

Notes

Consumer Engagement in Health Care and Choice of Health Plan: Differences Among Millennials, Baby Boomers, and Generation X Have Implications for Plan Sponsors, p. 2

By Paul Fronstin, EBRI, and Anne Elmlinger, Greenwald & Associates

A T A G L A N C E

The EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey (CEHCS) is an online survey that examines issues surrounding consumer-driven health care, including the cost of insurance, the cost of care, satisfaction with health care, satisfaction with health care plans, reasons for choosing a plan, and sources of health information. It is co-sponsored by the Employee Benefit Research Institute (EBRI) and Greenwald & Associates, Inc., with support from seven private organizations.

The 2015 survey was conducted online Aug. 4–21, 2015, using the Ipsos' consumer panel. Over 3,590 adults ages 21–64 who had health insurance provided through an employer, purchased directly from a carrier, or purchased through a government exchange, participated in the survey. However, most survey participants (82 percent) received coverage through an employer. The sample was weighted to reflect the actual proportions in the population ages 21–64 with private health-insurance coverage.

Key findings on generational cohort differences:

- Millennials value and are more satisfied than other generational cohorts with aspects of plan management that are directly within a plan sponsor's control. More than other generational cohorts, millennials are satisfied with the process of enrollment, including the information available to help understand health plan choices. Further, millennials are more satisfied with the availability of affordable health plans at enrollment and their personal financial experience of out-of-pocket costs. Millennials are slightly less satisfied with health system features that plan sponsors have less control over, including quality of health care received and doctor choice. This is an issue plan sponsors may engage their insurance partners to address.
- Millennials are more engaged than other generational cohorts in health care choices, including some that are costly for plan sponsors. At enrollment and when engaged with the health system, millennials report higher rates of specific behaviors that contribute to more engaged health care consumers. However, they are also more likely to request a brand name drug over a generic. Plan sponsors may want to experiment with targeted ways to lower plan costs among this subset of their participant population. Millennials report greater engagement with cost-conscious behaviors (e.g., seeking the cost of a procedure before receiving services) that many plan sponsors encourage through their health plan design and participant education.
- Plan sponsors may have more leverage to encourage millennials to stop smoking. This research shows that millennials have the highest rates of regular exercise and normal weight, yet paradoxically are more likely to smoke. Given the higher overall engagement rates summarized above, plan sponsors may want to experiment with plan design and education to decrease the rates of smoking among the youngest generational cohort.

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2015 Consumer Engagement in Health Care Survey Underwriters

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Introduction

The millennial generation, also known as millennials or Generation Y, is the demographic cohort with birth years ranging from 1977 to 2000 (Strauss and Howe 1991). The millennial generation numbers over 75 million, which is currently larger than the baby boom generation (individuals born from 1946–1965) of about 74.9 million. In addition, Generation X (those born from 1966–1976) is projected to pass the baby boom generation in population by 2028.¹

There is a lot of interest in how millennials differ from prior generations. Much of the research reflecting this interest examines millennials and retail markets because of their spending power. Also, employers are interested in the role of millennials in the labor force and how that might be different from the roles of prior generations. For example, as employers try to better engage their workers in their health care, they want to understand how different workers may react to different plan design features and other engagement efforts.

This *EBRI Notes* article focuses on differences in consumer engagement in health care by generational cohorts—i.e., millennials, baby boomers, and Generation Xers.

Baby Boomers Have Highest Rates of Satisfaction Overall

When it comes to overall satisfaction with their health care plan, 59 percent of baby boomers are extremely or very satisfied, compared with 54 percent of millennials and 53 percent of Generation Xers. Also, 72 percent of baby boomers are extremely or very satisfied with the quality of health care received, compared with 66 percent of Generation Xers and 67 percent of millennials (Figure 1).

