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## Executive Summary

Altarum Institute conducts semiannual surveys to better understand consumer beliefs, practices, and preferences regarding health care. The fall 2014 *Altarum Institute Survey of Consumer Health Care Opinions* is the seventh in this ongoing series. Survey respondents included a nationally representative sample of 1,921 adults between the ages of 18 and 64 years old.

Key findings:

- ▲ **Consumers want the lead role in making decisions that affect their own health.** Two-thirds of consumers want to be in control of decisions concerning their health, and 28% prefer to make joint decisions with their doctors. Only 7% would like their doctor to be in charge.
- ▲ **Consumers remain concerned about health care costs but skeptical of their own ability to shop for high-value, low-cost care.** Consistently with previous findings, 90% of consumers are worried about paying medical bills, but only about half ever ask their doctors about the cost of care. Confidence in their own ability to affect the value of the care that they receive remains relatively low.
- ▲ **While only one-quarter of consumers have ever used a cost comparison tool, most found it to be helpful and would use the tool again.** Among consumers who have used a tool to compare health care prices, nearly all (91%) indicated that it was somewhat to very useful, and four out of five would use it again in the future. These results highlight a need for more widespread availability and use of transparency tools. As demonstrated in this study, such resources can provide valuable support to consumers and enable them to play an active role in their health.
- ▲ **Younger consumers and those with high deductibles are much more likely to compare costs.** Consumers in the youngest age group were nearly three times more likely to use a cost comparison tool than their older counterparts. Similarly, 60% of consumers with a \$10,000 deductible have compared prices while less than 20% of those with low deductibles have done so. These findings suggest that consumers who assume greater financial risk (and incur lower out-of-pocket costs) exhibit more cost-conscious behavior.
- ▲ **Most consumers are committed to their current doctors but would likely switch if forced to pay more.** Almost 80% of consumers reported that it was important to them to keep their existing doctor. However, only 45% would pay an extra \$25 per visit in order to keep seeing the same provider.
- ▲ **Most consumers place a great deal of trust in their doctors and believe that they would never deliver unnecessary or questionable care.** Nearly 9 out of 10 consumers indicated that they trust their doctors. Despite national estimates that one-third of all health care is wasteful or ineffective, 71% of consumers in this study reported that their doctors would not recommend a test or procedure unless it was necessary.
- ▲ **Consumers underestimate the extent of medical errors in the United States.** When asked how many deaths were caused by preventable hospital errors each year, only 8% of consumers selected the correct response of 400,000. More than 70% chose 10,000 or 50,000. Three out of five consumers also believed that car accidents were a more common cause of death, when in fact medical errors kill 10 times as many people. These findings underscore a

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need to better educate consumers about medical errors, risk factors, and their own role in improving the safety and quality of care.

- ▲ **More than 40% of consumers have gotten unexpected medical bills from providers whom they have never met.** Fewer than half of these consumers received a good explanation. In most cases, the bill was only partially covered (59%) or not at all covered (13%) by insurance.
- ▲ **Consumers with high Altarum Consumer Engagement (ACE) Measure scores are more likely to compare health care costs.** Altarum recently launched the ACE Measure to assess levels of health engagement. Consumers with high ACE Measure scores in this survey were more likely to have used a cost comparison tool than those with low scores.

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## I. Introduction

The role of consumers in health care decisions and payments continues to expand. A decade after the introduction of Health Savings Accounts, there are more than 17 million account holders.<sup>1</sup> Four out of five large employers will offer consumer-directed health plans (CDHP) in 2015, and one-third of employers will offer a CDHP as the only choice for health benefits.<sup>2</sup> Additionally, consumers buying insurance through the Patient Protection and Affordable Care Act's federal and state exchanges are being advised to "shop around" for deals.<sup>3</sup> High deductible health plans are generally the lowest-cost options available to these consumers.<sup>4</sup>

These trends are part of a national movement encouraging people to take greater responsibility for their own health. Consumer engagement—in both health behaviors and health care decisions—is increasingly recognized as a key factor in maintaining good health and reducing unnecessary costs.<sup>5</sup> To support people in making decisions, transparency of price and quality information is slowly progressing and available through numerous vendors and health plans. A free online transparency tool is also expected to be released in 2015.<sup>6</sup>

As the nation continues to shift toward increased consumer engagement, we need to better understand the many factors that influence our health-related decisions. Since 2011, Altarum Institute has been administering semiannual surveys to examine consumer beliefs, practices, and preferences regarding health care. The fall 2014 *Altarum Institute Survey of Consumer Health Care Opinions* is the seventh in this ongoing series.

