



# EBRI News

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## New Research from EBRI:

### **Study Finds Participants Have Difficulty Reading Documents That Summarize Health Plan Benefits**

WASHINGTON—Having trouble reading the summary of your health plan you received as a new participant? You are not alone.

A study published today by the nonpartisan Employee Benefit Research Institute (EBRI) found that in many cases crucial consumer information in the summaries is written “at a reading level too high for the average plan participant” to understand. The conclusion is based on a content and readability analysis of a diverse national sample of plan summaries.

The study appears in the October *EBRI Notes*, available at [www.ebri.org](http://www.ebri.org). It examines 40 summary plan descriptions (SPDs), the primary source of information for workers who participate in an employment-based health plan, and provides quantifiable evidence about whether the documents cover the necessary topics and the education level required to read them.

The study says its findings paint a troubling picture. Based on the difficulties encountered by expert readers, “important information conveyed through a summary plan description may be difficult for the average plan participant to identify,” the study notes. “The primary communication tool used to provide important information to workers who participate in their employer’s health care plan often may be unreadable to them.”

The ability to read and comprehend such information will likely become even more important in the future, the study adds, as new consumer-driven health plans shift more responsibility to plan participants for decisions about the use of medical services. This shift makes it all the more important for participants to understand how their health plans work, the study says. The study suggests that fundamental improvements are needed in the readability of written SPDs, and that employers and plan administrators should explore the use of alternative methods of communication to plan participants beyond the written SPD.

Federal law calls for SPDs to be written so that an average plan participant can identify and read important information contained in the document. This includes information about participants’ eligibility for benefits, the scope of benefits covered under the plan, and the rights and responsibilities of participants under the plan.

However, the study finds that many SPDs fall short of the federal standard. The average readability level of the 40 SPDs examined was higher than the recommended reading level for technical material. Some used language written at the ninth-grade level, but others contained language written at nearly a college graduate reading level.

According to the U.S. Department of Education, 43 percent of American adults scored below basic levels of prose literacy (ability to read and understand sentences and paragraphs), and 34 percent scored below basic levels of document literacy (ability to read sentence fragments, such as a medical prescription).

The study has four coauthors: Colleen E. Medill, an EBRI fellow and professor of law at the University of Nebraska-Lincoln College of Law; Richard L. Wiener, professor of psychology and director of the University of Nebraska Law and Psychology Program; Brian H. Bornstein, professor of psychology at the University of Nebraska-Lincoln; and E. Kiernan McGorty, a graduate of the University of Nebraska-Lincoln College of Law and graduate student in the doctoral program in psychology at the University of Nebraska-Lincoln. EBRI and The Commonwealth Fund funded the study.

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