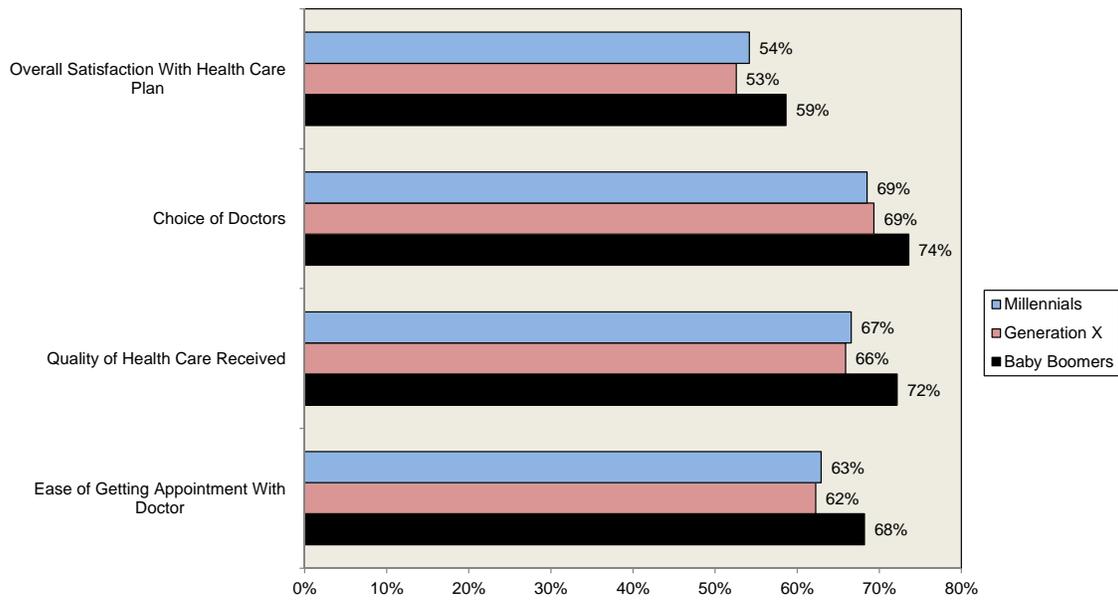
Millennials are More Satisfied Than Gen X and Boomers With Financial Aspects of Their Plan

With respect to out-of-pocket costs, millennials are more satisfied than Generation Xers and baby boomers. Nearly 3 in 5 (58 percent) of millennials are extremely or very satisfied with out-of-pocket costs for prescription drugs, compared with one-half of baby boomers and one-half of Generation Xers (Figure 2). Similarly, one-half (48 percent) of millennials are extremely or very satisfied with out-of-pocket costs for other medical services, compared with 4 in 10 among baby boomers and Generation Xers.

Millennials are More Satisfied Than Other Generational Cohorts With Enrollment

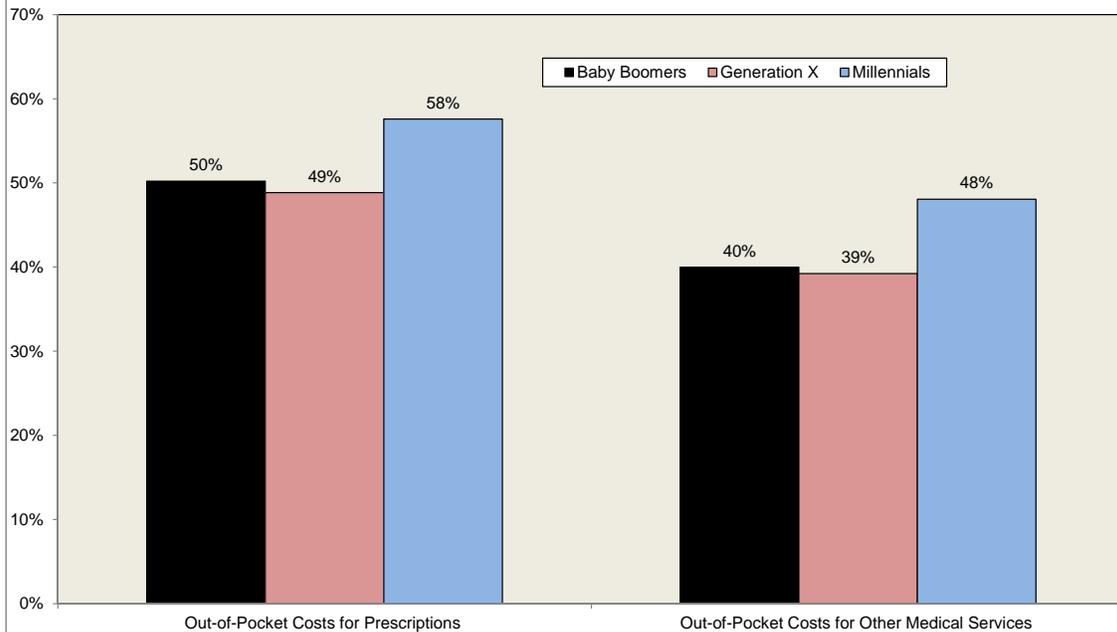
When it comes to various aspects of health plan choices, millennials are more satisfied than baby boomers and Generation Xers. Millennials are more likely than baby boomers and Generation Xers to be extremely or very satisfied with the ease of selecting a health plan, the information available to help understand health plan choices, the number of health plans to choose from, and availability of affordable health plans. Between 50 percent and 62 percent of millennials were extremely or very satisfied with these aspects of health plan choices, whereas 41 to 50 percent of baby boomers and 37 to 48 percent of Generation Xers were extremely or very satisfied (Figure 3).