## II. Decisions

### Preferred Role in Decisionmaking

Consumers were asked about their preferred level of involvement in decisions concerning their health. Three out of five reported that they prefer to take a lead role, 28% want to be completely in charge of decisionmaking, and 38% want to make the final decision with input from medical professionals. About 28% indicated that they prefer to make shared decisions with their doctors. A

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<sup>1</sup> America's Health Insurance Plans, Center for Policy and Research. (2014, July). *January 2014 census shows 17.4 million enrollees in health savings account-eligible high deductible health plans*. Washington, DC: America's Health Insurance Plans.

<sup>2</sup> HealthDay News. (2014, August 15). *More employers moving to high-deductible health plans*. Retrieved from <http://health.usnews.com/health-news/articles/2014/08/15/more-employers-moving-to-high-deductible-health-plans>.

<sup>3</sup> New York Times. (2014, November 14). *Cost of coverage under Affordable Care Act to increase in 2015*. Retrieved from [http://www.nytimes.com/2014/11/15/us/politics/cost-of-coverage-under-affordable-care-act-to-increase-in-2015.html?\\_r=0](http://www.nytimes.com/2014/11/15/us/politics/cost-of-coverage-under-affordable-care-act-to-increase-in-2015.html?_r=0).

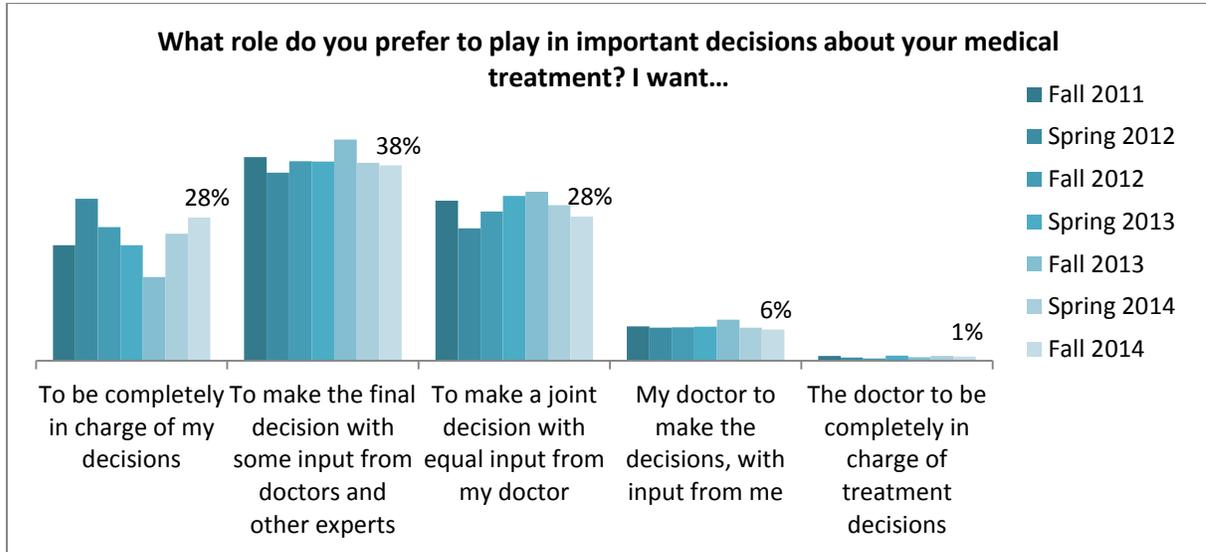
<sup>4</sup> Avalere. (2013, December 11). *Consumer deductibles vary significantly across exchange plans*. Retrieved from <http://avalere.com/expertise/managed-care/insights/analysis-consumer-deductibles-vary-significantly-across-exchange-plans>.

<sup>5</sup> James, J. (2013, February 14). Health policy brief: Patient engagement. *Health Affairs*, 33(6).

<sup>6</sup> Health Care Cost Institute. (2014, May 14). *Major U.S. health plans agree to give consumers free access to timely information about health care prices to foster greater transparency*. Retrieved from <http://www.healthcostinstitute.org/news-and-events/major-us-health-plans-agree-give-consumers-free-access-timely-information-about-heal>.

small minority of consumers want the doctor to be mostly (6%) or completely (1%) in charge of treatment decisions. Despite a few fluctuations, these percentages have remained relatively consistent since fall 2011.

