

# Effective Communication about Important Insurance Concepts

Results of Key Word  
Research



NORC

*at the* UNIVERSITY *of* CHICAGO

# Test Card: Covered California Description

- Covered California is California's new health insurance marketplace

## Recommendation 1:

The Spanish term for “marketplace” seems to connote selling and marketing more than consumer choice and convenience. In the Spanish materials, Covered California should find language that emphasizes the benefits of a marketplace for consumer choice and convenience.

## Recommendation 2:

Consider changing text to add the term “affordable” or the idea of affordability. For example, the description might be changed to “Covered California is California's new health insurance marketplace, the place to go for affordable coverage.”

# What is Covered California?

- You can use Covered California to learn about and buy health insurance. You can also see if you qualify for Federal tax credits that can lower the cost of your insurance by up to 90%. Almost three million Californians will qualify for these tax credits. You can also learn if you qualify for no-cost Medi-Cal, a government plan for people with low incomes.
- Covered California makes it much easier to figure out different health plans and what they cover. You can compare three to six standard plans at the same time. You can make apples-to-apples comparisons between the different plans. The choice is yours. You can choose a health plan that meets your health and budget needs.

## Recommendation 3:

Clarify the term “tax credits.” Consumers of the information will benefit from an explanation of what a tax credit is and how it affects what they will pay for insurance even when general information about Covered California is being disseminated.

## Recommendation 4:

Use a general term such a “many” or “various” when describing the number of plans. Participants were unclear why comparisons were limited to three to six plans only.

## Recommendation 5:

A small number of Spanish speakers initially confused the word “buy” with “compare” when reading materials quickly. It may be helpful to underline the Spanish word for “compare.”

## Recommendation 6:

The idea of the “apples-to-apples” idiom resonates with Spanish speakers while the phrase itself does not. Remove the idiom “apples-to-apples” from Spanish materials.

# How Was Covered California Created and Why?

- Many working families do not have health insurance because their employers do not offer it or they cannot afford it. As a result, they cannot get the health care they need. To solve this problem, the U.S. Congress passed the Patient Protection and Affordable Care Act, sometimes called Obamacare. The purpose of the law is to make it easier for people to get high quality, affordable health insurance.
- To make it easier to get insurance, the health care law allows states to create their own marketplaces: places that offer one-stop shopping for health insurance.
- California was the first state to create its own marketplace, which is called Covered California. Covered California's only job is to help Californians get good health insurance they can afford.

Recommendation 8:  
Use the term "Obamacare" sparingly or simply as an introduction to discussing the Affordable Care Act.

Recommendation 9:  
Describe more clearly why state exchanges were set up rather than one federal exchange. Include information on how coverage under a state plan may change for individuals and families who move to a different state.

Recommendation 7:  
Remove reference to CA being first to set up an Exchange.

# Is Covered California a part of state government? Who pays for it?

- Until 2015, the federal government pays for Covered California.
- By 2015, Covered California will support itself by charging insurance companies for using it to sell health insurance.

Recommendation 10:  
Given that participants did not understand what would occur in 2015 and how it would affect them, remove reference to specific timeframe and focus instead on fact that neither consumers nor tax payers will be charged for maintaining the Exchange. One solution might be to say “In the future the Health Exchange will be self-funded and not tax payer funded.”

# What insurance is offered by Covered California?

- Platinum plans have the highest premium. These plans also pay 90% of your covered health care expenses.
- Gold plans pay for 80% of your covered health care expenses.
- Silver plans pay for 70% of your covered health care expense.
- Bronze plans have the lowest premium. The bronze plan pays only 60% of covered health expenses.
- Covered California also offers Catastrophic Coverage for people up to age 30. Catastrophic Coverage is not for day-to-day medical expenses, such as doctor visits or prescription medicines. It is for very large medical bills that would cost more than you could manage without health insurance. This level of coverage is very affordable and helps young people comply with the law's requirement that almost everyone have some type of coverage.

## Recommendation 11:

Participants had mixed reactions to the use of the metal theme for tier names; some associated metals with a judgmental tone. Therefore, consider the feasibility of other possible tier themes. Participants suggested utilizing colors, basic/advanced/preferred, or the 90/80/70 plan.

## Recommendation 13:

When describing metal tiers and levels of coverage, state that out-of-pocket expenses are capped.