Figure 1
Satisfaction With Various Aspects of Health Coverage
 (Percentage Extremely or Very Satisfied)



Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2015.

Figure 2
Satisfaction With Financial Aspects of Health Coverage
 (Percentage Extremely or Very Satisfied)



Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2015.

With respect to their choice of doctors, 74 percent of baby boomers are extremely or very satisfied with their choice of doctors, whereas 69 percent of both Generation Xers and millennials are satisfied (Figure 1).

Millennials Value Financial Aspects of Coverage More Highly at Enrollment

When choosing a health plan, the generational cohorts value plan features differently. Among the financial features, 74 percent of baby boomers think lower premiums are very important, compared with 70 percent of Generation Xers and 61 percent of millennials (Figure 4). In contrast, 47 percent of millennials think that the opportunity to save money in an account for use in the future is very important, compared with 41 percent among Generation Xers and 38 percent among baby boomers. There are no differences between generational cohorts when it comes to the tax benefits of the plan, being in control of health care dollars, or low out-of-pocket physician costs.

Millennials Value Non-financial Aspects of Their Coverage Slightly Less

Baby boomers and Generation Xers generally view various non-financial features as more important in selecting a health plan than do millennials, sometimes by wide margins. For example, 82 percent of baby boomers and 79 percent of Generation Xers report that ease of access to health care is extremely or very important when it comes to picking a health plan, compared with 72 percent among millennials (Figure 5). In addition, 80 percent of baby boomers report that prescription drug coverage is extremely or very important when picking a health plan, compared with 73 percent of Generation Xers and 59 percent of millennials.

Millennials are More Engaged in Choosing and Using Their Health Plan

Millennials appear to be more engaged than baby boomers and Generation Xers in picking a health plan. More specifically, millennials are more likely than baby boomers and Generation Xers to report that they had asked health plans to send them information in the mail to help them pick a plan; talked to doctor or other health professional to understand health plan choices; talked to friends, family and colleagues to understand health plan choices; visited other websites to understand health plan choices; visited health plans' websites to learn about health plan choices; attended a meeting to understand health plan choices; consulted with an insurance broker to understand health plan choices (Figure 6).

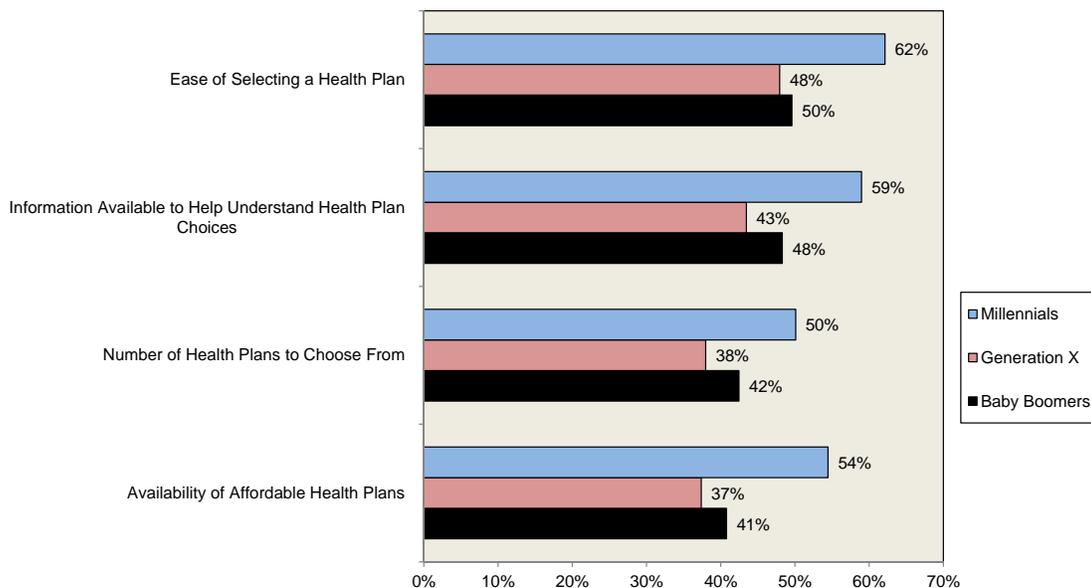
Millennials are more likely than baby boomers and Generation Xers to get engaged in making health care decisions. For example, millennials are more likely than the other generational cohorts to say they tried to find the cost of health care services before getting care; found cost information; checked whether a health plan would cover care or medication; checked the quality rating of a doctor or hospital before receiving care; talked to a doctor about treatment options and costs; used an online cost tracking tool provided by health plan to manage expenses; talked to a doctor about prescription options and costs; developed a budget to manage health care expenses; and asked a doctor to recommend a less costly prescription drug (Figure 7).