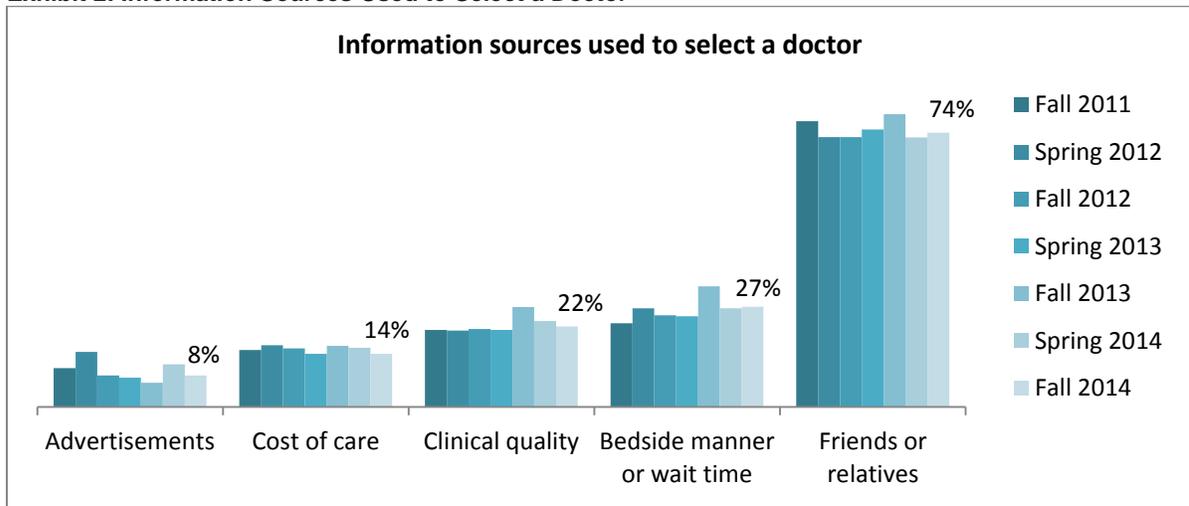
**Exhibit 1: Role in Medical Decisions**



**Information Sources Used to Select a Doctor**

When choosing a doctor, a majority of consumers (74%) continue to rely on the opinions and recommendations of friends and relatives. Only about one in four (27%) have used online ratings of a doctor’s bedside manner or “wait time,” and 22% have looked at online ratings of clinical quality to help them decide on a medical provider. Few consumers used data on the cost of care (14%) or selected a doctor based on newspaper, magazine, or television advertisements (8%).

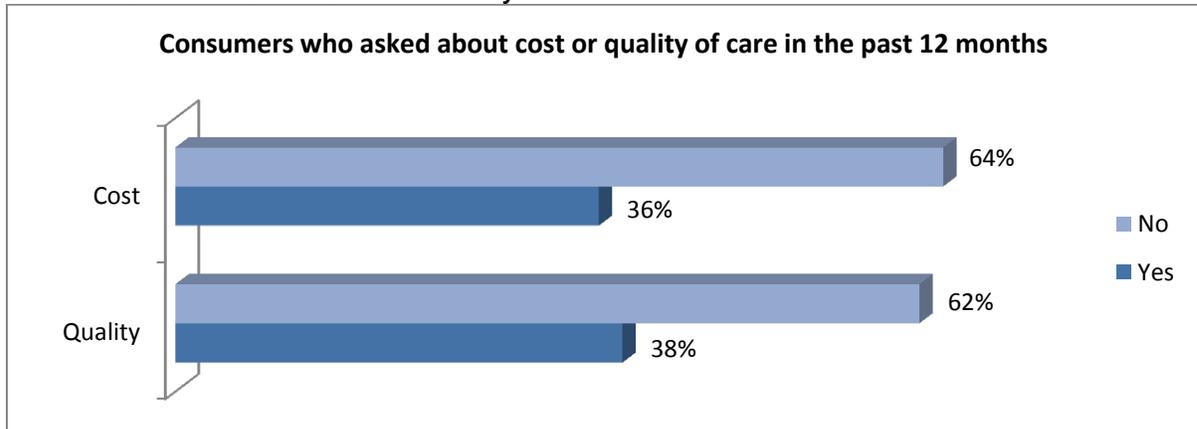
**Exhibit 2: Information Sources Used to Select a Doctor**



