Altarum Institute Survey of Consumer Health Care Opinions

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By Wendy Lynch, Ph.D. and Brad Smith, Ph.D.

Co-Directors, Altarum Center for Consumer Choice in Health Care
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I. Introduction

A powerful combination of factors has converged on health care in ways that will influence how consumers choose and use medical services. Rising costs, information transparency, and information technology set today’s stage for consumer choice.

First, American consumers now pay more for care directly than they ever have in the past. Insurance premiums, copayments, and deductibles have increased steadily for the past several years. Today, the cost of health care is a sizeable burden to virtually every household.

Second, there is strong momentum and support in many sectors for increased information transparency. In the past 2 years, government sources have provided unprecedented access to de-identified health information. Employers are placing great demand on providers, hospitals, and health plans to reveal safety and quality information. Moreover, a growing number of plan sponsors and consumers are asking for clear price information with which to make comparisons. Now fully underway, the trend toward even greater levels of transparency is likely to gain momentum.

Lastly, new modes and formats of information technology provide mechanisms and platforms that allow more efficient delivery and convenient access to information when and where people need it. Consumers use Web-based tools to shop, rate, compare, and select products and services in other markets. As expectations increase for similar tools in medical care, entrepreneurs and traditional medical institutions are working to fill the void.

In this evolving consumer-focused environment, there is a need for more information about the information-seeking and care-seeking habits of consumers and the factors influencing them. The Fall 2011 Altarum Institute Survey of Consumer Health Care Opinions is the first of a series of surveys intended to illuminate how consumers perceive and make choices in health care and changes in consumer perceptions over time.

II. Topics

This report covers several areas. To begin, it describes consumer cost sharing and general perceptions about satisfaction with care. Next, it describes consumers’ preferred roles in decisions about health care and the characteristics associated with wanting an active role. The report also summarizes how consumers choose medical providers, what types of information they use to make decisions, and consumers’ confidence in finding and applying information to find better or less expensive care. Consumers also provided general perceptions about the safety and quality of care in the United States and about the types of medical errors they have experienced. Finally, this report describes the frequency with which consumers have switched to a different doctor in the past and what might cause them to switch in the future, including cost, convenience, service, malpractice, and other circumstances.
III. About Survey Respondents

The survey was administered via the Internet to a national panel of respondents. It was taken by 3,258 employed people with a median age of 45 years. Fifty-four percent were female, 74% were White, 55% had at least a college degree, and the median annual income was $50,000–$59,000. Respondents were required to have either PPO or traditional indemnity health insurance, not an HMO or government-sponsored coverage. Respondents had insurance deductible levels ranging from zero to $10,000 or more. The median deductible was between $1,000 and $2,000 dollars.

Most respondents had received medical care in the past year and reported high levels of satisfaction with care. Eighty-two percent reported seeking a medical care service in the past year, while 20% of men and 16% of women had not. Overall, respondents were satisfied with their care—68% and 70% said they were somewhat or very satisfied with care from their doctor and regular pharmacy.
IV. Results

1. Preferred Role in Medical Treatment Decisions

Consumers prefer an active role in decisions about medical treatments. One in five want to be completely in charge, almost 40% want the final say in decisions, and 31% would like a joint decisionmaking process with their doctor. Fewer than 10% prefer the doctor to play the primary or only role in making decisions on their behalf.

The pattern of preferred roles was relatively consistent across gender, marital status, and geographic region. However, younger respondents were more likely to want higher levels of control over decisionmaking. The shift across age groups occurs mostly in two specific roles; older respondents had a much lesser preference for wanting full control and a much greater preference to share equal control with one’s doctor than the youngest respondents did. Very few in any age group preferred to have the doctor completely in charge.
More highly-educated respondents preferred more control over decisions. About the same number of consumers with a high school education preferred having most control (33%) or equal control (32%), while those with post-graduate college education were more likely to prefer having the most control (41%) than equal control (29%).

