



EBRI News

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Consumer Engagement in Health Care Survey:

9.8 Million Adults in Consumer-Directed, High-Deductible Plans; Participants Likely to Have Higher Incomes, Be in Better Health

WASHINGTON—Enrollment in consumer-directed or high-deductible health plans eligible for a tax-preferred savings account increased to 9.8 million adults this year, with participants more likely to have higher incomes and be in better health than those with traditional health coverage, according to survey results released today by the nonpartisan Employee Benefit Research Institute (EBRI).

In addition, the fourth annual survey found that those in consumer-directed and high-deductible plans exhibited more cost-conscious behavior in their health care decision making than individuals with traditional health insurance. Results of the EBRI Consumer Engagement in Health Care Survey appear in the November 2008 *EBRI Issue Brief*, available at www.ebri.org

Consumer-directed plans, which involve high deductibles coupled with tax-favored savings accounts that consumers can use to pay for their care out of pocket, are intended to make consumers more active participants in decisions about their health care, including cost issues. In recent years, employers have turned to consumer-directed plans as a way of managing rising health insurance premiums, writes Paul Fronstin, director of the EBRI health research and education program and author of the *Issue Brief*.

Here are some of the major findings from the 2008 survey:

Enrollment

In 2008, 3 percent of the population was enrolled in a consumer-directed health plan, up from 2 percent in 2007. Enrollment in high-deductible health plans remained at 11 percent. The 3 percent of the population with a consumer-directed health plan represents 4.2 million adults ages 21–64 with private insurance, while the 11 percent with a high-deductible plan represents 13.4 million people.

Among the 13.4 million individuals with a high-deductible plan, 42 percent (or 5.6 million) reported that they were eligible for a health savings account but did not have such an account. Thus, overall, 9.8 million adults ages 21–64 with private insurance, representing 7.9 percent of that market, were either in a consumer-directed health plan or a high-deductible health plan that was eligible for a health savings account, but had not opened the account. This is an increase from 7.5 million adults in these plans in 2007.

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Income

Adults in consumer-directed health plans were significantly more likely than those with traditional health coverage to have high household income. Furthermore, those in consumer-directed plans have reported significantly higher income since 2005. In 2008, 40 of those in consumer-directed plans were in households with incomes of \$100,000 or more, up from 22 percent in 2005. Just 14 percent of adults with consumer-directed plans lived in households with incomes under \$50,000, down from 33 percent in 2005. In contrast, there was little change in the income distribution of individuals in traditional plans, with 23 percent in households with \$100,000 or more in income.

Health Status

In 2008, adults in consumer-directed health plans were significantly more likely to be in excellent or very good health than those with high-deductible health plans or more traditional coverage. Individuals in consumer-directed health plans were significantly less likely to have a health problem than were adults in high-deductible or traditional plans. Adults in consumer-directed plans were significantly less likely to smoke than were adults in traditional plans, and they were significantly more likely to exercise.

Cost-conscious Behavior

Adults in consumer-directed and high-deductible plans were more likely to consider costs in their decisions about health care than those in traditional plans. Those in consumer-directed and high-deductible plans were more likely than those in traditional plans to ask their doctor to recommend a less costly prescription drug. There was no change in the share of consumer-directed enrollees who reported cost-conscious decision making over the history of the survey, but there was a significant increase in the percentage of traditional plan enrollees reporting cost-conscious decision making, which would explain why some significant differences found in previous surveys disappeared this year.

Satisfaction

The 2006 survey found that individuals in consumer-directed and high-deductible plans were less likely than those in traditional plans to be satisfied with the quality of care they received. But between 2006 and 2007, the gap in satisfaction between those in traditional plans and those with consumer-directed plans disappeared because satisfaction increased significantly among those with consumer-directed plans and remained unchanged in 2008. The gap in quality-of-care satisfaction rates remained between traditional enrollees and high-deductible enrollees.

Survey Background

The 2008 EBRI Consumer Engagement in Health Care Survey involved a 16-minute online survey of 4,532 privately insured adults ages 21–64 to provide nationally representative data regarding the growth of account-based health plans and high-deductible health plans, and the impact of these plans and consumer engagement more generally on the behavior and attitudes of adults with private health insurance coverage. Details of the methodology reported in the *Issue Brief*. The survey was conducted Aug. 14–28, 2008, and was funded by grants from nine organizations: American Express, Blue Cross Blue Shield Association, Hewitt Associates, IBM, John Deere & Co., Kaiser Permanente, Pfizer, Proctor & Gamble, and The Commonwealth Fund.

The findings from the 2008 survey are compared with findings from the 2005, 2006, and 2007 EBRI/Commonwealth Fund Consumerism in Health Care Surveys. EBRI is a private, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. www.ebri.org

The full November 2008 EBRI Issue Brief will be posted early Nov. 18 on the EBRI Web site, www.ebri.org. Embargoed copies are available in advance upon request.