Millennials are the most likely group to request a generic drug instead of a brand name, but they are also the most likely to request a brand name instead of a generic. This finding may seem counterintuitive, though there are some possible explanations for it. One explanation may be that millennials may be more likely to state a preference than the other age groups.² And the finding is consistent with the general finding that millennials are more engaged than baby boomers and Generation X when it comes to various aspects of their health care choices.

Millennials Have the Highest Rates of Many Healthy Behaviors

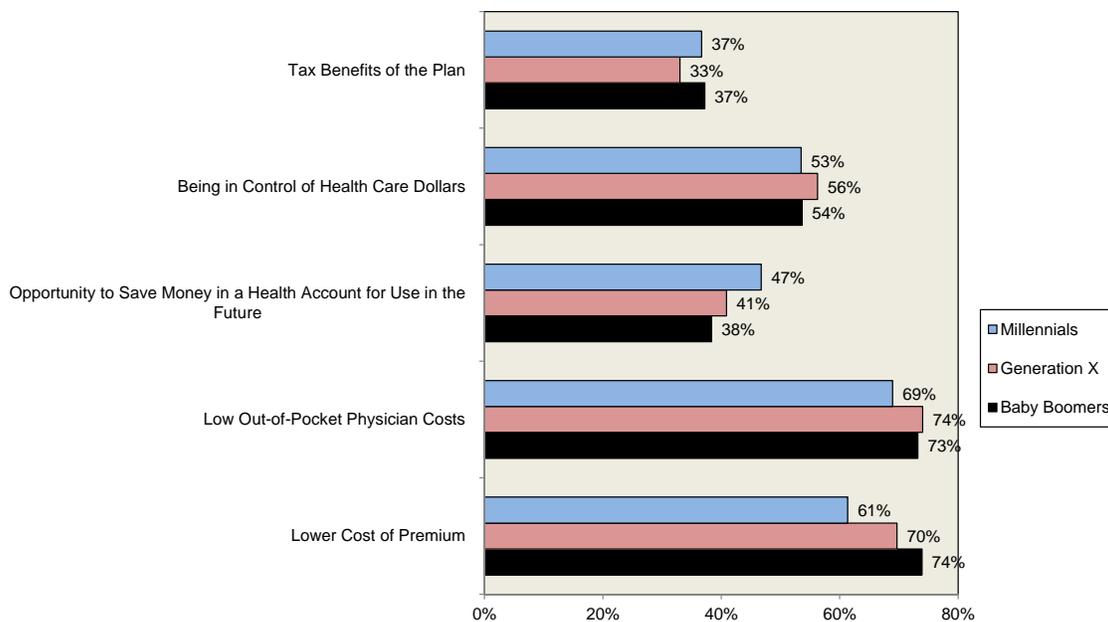
Millennials are more likely to engage in healthy behaviors than Generation X and baby boomers. More specifically, they are more likely to report that they regularly exercise (Figure 8) and that they have a normal weight (Figure 9). However, millennials are also more likely than baby boomers or Generation Xers to report that they smoke cigarettes (Figure 10).

Figure 3
Satisfaction With Various Aspects of Health Plan Choices
 (Percentage Extremely or Very Satisfied)