### Evaluating the Cost and Quality of Care

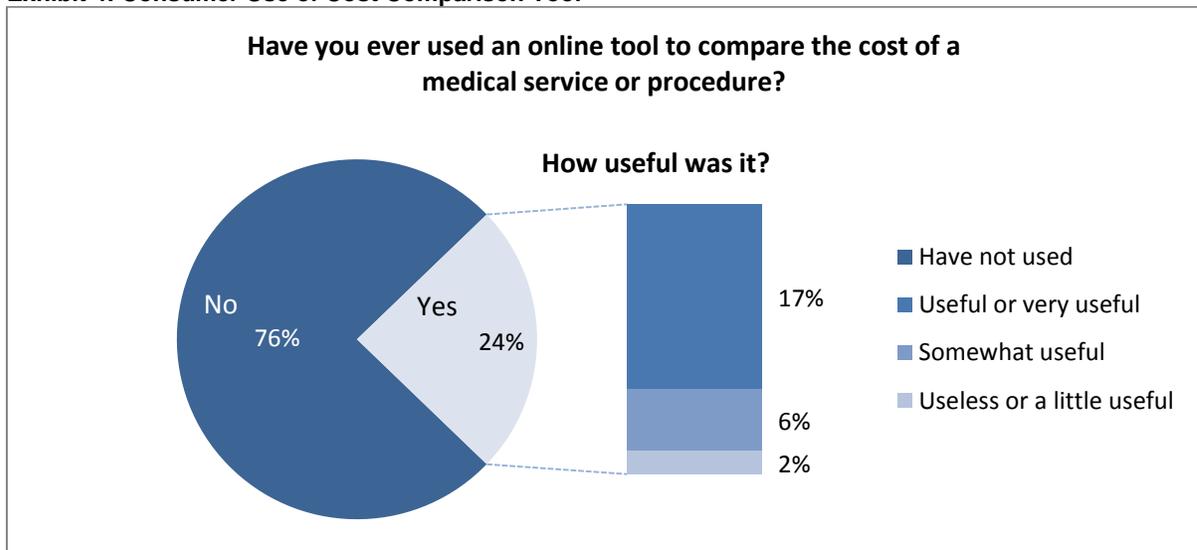
Information about health care cost and quality is becoming increasingly available to consumers. However, survey findings show that fewer than two out of five consumers used price or quality data to inform their decisions in the past 12 months. Only 36% asked how much their health care visit would cost in advance, and 38% looked for health care quality ratings before they received services. These percentages are slightly lower than the spring 2014 survey (41% and 43%, respectively) but higher than survey results in 2011.

**Exhibit 3: Consumer Use of Cost and Quality Data in the Past 12 Months**

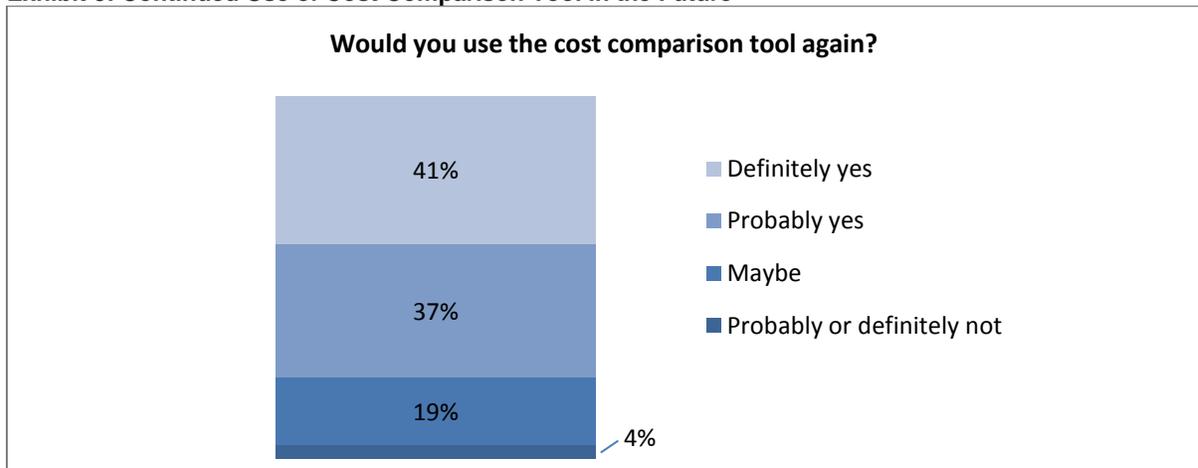


Of interest, almost one-quarter of consumers reported that they had used a cost comparison tool in the past. Of those who have used such a tool, 68% (17% out of 24%) found it to be useful or very useful. Another 23% found it to be somewhat useful. Furthermore, 77% reported that they would probably or definitely use the tool again.