Almost three-quarters (72%) of consumers remember having a doctor make a specific treatment recommendation to them. By comparison, only 54% recall having a doctor give them more than one treatment option from which they could choose. Not surprisingly, those who want more say in their decisions recall more instances of being offered treatment options from which to choose. As shown in the graph, consumers who report wanting their doctor to make decisions are four times as likely to report getting recommendations as receiving options. Those wanting more control were only 1.3 times more likely to report recommendations as options.
2. Information Sources Consumers Use to Find a Doctor

By far, consumers rely most commonly on word-of-mouth when selecting a doctor. Three-quarters of consumers have used advice from friends and family to select a physician. Only about one in five use online information about quality from experts, or ratings by patients to select a doctor. Only 15% report using cost comparisons and only 10% report using advertisements to help them choose a doctor. Consumers with more formal education reported using information sources more frequently, especially online sources, which they used twice as often.

Younger consumers used most information sources more frequently than did older consumers. The youngest consumers used online ratings three times as often as did consumers in the 55–64 age group. However, consumers over 65 used online sources slightly more than did those 55–64.
3. Asking About Price

Fewer than half of consumers report *ever* having asked about the price of a service before receiving medical care. In the past year, 29% asked about price.

Younger consumers were much more likely to have asked about price or searched for quality information prior to seeking care than were those in the oldest age groups.

To further understand consumers’ interest in gathering price information, survey respondents were asked about the following potential factors that might influence their level of interest:
confidence that they could benefit from knowing price information, comfort asking their doctor about price, and other questions regarding their financial responsibility in paying for care. Fewer than one in three consumers reported doing detailed research before selecting a doctor, while 60% did so before buying a car. Twenty percent said they do not spend much time comparing their options or gathering opinions when choosing a health plan or doctor.

While there are many possible reasons consumers do not compare plans or doctors, one contributing factor may be that consumers have not had experience making these comparisons because information about health care options has not been readily available to the public. Results suggest this may be the case. Over half of respondents reported being uncertain or not confident in their ability to find lower cost health care by shopping for alternatives. Although a little more confident, 43% still reported low confidence in being able to find better qualified doctors.

4. Consumer Confidence About Finding Less Expensive and Better Quality Care

Asked about their comfort level asking their own doctor about the price of care, most consumers feel comfortable. Only 16% of consumers report being uncomfortable, while 32% and 52% say they are somewhat or very comfortable asking about price, respectively.
The degree of cost sharing has a direct association with the likelihood of ever having asked about price. As shown, as a consumer’s annual deductible increases, so does the likelihood of asking. Twenty-eight percent of those with a zero deductible insurance plan had asked about price, while 70% of those with a $10,000 deductible plan had asked about price.
Based on a combination of factors, it is possible to characterize the likelihood of asking about the price of medical services. Younger age, higher income, higher deductible, and greater comfort asking about price all contribute to an increased likelihood of inquiring about price. As shown, a young, highly paid person with a high deductible plan, who feels comfortable asking about price would be about five times as likely to ask about price as would be an older, lower-paid worker with a low deductible.

<table>
<thead>
<tr>
<th>Person 1</th>
<th>Person 2</th>
<th>Person 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
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<td>45</td>
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<tr>
<td>Deductible</td>
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<tr>
<td>Income</td>
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<td>$55,000</td>
</tr>
<tr>
<td>Comfort asking</td>
<td>somewhat uncomfortable</td>
<td>somewhat comfortable</td>
</tr>
<tr>
<td>Likelihood</td>
<td>15%</td>
<td>39%</td>
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</tbody>
</table>

5. Concerns About Cost

Participants were asked about their level of concern about being able to pay for an unexpected serious health event. As one might expect, the level of concern is related to the level of deductible. For those with zero deductible, 35% were not at all concerned and 21% were very concerned. By contrast, only 12% percent of those with a $10,000 deductible were not at all concerned, and 57% were very concerned.
6. Beliefs About Safety and Quality

In general, survey respondents perceive that U.S. health care is of high quality. Approximately 60% agreed or strongly agreed that most care in the country is safe and effective. However, consumers recognize that quality varies. Less than one third agreed or strongly agreed that quality is similar among the nation’s hospitals and doctors.
7. Reported Experience of Medical Errors

When asked about whether they (or someone they cared for) had experienced a medical error, 70% reported they had not. Among those who had, two-thirds had experienced one error and one-third had experienced more than one. The most commonly reported types of errors were medication errors, followed by infections, misdiagnoses, and surgical errors.