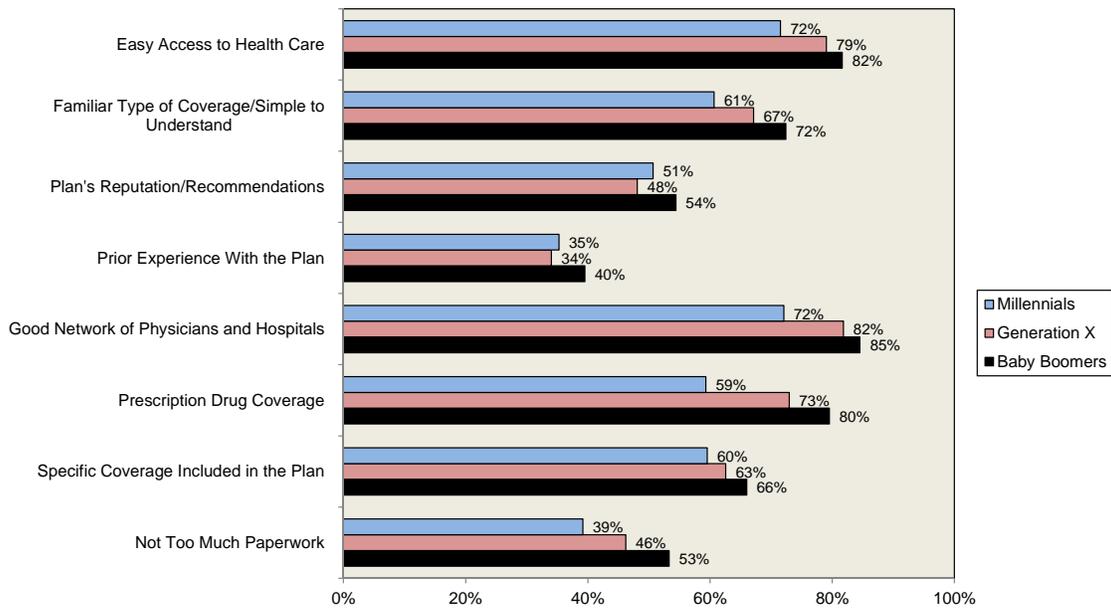
Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2015.

Figure 4
Importance of Various Financial Aspects in Choice of Health Plan
 (Percentage Extremely or Very Important)



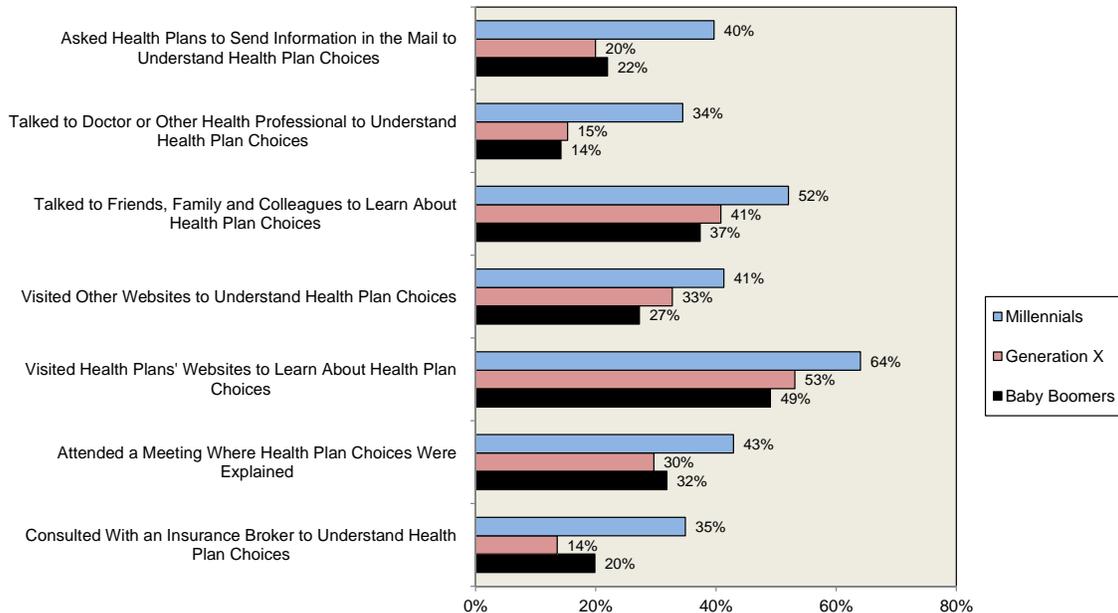
Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2015.

Figure 5
Importance of Various Non-financial Aspects in Choice of Health Plan
 (Percentage Extremely or Very Important)



Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2015.

Figure 6
Actions Taken When Most Recently Choosing Health Plan
 (Percentage Who Took Action)



Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2015.

Conclusion

This *EBRI Notes* article focuses on differences in consumer engagement in health care by millennials, baby boomers, and Generation Xers. The survey found profound differences by cohort. Millennials are much more satisfied than baby boomers and Generation Xers with respect to several aspects of their health plan choices, and they are more satisfied than Generation Xers and baby boomers when it comes to financial aspects of the health plan. They also appear to be more engaged in picking a health plan, more engaged in cost-conscious health care decisions, and are more likely to engage in certain healthy behaviors. Millennials are more likely than baby boomers to report that various aspects of choosing a health plan are very important, but less satisfied with various non-financial aspects of their health coverage.