**Exhibit 4: Consumer Use of Cost Comparison Tool**

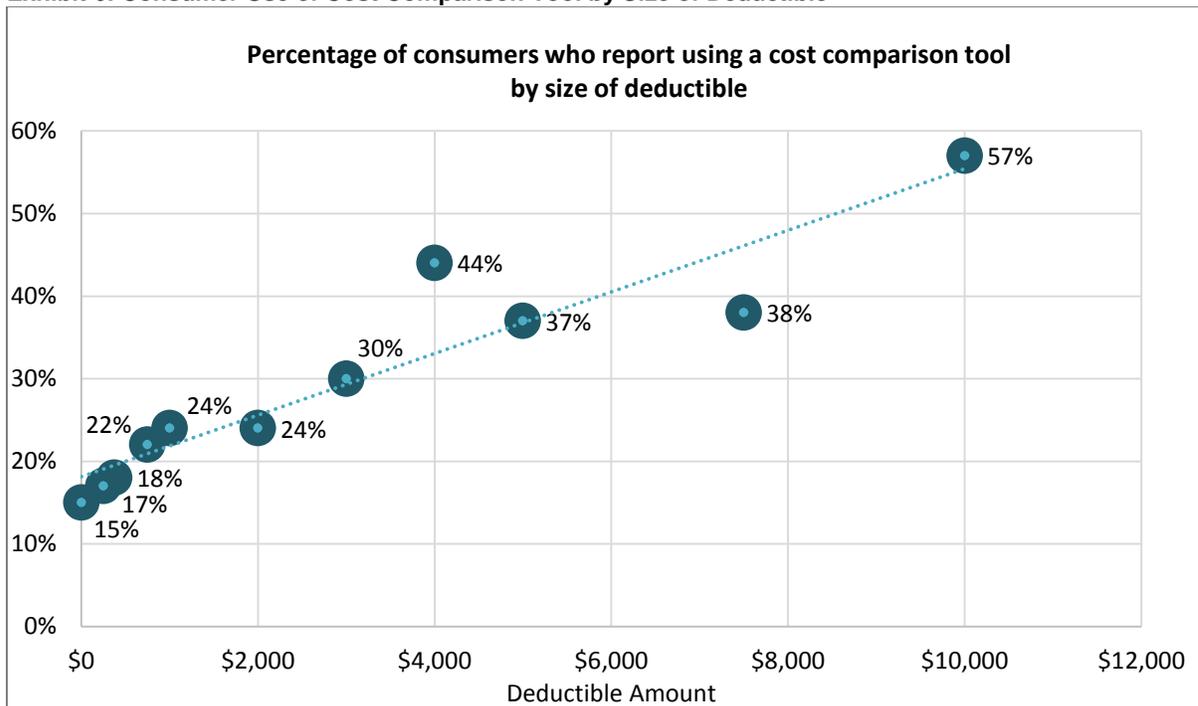


**Exhibit 5: Continued Use of Cost Comparison Tool in the Future**



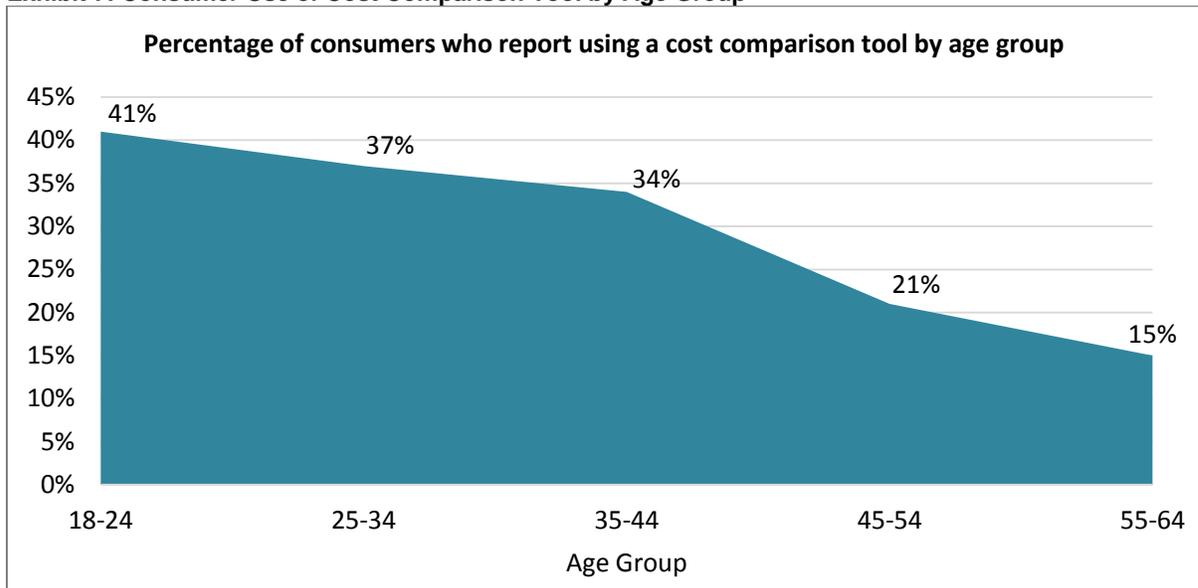
Reported use of a cost comparison tool was strongly related to the size of deductible the individual reported having in their health insurance coverage, suggesting a personal financial incentive to find savings. As shown, only 15%–18% of those with low deductibles had used a tool, while 30%–44% of those with deductibles between \$3,000 and \$8,000 had used a tool. Notably, almost 60% of those with a \$10,000 deductible had compared prices.

