Explanation of Benefits (EOB's)

Most insurance providers send an Explanation of Benefits or EOB after a subscriber receives medical care. Almost nine-in-ten surveyed (88%) indicated they received these EOB's from their insurance provider. With 83% saying that they open and read them always or sometimes. Respondents age 45 or older are significantly more likely to open and read their EOB's than are other age groups.

Checking Email

To understand the respondents access to electronic communications, the number of email accounts and frequency of review was asked. Not surprisingly, almost eight-in-ten have an email account (79%). One-third check their email more than once a day.

- Respondents in the \$50K-\$74.9K range (40%) and \$75K range (44%) were significantly more likely to check their email account more than once a day than those with incomes of under \$25K (18%) and \$25K-\$49.9K (21%).
- Older respondents (age 65+) are significantly more likely to have only one email account than younger respondents, (72% vs. 35%).

Methods of Receiving Healthcare Communications

Even though most respondents have email accounts, hard copy (or through the mail) was mentioned most frequently as the receipt method for each of these communications.

Hard copy

- Explanation of Benefits (EOB) 89%
- Program Change Notifications 86%

- Enrollment/Decision Guides 81%
- Welcome Kits 86%
- Health/Wellness Advice/Tips 74%
- Reminders 76%
- Other Communication Types 71%

Preferred Method to Receive Healthcare Communications

The question was then posed what would be the most preferred method of receipt. Hard Copy or through regular mail was the clearly the preferred method.

Hard Copy

- Explanation of Benefits (EOB) 79%
- Program Change Notifications 80%
- Enrollment/Decision Guides 72%
- Welcome Kits 74%
- Health/Wellness Advice/Tips 70%
- Reminders 66%
- Other Communication Types 68%

Reason for Preference

Respondents were then asked why they prefer hard copy. Reasons to consider it as a method included convenience, security, privacy, reliability, pass-along factor, personalization or precedent – have always received it this way. Convenience was the top mention for the reason why respondents chose their preferred communication.

Convenience

- Explanation of Benefits (EOB) 48%
- Program Change Notifications 45%
- Enrollment/Decision Guides 42%
- Welcome Kits 49%
- Health/Wellness Advice/Tips 51%
- Reminders 50%
- Other Communication Types 49%

Helpful Health Suggestions

When respondents were asked about the option to receive helpful health suggestions enclosed in their welcome statements, EOBs or stand-alone communications almost eight-in-ten indicated that they would like to receive them, (76%).

- Females desire to receive these types of communications more than males, (81% vs. 71%)
- Younger respondents would like to receive these communications as long as they're relevant to themselves and their families. This was mentioned significantly more among this age group (18-34) over those 45 years of age or older, (62% vs. 28%).

Conclusions

The escalating cost of providing healthcare benefits to employee groups has led payers and benefits administrators to seek methods to reduce the costs of managing benefits programs. Included in those methods is an observed migration of member communications to electronic forms (email and secure web sites). While that migration can reduce the transactional cost of delivering information, it doesn't necessarily provide content in a form that's best for member/family sharing, nor is it in the preferred channel of many recipients. Further, as payers and program administrators consider using those communications vehicles for influencing member behavior, a lack of portability may impact the effectiveness of this messaging.

The latter point may be significant, as member choice in how they and their family members use benefits can directly impact the cost of those benefits to both the member and the payer. Consider that Emergency Rooms have a relatively high percentage of non-critical patient visits, many of whom are on group healthcare plans. Often, plans carry higher patient deductibles for ER use and certainly result in higher payer expense, but there is still a segment of most groups that either lack an understanding of when they should be using urgent care centers, primary care physicians and walk-in clinics. To the extent that existing communications vehicles can be used to influence member choice, then the ability of recipients to share them with family members has impact beyond the perceived savings of migrating to digital forms.

As benefits providers explore tactics to hold down the increase of healthcare benefits, the member contacts that already exist will take on added importance as providers seek to influence care site selection, drive better decisions on pharmaceutical purchase such as brand vs. generics, and promote preventive screenings and healthier lifestyles. A closer look at the use of the mail as a channel is worthwhile.

Survey Sample

1. Do you have healthcare benefits or health insurance? Y__ N__
2. Do you receive health insurance benefits through:
 - Your employer
 - (IF MARRIED) Spouse's employer
 - Medicare or Medicaid
 - Other Government plan
 - Individual or non-employer group policy that you or another family member pay for yourself, or
 - Some other type of health insurance (SPECIFY)_____
 - On parent's plan (i.e. college student) ____
3. How often do you check your e-mail account?
 - More than once a day
 - Daily
 - Once a week
 - Less than once a week
4. How many e-mail accounts do you have? 1__ 2__ 3__ 4__ 5+__
5. Who is the primary decision-maker and "manager" of healthcare in your household?
 - You
 - Spouse/partner
 - Other family member
 - Someone else
6. Do you discuss your yearly benefit selections
 - (IF MARRIED OR LIVING WITH PARTNER) With partner/spouse
 - with family members
 - with friends
 - with financial advisor
 - benefits help line
 - Your physician
 - Someone else (SPECIFY)
 - no one
7. What type of communications do you receive from your health insurance provider (allow multiple responses)
 - Enrollment/Decision Guides
 - Welcome Kits, Policy details and provider network directory
 - Explanation of Benefits (EOB)

- Program Change Notifications
 - Health/Wellness Advice/Tips
 - Reminders
 - Other Communication types (SPECIFY)
8. Do you receive these communications
- hardcopy or through regular mail
 - via email
 - from your health provider's website
 - by phone
 - Some other way (SPECIFY)
9. What method of contact do you prefer for communications from your health care provider?
- hardcopy or through regular mail
 - via email
 - from their website
 - by phone
 - Some other way (SPECIFY)
10. Why is this your preferred method of communication from your health care provider?
- Convenience,
 - Security
 - Privacy
 - Reliability
 - It's easy for me to pass to spouse or decision maker
 - More personal
 - It is how I have always received information
 - Some other reason (SPECIFY)
11. What type of communications would you like to receive (that you do not receive today)
Do not allow those from Q.7 – Multiple Choice)
- Enrollment/Decision Guides
 - Health tips
 - Benefit reminders
 - Welcome kits [these are regulated are not optional]
 - Other (SPECIFY)
12. After you have received medical care most insurance providers send an Explanation of Benefits also referred to as an EOB. Do you open and read these Explanation of Benefits documents after seeking care? (READ LIST)
- Always

- Sometimes
- Never
- Or do you not receive them

13. If you had the choice to receive helpful health suggestions for you and your family in welcome statements, EOBs, and as stand-alone communications would you say you?

- Definitely would want to receive them
- Would as long as they're relevant to you and your family (age, gender, location, etc.) , or
- No, you would not like to receive them
- Not sure

14. In which of the following ways would you prefer to receive wellness communications?

- From a web site – will seek it when you want it
- Via eMail
- In a text message
- In the mail (hard copy)
- Do not wish to receive