## Recommendation 12:

Include Catastrophic Coverage in description of tiers to alleviate confusion about whether it is a separate tier or option in any tier.

# Are these high quality health plans?

- Yes. Covered California will offer some of the state's most well-known health plans and a number of regional or local plans. Covered California sets high standards for health insurance plans. You can be sure that all health plans offered by Covered California meet these high standards.
- All the health plans must cover health services called Essential Health Benefits. Essential Health Benefits include:
  - Doctor visits
  - Hospital care
  - Emergency care
  - Care for pregnant women
  - Care for newborns and children
  - Prescription drugs

Recommendation 14:  
Modify the discussion about quality to make it more clear that quality has multiple dimensions. Make it clear who sets the standards and how they were devised. Replace or rephrase term “adequate networks,” as it was interpreted negatively by some study participants.

Recommendation 15:  
In Spanish materials, distinguish between emergency room care and urgent care to reduce confusion over covered services. If referring to emergency room care, then use term “emergencia” rather than “urgencia”.

# Test Card: Referring to Health Insurance Companies

- Health insurance plans
- Health insurance carriers
- Health insurance companies
- Health insurance providers
- Health insurers

Recommendation 16:  
While Spanish speakers preferred the term “health insurance plan” and English speakers preferred “health insurance provider” to refer to health insurance companies, “health insurance provider” was a reasonable term for both English and Spanish speakers. In general, keep formal names consistent between English and Spanish to reduce confusion.



# What determines the cost of health care?

- Coinsurance -- your share of the cost of a covered health care service after the deductible is paid.
  
  
  
  
  
  
  
  
  
  
- The amount you will pay for out-of-pocket expenses depends on how often you use health care services. If you do not need much health care, you will not have a lot of out-of-pocket health expenses.

Recommendation 18:  
Provide additional examples and explanations of coinsurance.

Recommendation 19:  
Modify the explanation of out-of-pocket costs to clarify the fact that there is no penalty for visiting a doctor too frequently.

# What help is available to cover the premium costs and how does it work?

- The federal government offers tax credits to lower health insurance costs. A tax credit is a dollar amount taken off the taxes you would otherwise owe at the end of the year. A tax credit gives you a price break on your monthly premium cost.

Recommendation 20:  
Clarify the difference between a tax credit and a tax deduction.

- You can only get the tax credit if you buy health insurance through Covered California.

Recommendation 21:  
Make it clear that those retaining existing coverage (outside of Covered California) will not receive a tax credit and explain why this is the case.

# What help is available to help me pay for out-of-pocket costs?

- Covered California has worked hard to offer benefit plans that allow you to easily calculate most of your out-of-pocket costs. All of the plans will have an annual limit on what you are allowed to spend out-of-pocket for covered expenses each year. This amount ranges from a low of \$2,250 to a high of \$6,400. Your annual limit is based on your income. People with lower incomes will have a lower yearly limit, and they will not have to pay as much for out-of-pocket costs.

Recommendation 22:  
Further clarify the explanation of out-of-pocket spending limits. One assister group participant suggested summarizing the message as: “the less income you make, the less you pay.” A chart detailing the out-of-pocket spending limit for various income levels may help participants understand their annual obligation.

# Who can use Covered California?

- Covered California is available for people 18-64 years of age. People over 65 can still enjoy their Medicare benefits.

Recommendation 23:  
State clearly that those receiving Medicare will continue to receive it and do not need to purchase any additional coverage. State also that parents can elect to cover their dependents under age 18 under their plan.

# When are plans available?

- Covered California opens enrollment on October 1, 2013. You can enroll through March 31, 2014 for coverage in 2014. If you do not enroll during this period, you may not be covered.
- The next open enrollment period begins in October 2014 for coverage in 2015.

Recommendation 24:  
Especially for assisters, detail the eligibility requirements for undocumented immigrants and their family members who may or may not also be undocumented. Further clarify the consequences of missing the open enrollment period for all consumers, regardless of residency status.

# How do you shop for and enroll in a plan?

No recommended changes.

# Can I get help signing up for insurance?

- Assistance will be available within your community. Trained professionals will give you expert advice and support in shopping for a health plan and enrolling.
- There are other people to help answer your questions or enroll you online or by phone through the Covered California Customer Call Center.

Recommendation 25:  
State specifically where in the community consumers can access assistance.