The millennial generation numbers over 75 million, which is currently larger than the baby boom generation of about 74.9 million. In addition, Generation X is projected to pass the baby boom generation in size in about a decade. It is therefore no surprise that employers are interested in the role of millennials in the labor force and how that might be different from the roles of prior generations. It is important for employers to understand differences in generational cohorts to better adapt to a changing workforce. For instance, employers may need to engage millennials differently than older generations because of different expectations and experiences regarding health care and health coverage as an employee benefit. Employers should better understand how different workers may react to different plan design features and other efforts to engage workers in their health, and use of health care services.

Appendix—Methodology

The findings presented in this paper were derived from the 2015 EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey (CEHCS), an online survey that examines issues surrounding consumer-driven health care, including the cost of insurance, the cost of care, satisfaction with health care, satisfaction with health care plans, reasons for choosing a plan, and sources of health information. The 2015 CEHCS was conducted within the United States between Aug. 4 and Aug. 21, 2015, through a 12-minute internet survey. The national or base sample was drawn from Ipsos' online panel of internet users who have agreed to participate in research surveys. Over 2,000 adults ages 21–64 who had health insurance through an employer, purchased directly from a carrier, or purchased through a government exchange were drawn randomly from the Ipsos sample for this base sample. This sample was stratified by gender, age, region, income, and race. The response rate was 34.4 percent. As a non-probability sample, traditional survey margin-of-error estimates do not apply. However, had the survey used a probability sample, the margin of error for the national sample would have been ± 2.2 percent.

Because the base sample (national sample) included only 259 individuals in a consumer-driven health plan (CDHP) and 255 individuals with a high-deductible health plan (HDHP), an oversample of individuals with a CDHP or HDHP was added. The oversample included 1,026 individuals with a CDHP and 560 individuals with an HDHP, resulting in a total sample (base plus oversample) of 1,285 for the CDHP group and 815 for the HDHP group. After factoring out the base sample—the 259 individuals with a CDHP and the 255 individuals with an HDHP—there were 1,490 individuals in the sample with traditional health coverage.

In addition to being stratified, the base sample was also weighted by gender, age, education, region, income, and race/ethnicity to reflect the actual proportions in the population ages 21–64 with private health-insurance coverage.³ The CDHP and HDHP oversamples were weighted by gender, age, income and race/ethnicity, using the demographic profile of the CDHP and HDHP respondents to the omnibus survey described below.

While panel Internet surveys are nonrandom, studies have demonstrated that such surveys, when carefully designed, obtain results comparable with random-digit-dial telephone surveys. Taylor (2003), for example, provided the results from a number of surveys that were conducted at the same time using the same questionnaires both via telephone and online. He found that the use of demographic weighting alone was sufficient to bring almost all of the results

from the online survey close to the replies from the parallel telephone survey. He also found that in some cases propensity weighting (meaning the propensity for a certain type of person to be online) reduced the remaining gaps, but in other cases it did not reduce the remaining gaps. Perhaps the most striking difference in demographics between telephone and online surveys was the under-representation of minorities in online samples.

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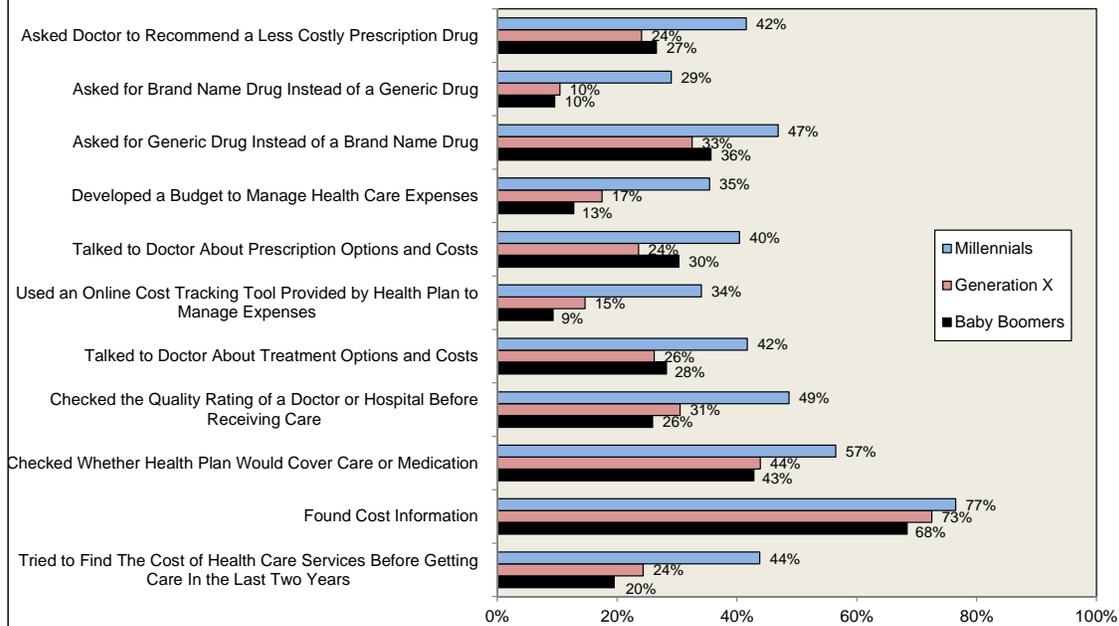
Notes