![Types of medical errors reported]

Interestingly, there were no dramatic differences between consumers who had experienced errors and consumers who had not in terms of their satisfaction with care or their beliefs about the safety and efficacy of care overall.

8. Reasons for Switching Providers

More than three-quarters (78%) of consumers reported having switched to a different provider for at least one reason. Of those, half reported one reason for switching, 23% reported two reasons and 5% selected four or more reasons. The most commonly chosen reasons for switching were their beliefs they could get better service or better treatment efficacy elsewhere. The next most common reasons were when they, or the provider, relocated. The ability to find less expensive care was the least commonly reported reason (1 in 10) for having switched doctors.
Older respondents were more likely to have ever switched providers, presumably because they have had more time to do so.

When asked whether future circumstances would cause them to seek a different provider, 46% of consumers reported that they would definitely change doctors if the doctor had malpractice suits and 32% reported they would definitely switch if their doctor did not listen to their concerns. Consumers were much less likely say they would switch providers for reasons such as staff rudeness or bedside manner.

Each survey asked a question about the person’s likelihood of switching doctors due to a difference in cost or travel distance. The size of the cost difference or travel time was assigned randomly across respondents.
A majority of consumers were willing to consider changing doctors for a difference in price, even as small as $30. However, 33% of consumers would not consider switching, even for a cost difference of $150.

A majority would also consider switching if their doctor’s office moved 30 minutes or farther away. All but 15% would switch if travel time increased by 75 minutes.
Consumers are even less reluctant to consider switching pharmacies to save money. All but 14\% would switch pharmacies to save $20, and only 8\% would keep the same pharmacy despite an opportunity to save $100.

Similarly, almost two-thirds would switch pharmacies to save $10, while 13\% would stay with the same pharmacy, even if it moved an hour away.
V. Implications

Consumers do not frequently investigate the cost of health care services. Most consumers have not sought information about the price of health care services or made decisions based on that information. Almost 60% have never asked about the price of a health care service. Less than one-third have asked about price in the past year and only 1 in 10 recall having switched providers because of cost. Even if they want price information, they have low confidence that they can find lower costs by trying to shop and compare.

Factors that increase the likelihood of asking about price are age (younger), income (higher), comfort-level asking about cost (higher), and size of deductible (higher). In combination, these factors produce as much as a fivefold difference in likelihood of asking about the price of care. The influence of comfort level and deductible suggests that consumer-directed strategies that increase awareness and cost sharing do increase active information seeking about cost.

Consumers are more likely to spend time doing research before purchasing other consumer goods, such as cars or appliances, than before seeking health care. By far, the most common source of information consumers use to select a doctor is advice from family and friends. Younger consumers are the most likely to seek information from all sources and much more apt to use online sources than older consumers.

Consumers have generally positive views about the care they receive. A large majority believe care in the United States is both safe and effective, and most are satisfied with their own care. Only about 30% report having experienced a serious medical error involving either themselves or someone for whom they provide care. The most common errors reported were medication errors and infections.

A majority (over two-thirds) of respondents believe that the quality of care varies across doctors and hospitals. However, it appears that few take action to find providers with better quality. Few report having switched providers to seek better treatment outcomes, few have searched for quality ratings before seeking care, and confidence is lacking that they can find information that will lead to better care. Whether this reflects a lack of awareness of information sources or a disinterest in using such sources is an area needing further investigation.

When asked about circumstances that might cause them to switch providers in the future, the likelihood of switching providers was relatively low. Even multiple malpractice lawsuits and a provider not listening to their concerns resulted in a “definite” intent to switch providers from less than half of respondents.

However, the loyalty to providers—or inclination to avoid switching providers—is not unshakable. A large majority of respondents would consider switching providers for a relatively small difference in cost or drive time. This suggests that, should information about cost and location be available at the time of a decision, a large number of consumers would consider the less expensive or most convenient option.

These findings describe a consumer population that has interest in playing a significant role in their own care, but generally do not have the tools and confidence to do so. The sources of information about care remain predominantly informal (friends and family), and decisions about
changing doctors have been related more to service and access than to specific choices about quality or price.

It appears that consumers have an openness to active decisionmaking should information be made available.