



EBRI News

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New Research from EBRI:

An Analysis of 2007 Health Consumerism Survey: Implications for Plan Sponsors

WASHINGTON—The nonpartisan Employee Benefit Research Institute (EBRI) today published an analysis of the 2007 EBRI/Commonwealth Fund Consumerism in Health Care Survey examining the “strengths, weaknesses, opportunities, and threats” of relatively new consumer-driven health plans.

Consumer-driven health plans, introduced in 2001, typically combine a high-deductible health insurance plan with a tax-advantaged account that can be used to pay deductibles and other out-of-pocket expenses. In practice, the term is hard to define, given the wide variation in what employers call a consumer-driven health plan. The survey reported that, in 2007, 2 percent of the population was enrolled in a consumer-driven health plan, up from 1 percent in 2006 and 2005. Enrollment in high-deductible health insurance plans without a tax-advantaged account increased from 9 percent in 2005 to 11 percent in 2007.

In his analysis, Richard Ostuw, an EBRI fellow and retired senior health care consultant for Towers Perrin, a global professional services firm, offers a framework for considering whether or not consumer-driven health plans (CDHPs) and high-deductible health plans (HDHPs) are effective in managing costs and improving the health of plan participants. The analysis focuses on four attributes of these plans:

- **Strengths:** The financial incentives seem to be working, if at least modestly.
- **Weaknesses:** The level of participant satisfaction is much lower than that for traditional health plans.
- **Opportunities:** The effectiveness of these plans could be enhanced if participants were more committed and assertive in managing their health and their use of health care services.
- **Threats:** Unless workers become more positive about consumer-driven health plans meeting their needs, enrollment may decline.

In his conclusion, Ostuw writes: “CDHPs and HDHPs are perhaps at a tipping point. The level of enrollment in these plans has grown significantly relative to previous years, but is still modest in absolute terms. That suggests that both workers and employers remain skeptical of them. These attitudes will change only if both the substance and perception are positive. If employers and workers change their mindsets, CDHPs and HDHPs can become a significant part of the U.S. health care financing system. But if there are no changes in employers’ and workers’ attitudes and behaviors, they will remain as a niche type of plan or decline in the future.”

Ostuw’s analysis appears in the April 2008 *EBRI Notes*. Results of the 2007 consumerism survey appeared in the March 2008 *EBRI Issue Brief*. Both are available at www.ebri.org.

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