¹ See <http://www.pewresearch.org/fact-tank/2016/04/25/millennials-overtake-baby-boomers/>

² Note also that just because an individual initially asks for a brand name prescription does not mean they get it. Many insurance plans automatically substitute generic drugs for brand name prescriptions. Furthermore, once an individual sees the difference in the cost sharing between the generic and brand name prescription, he or she may then decide to accept the generic drug.

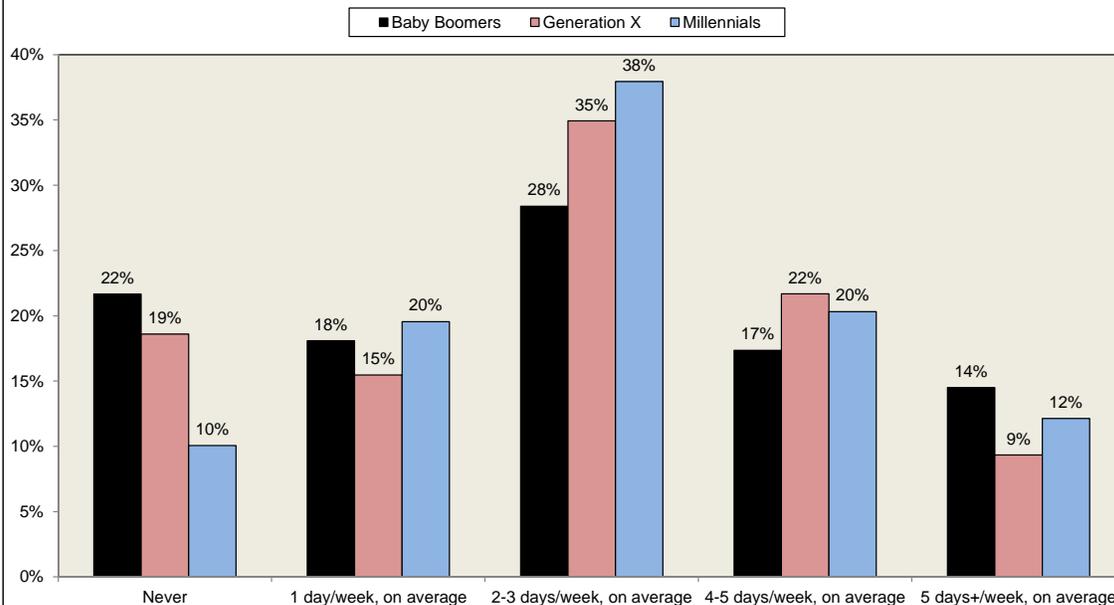
³ In theory, a random sample of 2,000 yields a statistical precision of plus or minus 2.2 percentage points (with 95-percent confidence) of what the results would be if the entire population ages 21–64 with private health insurance coverage were surveyed with complete accuracy. There are also other possible sources of error in all surveys that may be more serious than theoretical calculations of sampling error. These include refusals to be interviewed and other forms of nonresponse, the effects of question wording and question order, and screening. While attempts are made to minimize these factors, it is impossible to quantify the errors that may result from them.

Figure 7
Cost-conscious Decision Making, Among
Individuals Receiving Care in Last 12 Months



