



April 18, 2019

Access Health Connecticut  
Board Meeting

Testimony in support of the Health Benefits and Qualifications Advisory Committee recommendations.

Good morning,

My name is Victor Villagra. I am the Associate Director of UCONN's Health Disparities Institute. I am also a former practicing internist and former national medical executive at CIGNA HealthCare. In 2015, shortly after joining the HDI, we launched the "Health Insurance Advance" initiative with the goal of enhancing the value of health insurance for all Connecticut citizens but especially so for people of color. I would like to succinctly share with the Board what the evidence taught us about what detracts from the value of health insurance and what can enhance its value. I hope the Board will incorporate what we learned into its decision about the 2020 health plans.

1. In CT, we have a high prevalence of low health insurance literacy among people of color and non-native English speakers. This makes choosing and using health insurance especially difficult and confusing, sometimes with adverse health and financial consequences.
2. After enrollment there is a critical shortage of health insurance coaches providing insurance navigation support for low income people enrolled in Qualified Health Plans. This significantly compounds the problem of low literacy.
3. While health insurance literacy education and capacity building for insurance navigation support are critical, these measures cannot overcome the most important barrier to improving the value of health insurance: **making it simpler!** (Villagra, 2015). Extensive evidence supports the fact that health insurance plans, especially high deductible plans, are so complex that not insurance-savvy consumers or even experts can rationally choose a "just right" plan much, less the average person. Because of excessive complexity, many individuals and families choose "the wrong" plan when unambiguously better alternatives are readily available. (Bhargava, Loewenstein, & Sydnor, 2017). Complex rules, exceptions and jargon also make using health insurance unpredictable and therefore unreliable as a source of financial security especially for people with chronic medical problems.

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So, what can be done? The following evidence-based conclusions clearly support the recommendations of the Benefits and Qualifications Advisory Board:

- Fewer and better plan choices are preferable to many plans whose differences (beyond premium price) are all but inscrutable to the average consumer (Shaller, 2005). Too many plans only create confusion and offer more opportunities for people to make the wrong choice. The Benefits and Qualifications Advisory Committee's support for offering one standard plan design in the silver metal tier is well aligned with the evidence.
- Plans with co-insurance features are especially difficult for people to understand (67% of QHP enrollees don't know what it is). Given the near complete absence of price information at the point of care or decision making, co-insurance cannot be construed a "benefit." Its impact is to create fear, anxiety and care avoidance behaviors. The BQAC recommendation to offer a simpler plan design relying mainly on co-pays and eliminating co-insurance plans will go a long way to making health insurance more understandable and consumer friendly.
- Federal subsidies mitigate the adverse financial consequences of low health insurance literacy, inadequate navigation support and unnecessary complexity (DeLeire, Chappel, Finegold, & Gee, 2017). Given the current political climate the BQAC recommendation to maximize the amount of federal tax credits coming into Connecticut to help subsidy-eligible people buy health insurance through Access Health CT is highly desirable.

Thank you very much for your attention. I will be happy to entertain any questions you might have.

Victor G. Villagra, MD

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