When it comes to health care, employees want it all

They just don’t want to pay for it.
And while they’d as soon have their employers pick a plan, they want open access to the doctors their families and friends like.

For those who have actually been on the receiving end of health care in the past two years, however, the level of satisfaction has declined. Only 39 percent of those respondents were “extremely” or “very satisfied,” down from 46 percent in EBRI’s 1998 survey.

**SATISFACTION DEPENDS ON HEALTH**

Individual satisfaction with health care plans appears to depend greatly on the health of survey respondents.

Forty-four percent of those surveyed who said they were in either excellent or very good health were either “extremely” or “very satisfied” with the care they received in the past two years. By comparison 36 percent of those in good health and 27 percent in poor or fair health registered satisfaction with their health care. “It’s the people who need the care the most [who] are the most dissatisfied,” Fronstin notes.

Follow-up questions to respondents revealed problems with the cost and quality of care, as well as the process of getting care, including the ability to get appointments and referrals. Says Fronstin: “Once people get in the door, they feel like they are getting good care, but it is tough to get in the door.”

Another survey of 2,500 consumers, funded and conducted by The Kaiser
Employees also find health benefits confusing and want to understand them, says Mary Jane MacArthur, associate director of the health promotions division for the Washington-based Labors’ Health and Safety Fund of North America.

Family Foundation in conjunction with Consumer Reports magazine, also found that the healthier the consumer, the more likely he or she is to be satisfied with the health plan.

Respondents to the Kaiser survey who said their health was excellent, very good or good gave their plans high marks. But 56 percent of those in fair or poor health graded their plans highly, according to “Is an HMO for you?” published in the July 2000 issue of Consumer Reports.

What’s more, those who considered themselves in fair or poor health had significantly more problems with their plans, according to the article, which also discusses a separate survey of 52,000 Consumer Reports readers.

Satisfaction depends on accessibility
Access to doctors is also very important to consumers, according to the Kaiser and Consumer Reports surveys, which found that consumer satisfaction with their health plans increases as plan restrictions decrease.

Fifty-three percent of those in “strict” managed care—plans with a gatekeeper and a network—gave their plan high grades in the Kaiser study. Seventy percent of respondents in managed care plans with less restrictive rules gave their plan high ratings.

The surveys show that the more restrictive the health plan, the more problems respondents had getting care. In the Consumer Reports survey, 58 percent of HMO patients said they had a difficult time getting care, while only 49 percent of those in PPOs said the same.

Correspondingly, about half the respondents in the Kaiser survey had a problem with their health care plan. Thirty-four percent of those said the

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### HOW PEOPLE CHOOSE A HEALTH PLAN

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent saying “very important” in a health plan</td>
<td>87%</td>
<td>91%</td>
</tr>
<tr>
<td>When forced to choose, the percent saying “most important”</td>
<td>44%</td>
<td>42%</td>
</tr>
</tbody>
</table>

| Having a health plan that provides a high quality of health care | 87% | 91% |
| Having a wide range of benefits or a particular benefit you need | 76% | 81% |
| Keeping costs of coverage low | 74% | 78% |
| Having a plan that offers a wide choice of doctors | 70% | 74% |

# Market Conditions

## Consumer Confidence in Choice of Best Available Health Plan

<table>
<thead>
<tr>
<th>Confidence Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely confident</td>
<td>14%</td>
</tr>
<tr>
<td>Very confident</td>
<td>29%</td>
</tr>
<tr>
<td>Somewhat confident</td>
<td>37%</td>
</tr>
<tr>
<td>Not too confident</td>
<td>13%</td>
</tr>
<tr>
<td>Not at all confident</td>
<td>7%</td>
</tr>
</tbody>
</table>

In fact, the quality of health care rests mostly on doctors, according to the National Survey on Americans as Health Care Consumers: An Update on The Role of Quality Information. Released in December, the survey was conducted by Kaiser and the Agency for Healthcare Research and Quality (AHRQ).

When the 2,014 respondents to this survey were asked to cite the most important factor that determines the quality of health care, doctor qualifications topped the list at 22 percent. Seven percent cited the ability to choose your own doctor, the patient/provider relationship and insurance coverage of care and procedures. Six percent or less of the respondents cited affordability or cost and availability of appointments.

"When consumers think of health care, they are thinking of their experience with the doctor," says Sandra Robinson, consumer research coordinator for AHRQ. "The doctor is the most important indicator of quality."

## Counting the Costs

When it comes to choosing a health care plan, quality is more important to Americans than cost, the Kaiser/AHRQ survey concluded. Forty-four percent of respondents said quality of care is

In the survey, 22 percent cited doctor qualifications as the key factor determining quality, while 7 percent cited the ability to choose your own doctor, the patient/provider relationship and insurance coverage of care and procedures.
the most important factor compared to 18 percent who ranked low cost as the top concern. Some 17 percent said a wide range of benefits was most important, and 15 percent noted a wide variety of doctors.

"People are interested in costs and benefits, but when forced to choose among those, they really want to make sure they have good providers and health plans: in their mind, quality," Robinson concludes.

Nevertheless, consumers are increasingly concerned about how much health care costs them, according to the EBRI study. Thirty-nine percent of those surveyed who had received health care in the past two years said they are not satisfied with health care costs, compared to one third of those in 1998.

Meanwhile, some 40 percent of respondents are "not too" or "not at all" confident about being able to afford prescription drugs without financial hardship during the next 10 years, the EBRI survey said.

"People are sensitive to very small changes in price," says Fromst. "People want everything for nothing when it comes to health care."

