

## Covered California Consumer Baseline/Segmentation Survey: Topline Results

Major findings from the study are summarized below:

### **Aided Awareness of the Affordable Care Act (ACA)**

Aided awareness of the Affordable Care Act (ACA) is quite high among uninsured and privately insured Californians. Seventy-nine percent said they had heard or read about the law that was passed by Congress and signed by President Obama in 2010. Among the uninsured subsidy-eligible, 75% were aware of the ACA.

### **Basic Stance toward the ACA**

Forty-five percent believe of uninsured and privately insured Californians believe that the ACA will be good for them, twice as many as the 23% who believe that it will be bad for them. Seventeen percent believe that it will have no effect. Fifteen percent are undecided. Among the subsidy-eligible, opinions are more positive: 53% believe that the ACA will be good for them compared with 18% who say it will be bad. Eleven percent said it will be bad. Eighteen percent are undecided.

Attitudes toward the ACA will undoubtedly improve as consumers become more informed about the benefits of the law, a major goal of the marketing/outreach campaign.

### **Awareness of Covered California**

Not surprisingly, unaided awareness of Covered California is very low at baseline, only 3%. Aided awareness of Covered California (unaided + aided) is 12%. Among the subsidy-eligible, unaided awareness is only 1%. Aided awareness is 9%.

### **Knowledge about Covered California**

Study respondents were asked a series of questions to elicit their level of knowledge about Covered California and what it will offer beginning in the fall. Each question addresses some fact about Covered California that is basic to understanding what it will offer and how it will operate. Overall, baseline levels of knowledge are low. Changing them is a critical priority for the campaign about to be launched.

Consumers are most knowledgeable about the availability of coverage for people with pre-existing conditions. Fifty-nine percent were able to answer this question correctly in the survey. Almost all the rest said that they were unsure. On this, and all the other items, the proportion of consumers giving the incorrect answer was greatly exceeded by those giving the unsure response, indicating that the challenge going forward is not to correct consumer misconceptions but instead to initially define Covered California for consumers.

About half of study respondents knew that “they could get information, compare plans and get insurance by going to a Covered California website” (54%), that there was a penalty for not enrolling in an insurance plan (53%) and that people with lower incomes will pay lower out-of-pocket costs when they use health care under the new plans (48%).

Fewer knew that people with low and moderate incomes will receive tax credits to reduce monthly premiums (38%), that private plans will compete for their business (37%) and that Covered California is not a welfare program (28%). Only 23% knew that Covered California is the only place low and moderate income people can get tax credits to help to reduce their costs and that the plans were comparable in quality to those available elsewhere. About the same proportion knew that Covered California will not offer only government health insurance plans (27%) and will not be operated by the insurance industry (22%).

Among the uninsured with incomes in the subsidy-eligible range, the findings were similar.

### **Importance of Facts about Covered California**

During the interview, respondents were presented with eight facts about Covered California and asked to rate each in terms of its importance in their decision-making about whether to purchase a plan from Covered California. The facts mirror many of the knowledge items included in the survey. Each is essentially a reason or argument for purchasing health insurance at Covered California.

The following were rated as very important to consumers (about 8 or higher on a 10 point scale): no one will be denied coverage, ease of plan comparison and selection, and the screening of plans for quality. Three others ranked as somewhat less important (7 on the scale): the choice of private plans available, limits for some on out of pocket costs and that availability of premium assistance. Two were rated as not important (6 or lower): state government operation of Covered California and the individual mandate/penalty.

Among the subsidy-eligible, the findings were generally similar.

### **Purchase Intent**

Twenty-two percent of consumers are committed to purchasing a plan from Covered California with an additional 47% saying they are receptive to doing so. This is after exposing them to what the approximate price would be based on their age, income and family composition as well as important facts about Covered California. Twenty-nine percent are resistant to purchasing a plan from Covered California. Only 3% are undecided. These are very positive data and indicate that Covered California is likely to be successful in enrolling large numbers of consumers in new health plans.

Among the subsidy-eligible, there is greater interest in purchasing a plan. One quarter (26%) are committed and an additional 56% are receptive. Seventeen percent are resistant to plan purchase. Only 1% is unsure.

### **Purchase Motivations**

Three motivations were most often cited by those committed to purchasing a plan: a desire to take advantage of the good prices that will be available, the security and peace-of-mind that comes from being insured and a simple need for coverage/care. These data were the same for the sample as a whole as well as the subsidy-eligible.

## **Barriers to Purchase**

High prices were by far the most commonly mentioned barrier among those who said they would not purchase a plan. A much smaller group said that they did not need insurance because they were in good health or could get care without insurance. Opposition to the ACA and concern about the quality of the plans were only infrequently mentioned.

Among the subsidy-eligible, the findings were similar although opposition to the ACA was mentioned slightly more often.

## **Modes of Shopping/Enrollment**

Six-in-ten (63%) say they will most likely to go online to shop for health insurance at Covered California. Nineteen percent say they will make use of a neighborhood counselor. Fifteen percent will make use of the telephone service center. Among subsidy-eligible customers, more will make use of a counselor (26%) although the majority (57%) will go online. As with consumers in general, 17% will make use of the telephone service center.

## **Attitudes of the Uninsured Subsidy-Eligible**

The study uncovered the following important attitudinal characteristics of the uninsured subsidy-eligible group, the primary market for Covered California:

- ▶ Getting information about health matters is important to them.
- ▶ They worry about money and don't feel they have the ability to take on another financial obligation.
- ▶ They are strongly concerned about their ability to pay for care and believe that major illness would be a financial disaster.
- ▶ Despite this, there is some ambivalence about the risk of staying uninsured.
- ▶ They are also conflicted about the value of insurance, and whether overall it's worth the money it costs.
- ▶ The primary value of insurance is viewed as the protection against catastrophic costs.
- ▶ They are conflicted about whether social norms sanction the getting of insurance.

## **Seven Segments of the Subsidy-Eligible**

Seven segments of the subsidy-eligible uninsured emerged from the segmentation analysis that was performed as part of the study. The analysis has broad implications for campaign strategic planning efforts.

Three of the segments are mostly composed of older Californians:

- ▶ *Non-English-Speaking Families/Seldom Online* (23%): The largest single segment is composed primarily of non-English-speaking Hispanics. These Californians don't speak or read English well and do not use the Internet.
- ▶ *Mostly Hispanic/Seldom Online* (11%): This segment is also predominantly Hispanic but much more English proficient than the *Non-English-Speaking* segment. They speak and read English well. Most do not use the Internet or are infrequent users.
- ▶ *At Risk and Denied Insurance* (6%): This small segment is the most likely to report a chronic condition, a disability and having been denied health insurance because of a pre-existing health

condition. They are most likely to be in the 55-64 year old group that is likely to have difficulty getting insurance regardless of health status. The majority of this group is non-Hispanic White.

Four segments are mostly composed of young people:

- ▶ *Realistic and Motivated* (12%): This segment is well educated, majority-female and Internet savvy. Hispanics are the largest ethnic group.
- ▶ *Self-Sufficient but Open to Change* (15%): There are more Hispanics than any other race/ethnicity in this group, which has slightly higher incomes than the *Realistic and Motivated* segment. They also report better health and less worry about both health and money problems.
- ▶ *Risk Takers* (16%): The majority of this segment is White. They are well educated, have relatively high incomes and are frequent Internet users.
- ▶ *Risk Deniers* (16%): This segment is mixed in terms of race/ethnicity. Along with the *Risk Takers*, it is the youngest of the four youth segments. Like the *Risk Takers*, they are well educated, have relatively high incomes and are frequent Internet users.