

DEPARTMENT OF HEALTH POLICY FORUM

Household Survey and Consumer Driven Health Care

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September 12, 2007

According to a 2004 survey conducted by the Pennsylvania Insurance Department, the majority of Pennsylvanians tend to have some type of health coverage. This is directly due to the fact that Pennsylvania is an industrialized state with buy-in from employers in large companies. Results of this phone survey, which reached over 256 individuals, also highlighted some key concerns:

- The cost of health insurance is still a problem, mostly affecting the working poor.
- The uninsured population is younger, between the ages of 18-34. This population is less expensive to cover, and more difficult to reach.
- Those working for larger companies tend to have private health insurance.
- Many individuals are not familiar with their explanation of benefits.
- African Americans are more likely to be without healthcare coverage, compared to other racial groups.
- Many people decide not to go for check-ups if they have to pay for it out of pocket.
- Most uninsured Pennsylvanians who are employed work in the service industry.

The PA Insurance Department was created over 2 years ago as a regulatory office designed to provide education and outreach for consumers, and review legislation and policy. Cindy Fillman, Consumer Liaison for the Pennsylvania Insurance Department, explained that the cost of health insurance, particularly for small businesses, is the biggest issue complicating insurance reform. Fillman provided an overview of factors affecting health insurance costs such as: aging populations; technology; cost shifting; mandated benefits; drug costs; and open access products.

In response to these factors, Pennsylvania has explored ideas such as universal coverage and consumer-driven health care. Currently, the spotlight is on Consumer-Driven Health Plans (CDHPs), whose concept is directly rooted in an attempt to address the drawbacks of managed care. Whereas managed care limits consumer choices and decisions, consumer-driven health care is designed to provide options, and involve the consumer

in the selection of services and costs. CDHPs may include such programs as Medical Savings Accounts (MSAs); Health

Reimbursement Accounts (HRAs); Flexible Spending Accounts (FSA); and Health Savings Accounts (HSAs). In a CDHP, the patient ultimately becomes the financial decision-maker, and the role of the physician shifts to a different type of responsibility, one where he or she will primarily provide patients with accurate information about service costs, options, risks, and benefits. Although the federal government believes that CDHPs are the wave of the future, their impact and potential for success and cost savings is still in question. The PA Insurance Department will continue to assess consumer and employer insurance concerns, and the impact of insurance reform measures.

For more information about the Pennsylvania Insurance Department:
www.insurance.state.pa.us.