Employees feel that they are paying more for health care, and in absolute dollars that is true, says Uwe Reinhardt, professor of economics at Princeton University. "But if you look at

EXPANDING THE ALTERNATIVES

WHEN EMPLOYEES TALK CHOICE, THEY DO NOT JUST MEAN A CHOICE OF TRADITIONAL DOCTORS. THAT'S WHY MORE EMPLOYERS ARE PAYING FOR ALTERNATIVE AND COMPLEMENTARY TREATMENT.

People want what works, and if that means so-called alternative medicine, they will pursue that, too. Alternative therapy—loosely defined as therapy not taught in medical schools and hospitals—includes everything from acupuncture and chiropractors to healing crystals.

For the past 10 years, more and more consumers are "voting with their feet" and seeking alternative therapy, even if they have to pay for it, says Brian Berman, MD, professor of family medicine and director of the complementary medicine program at the University of Maryland in Baltimore.

"I think consumers want choices in care," Berman says. Meaning they want to be able to use the best of both conventional and alternative therapies to find what works. In recent years, the whole field of alternative therapy has gained more respectability and credibility as well, he adds.

According to Berman: "People are not passively saying, 'Please doctor; tell me what to do.' They want more control over their own health care. They want choices and ways they can help themselves.

Some patients also prefer alternative care providers because they tend to be interested in the health of the whole person and therefore spend more time with patients, says Miriam Jacobson, senior consultant for the Washington Business Group on Health in Washington, D.C.

In response to all this, employers are expanding health care plans to include alternative forms of treatment, according to the 2000 Mercer/Foster Higgins National Survey of Employer-sponsored Health Plans. Released in December, the findings of the 2000 survey are based on 3,300 employers.

Seventy percent of the employers in the 2000 survey covered chiropractic care compared to 49 percent in the 1998 survey. Acupressure and acupuncture were covered by 17 percent of employers in the 2000 survey compared to 12 percent in the 1998 survey. Homeopathy and massage therapy are also slowly gaining ground, according to the survey.

Alternative therapy is a "fairly inexpensive benefit to provide and employees place a high value on it," says Jacobson, noting that health plans devoted to alternative therapy are sprouting up. Some health care plans are offering discounts for herbs, vitamins and herbal supplements, Berman adds.

"Employers are very interested in employee satisfaction," Jacobson says. "They want to increase recruitment, retention and productivity, and these kinds of benefits can impact their direct health care costs as well as their indirect health care costs."

Employers are also expanding these benefits as a response to the global economy, Jacobson notes. For employees from different cultures, she explains, what is considered alternative treatment in the United States is traditional medicine elsewhere.
the national data, you see that overall for the American health system, out-of-pocket spending has gone down. Percentage wise, they are not paying more," he adds.

Employers have also expanded health care benefits to covering prescription drugs, mental health care, and increasingly, alternative medicine. (See page 20.) All this adds costs for employer and employee alike. Reinhardt notes.

RELYING ON EMPLOYERS
Besides getting as much as possible for as little as possible, employees have also signaled that they would rather not go to the trouble of picking a plan. They want their employers to sift through all the choices and pick the right one.

Eighty percent of the EBRI survey respondents were at least somewhat confident that their employer selected the best available health plan for them. In the event their employer stopped offering health insurance, these respondents were correspondingly less confident that they could choose the best available health insurance plan for themselves.

Employees do not want to plow through a 10-inch stack of health plan choices during enrollment season, says Reinhardt. At the bottom line, he says, Americans want to know they are insured and can choose their doctor: "What Americans love the best, in my view, is the old Blue Cross indemnity benefit," because it did just that.

Employees also find health benefits confusing and want to understand them, says Mary Jane MacArthur, associate director of the health promotions division for the Washington-based Labor’s Health and Safety Fund of North America.

“Employees do not understand their benefits,” she says. “They do not understand what is and what is not covered.” Consider dental coverage, she adds, where many employees might not understand that a dental cleaning is covered once per six-month period as opposed to twice a year.

MacArthur suggests that employers need to do a better job communicating benefits and their costs to employees. Communicating with employees—via paycheck inserts, a health benefit Q&A in the employee newsletter or a health fair—goes a long way to helping employees maximize their benefits, she says.

But when it comes to communicating information about health care that ratings of recommendations from friends and family and their regular doctors would have "a lot" of influence on their choice. Lagging behind were:

- Patient surveys (41 percent),
- Their employers (26 percent),
- Medical societies (24 percent),
- The government (14 percent),
- Consumer groups (16 percent),
- Ratings found in newspapers and magazines (7 percent).

They do not look to their health plan either, says Thomson of Aetna.

Communicating with employees—via paycheck inserts, a health benefit Q&A in the employee newsletter or a health fair—goes a long way to helping employees maximize their benefits.

“Consumers now as a group distrust the health care industry in almost its entirety.” Because they have lost trust, they ask “the shadow network”—family, friends, neighbors and co-workers—about doctors.

SOFTENING TOUGH CUSTOMERS
Based on surveys and observations, the message is clear: Most employees want their employers to provide health care benefits and choose the health care plan. But employees want to choose their own doctor and obtain treatment without jumping through the bureaucratic hoops that are often part of managed care.

While they want more choices, they also want information so they can maximize the benefits they do have.

Expanding networks and other tactics might boost employees’ ratings of their health plans, but improving communication about health and health benefits and building employee trust could be the best strategy to keep employees happy and simultaneously contain rising health care costs.