**Exhibit 6: Consumer Use of Cost Comparison Tool by Size of Deductible**



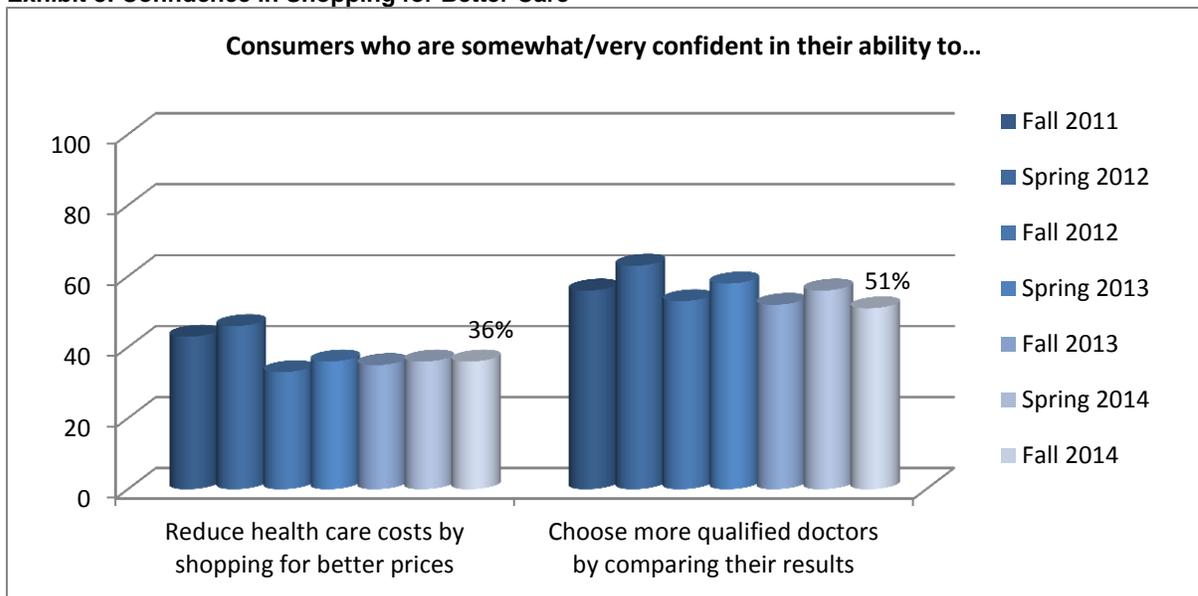
Younger respondents were also most likely to report using a cost comparison tool. Consumers between the ages of 18 and 24 were nearly three times as likely (41%) to report using such tools as the oldest respondents (15%).

**Exhibit 7: Consumer Use of Cost Comparison Tool by Age Group**



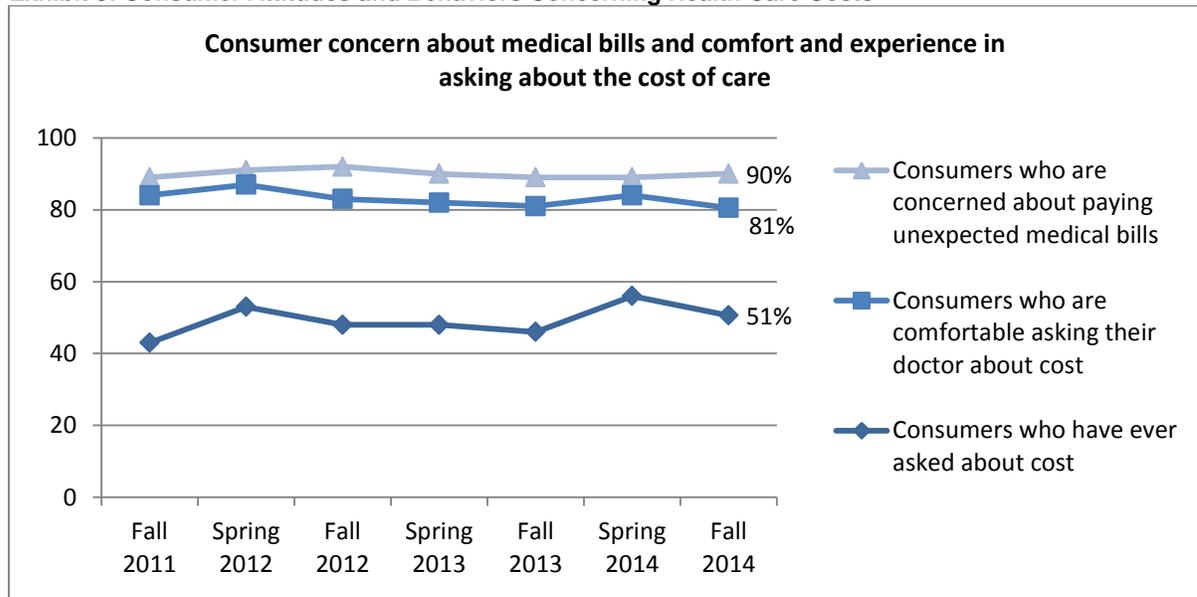
Despite positive experiences with the use of cost comparison tools, consumers generally remain skeptical of their ability to shop for high-value, low-cost health care. Consistent with previous findings, this survey found that only about one-third of consumers feel confident that they can shop for better health care prices, and around half of consumers believe that they can find better-qualified doctors by comparing performance results.