# Test Card: Terms for Assisters

- Covered California Navigators
- Covered California Assisters
- Covered California Customer Service Agents
- Covered California Insurance Advisors
- Covered California Insurance Guides
- Covered California Insurance Helpers
- Covered California Personal Shoppers
- Covered California Insurance Counselors
- Covered California Representatives

Recommendation 26:  
While the term “assisters” tested positively among all assister groups, the term “insurance counselors” was favored by both Spanish and English speaking consumer and small business groups. Use “insurance counselors” for consistency among participants.



## Are you required to get insurance? What are the penalties and when/how are they collected?

- The new health care law says that most people must have health insurance by 2014 or pay a penalty. It is called the “individual mandate.” It helps ensure that everyone who can afford to contributes something to the cost health care when they need it. You can be insured through your employer, insurance you buy yourself, or Medi-Cal coverage. You do not need to get insurance or pay penalties if you:

- Would have to pay more than eight percent of your income for health insurance.
- Have an income below the level required for filing taxes.
- Qualify for religious exemptions.
- Is an undocumented immigrant.
- Are in jail or prison.
- Are a member of a federally recognized Native American tribe.

Recommendation 27:  
Clarify time frame for listed penalties (yearly or monthly) and consider dropping the list of exemptions. Consider removing reference to individual mandate.

# What is Covered California (Business Stimuli)

- Covered California SHOP initially will be limited to employers with fewer than 50 employees but expanded later to accept larger groups. Participation is entirely voluntary. There is no requirement that companies with fewer than 50 employees offer health insurance.

Recommendation 28:  
Clarify how the 50 employee threshold will be calculated. Enumerate how part-time employees will be counted.

# Are these high-quality health plans? (Business Stimuli)

- Covered California will be your point of contact during shopping, enrollment, and after you buy your plan. If you have a problem with your health plan, Covered California will help you fix it. Covered California will help every step of the way.

Recommendation 29:  
Provide additional details on the types of problems with which Covered California could assist its customers.

## What incentives are there for small business to buy insurance through Covered California? (Business Stimuli)

- Businesses that provide health care coverage are eligible for tax credits if, for the tax year, they have 25 or fewer full-time equivalent employees, and paid an average annual salary of less than \$50,000. To qualify for tax credits, the employer must also contribute at least 50 percent toward the employee's premium cost. This contribution requirement also applies to add-on coverage including vision, dental and other limited-scope coverage.
- There are two phases of tax credits that help employers with fewer than 50 employees cover premium costs. The first phase covers tax years 2010-2013. During this initial period, there is a maximum tax credit of up to 35 percent of the employer's eligible premium expenses. The second phase begins in tax year 2014, when the maximum tax credit increases to 50 percent of premium expenses and is only available to small businesses that purchase insurance through Covered California SHOP.

Recommendation 30:  
Clarify the requirements for small businesses to receive tax credits. The specific points of confusion that need clarification are: 1) whether credits for 2010 through 2013 are retroactive. 2) the logic behind the two consecutive year requirement, 3) and how changes in the number of employees will affect tax credit eligibility within or across tax years.

# What is the administrative burden for small businesses buying coverage? (Business Stimuli)

- All employers have to do is choose the level of coverage and benefits they are interested in providing. Then they provide employees the choice of any plan offered at this level. Employers help manage their own budgets by choosing a benchmark plan and setting the amount they will contribute toward its purchase. Employees are still allowed to select the plan that best meets their unique needs. If the cost is higher than for the employer's benchmark plan, the employee can pay the difference.

Recommendation 31:  
Provide more explanation about the term "benchmark plan" and refer to it consistently throughout the stimuli.

## What are my insurance requirements and possible penalties? (Business Stimuli)

- Beginning in 2014, businesses with 50 or more full-time equivalent employees may have to pay a penalty if they do not provide minimum essential coverage to full-time employees. These businesses will be required to pay a penalty if their employees receive a tax credit from the federal government to offset the cost of health insurance they buy on their own. Many low and moderate income individuals who buy insurance on their own will receive these tax credits to make the insurance affordable. The assessment for a large employer that does not offer coverage will be \$2,000 per full-time employee beyond the company's first 30 workers.

Recommendation 32:  
In reference to how fines will be assessed, consider rewriting description as “The assessment for a large employer will be based on the number of full-time worker employed in excess of 30. For every employee in excess of the business will be fined \$2,000.”

Thank You!



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