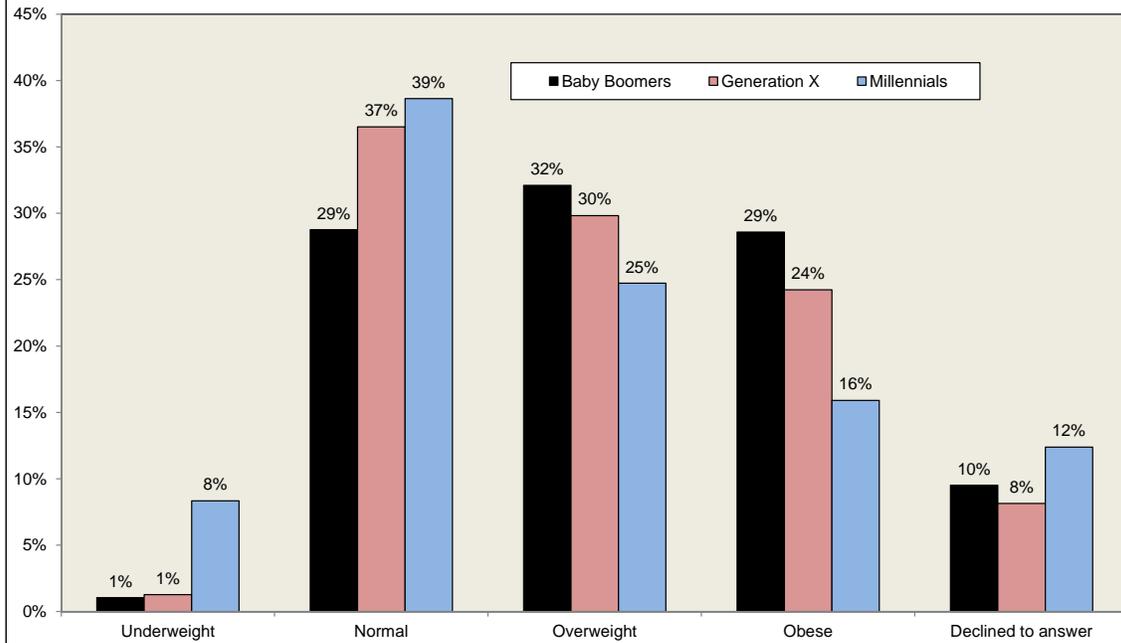
Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2015.

Figure 8
Average Days Per Week Exercised at Least
30 Minutes, in Past Four Weeks, by Age Cohort



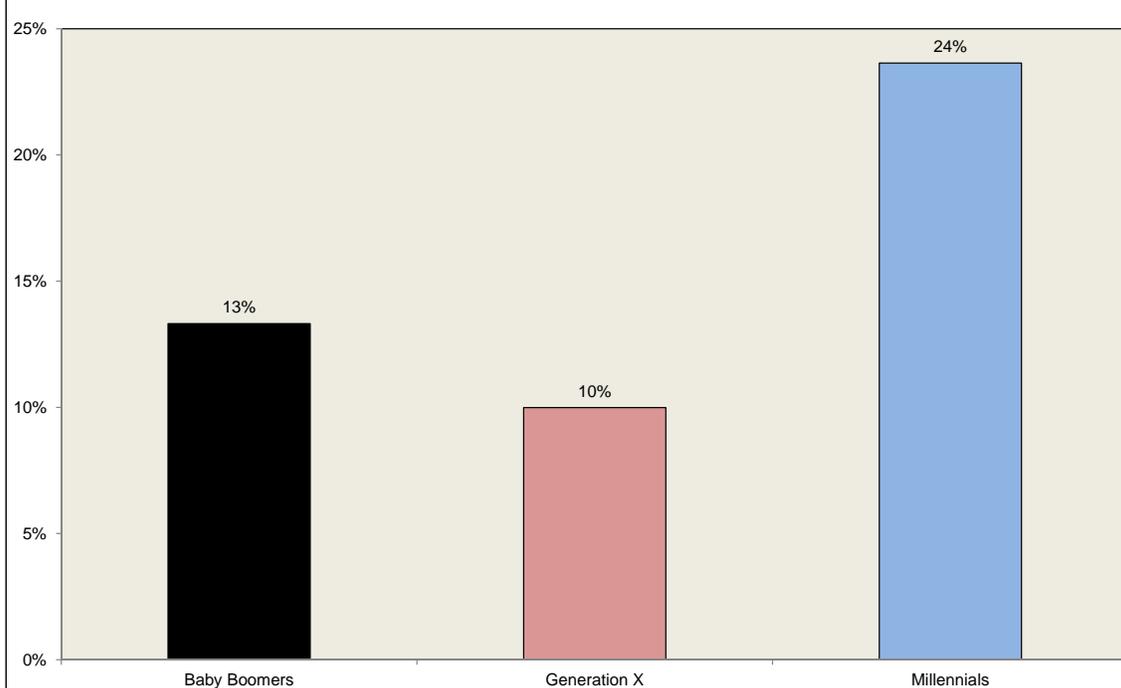
Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2015.

Figure 9
Weight Range, by Age Cohort
 (Based on Self-reported Height and Weight)



Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2015.

Figure 10
Percent Who Smoke Cigarettes, by Age Cohort



Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2015.

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