**Exhibit 8: Confidence in Shopping for Better Care**



Affordability of health care remains a concern for most consumers. The vast majority (90%) expressed some level of concern about their ability to pay for unexpected medical bills. Most (81%) reported that they would feel comfortable asking their doctors about the cost of health care services. Yet only 50% reported that they had ever made such inquiries. As seen by the longitudinal trends, consumers have been consistent in having a high level of concern but take action in asking questions about cost less often.

**Exhibit 9: Consumer Attitudes and Behaviors Concerning Health Care Costs**



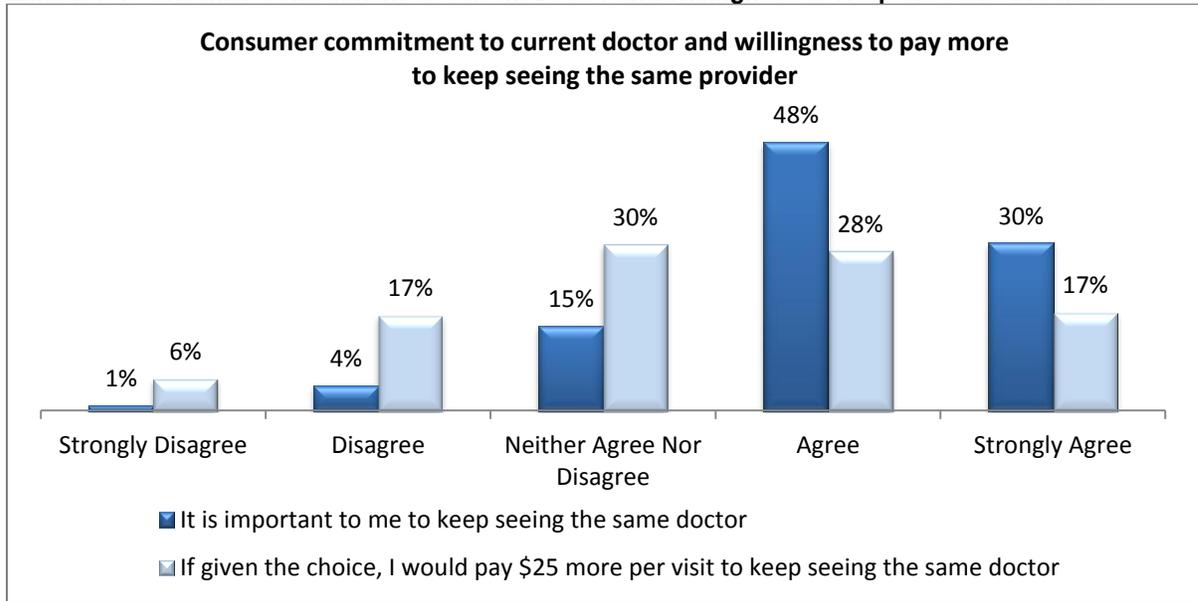
### III. Opinions About Consumers' Own Doctors

#### Commitment to Existing Doctor

Some health insurance plans are designed to manage cost and quality of health care by narrowing consumers' options to a restricted list of providers (often called a network or narrow network). In some cases, consumers pay a higher fee or the full, undiscounted cost for seeing a provider outside their approved network. In this survey, consumers were first asked to rate their agreement with a statement about the importance of keeping their existing doctor. Almost 80% indicated that they were committed to their current provider.

These commitment levels shifted once consumers were faced with paying more. When asked whether they would be willing to pay an extra \$25 per visit to keep their existing doctor, only 45% agreed or strongly agreed. When there is a cost to remaining loyal, a large portion of consumers indicate that they would switch rather than pay \$25 per visit.

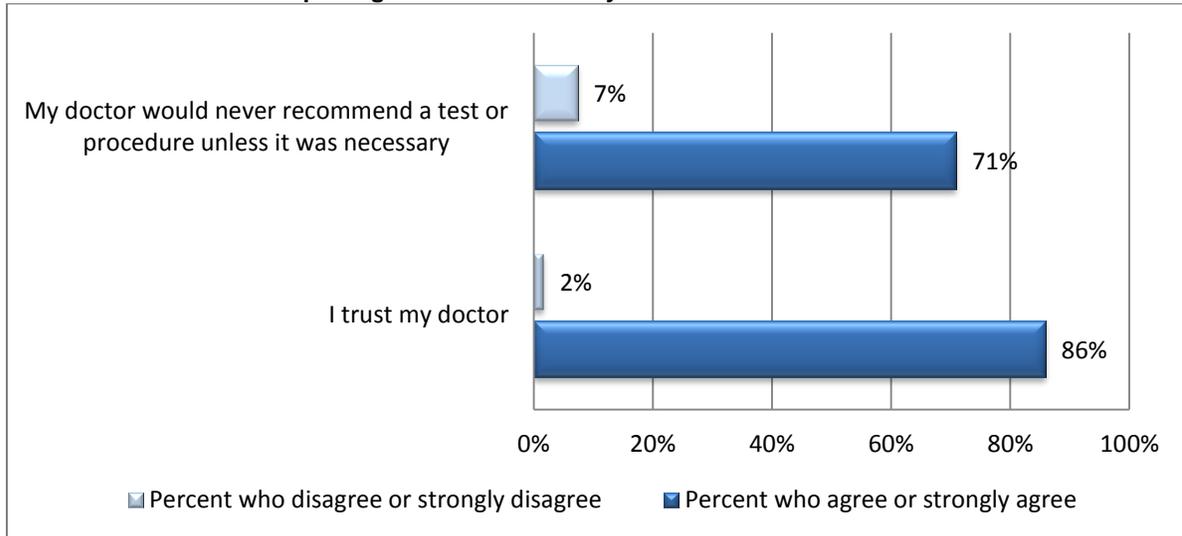
**Exhibit 10: Consumer Commitment to Current Doctor and Willingness to Keep the Same Provider**



**Trust and Visit Dynamics**

The vast majority of consumers (86%) reported trusting their doctors. This high level of trust may lead to a biased perception of the possibility that their doctor would ever deliver unnecessary care. Despite national estimates that approximately one-third of care is questionable or unnecessary,<sup>7</sup> only 7% of consumers disagreed with the statement, “My doctor would never recommend a test or procedure unless it was necessary.”

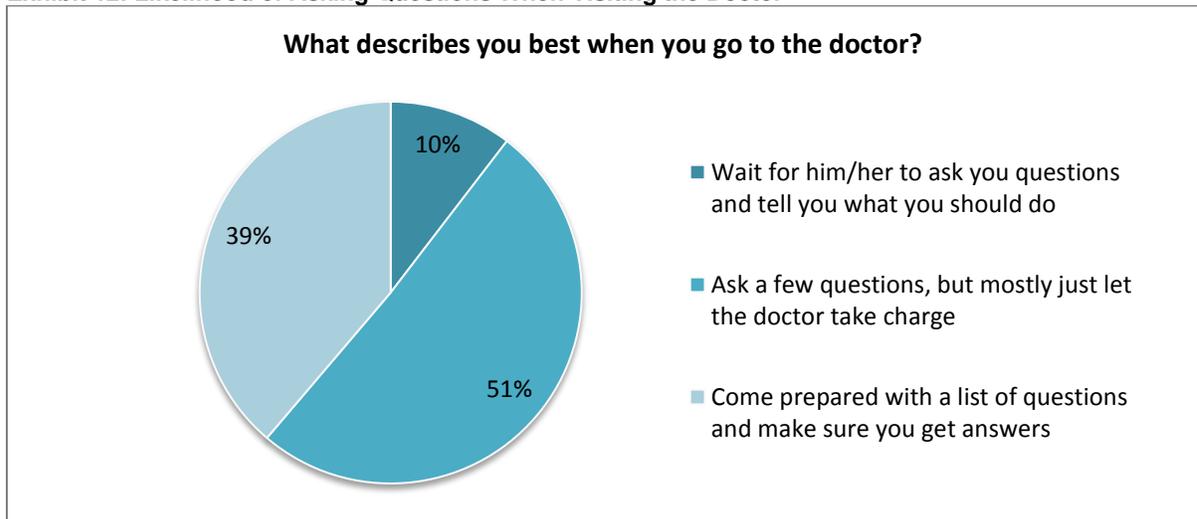
**Exhibit 11: Consumers Reporting Trust and Necessity of Care**



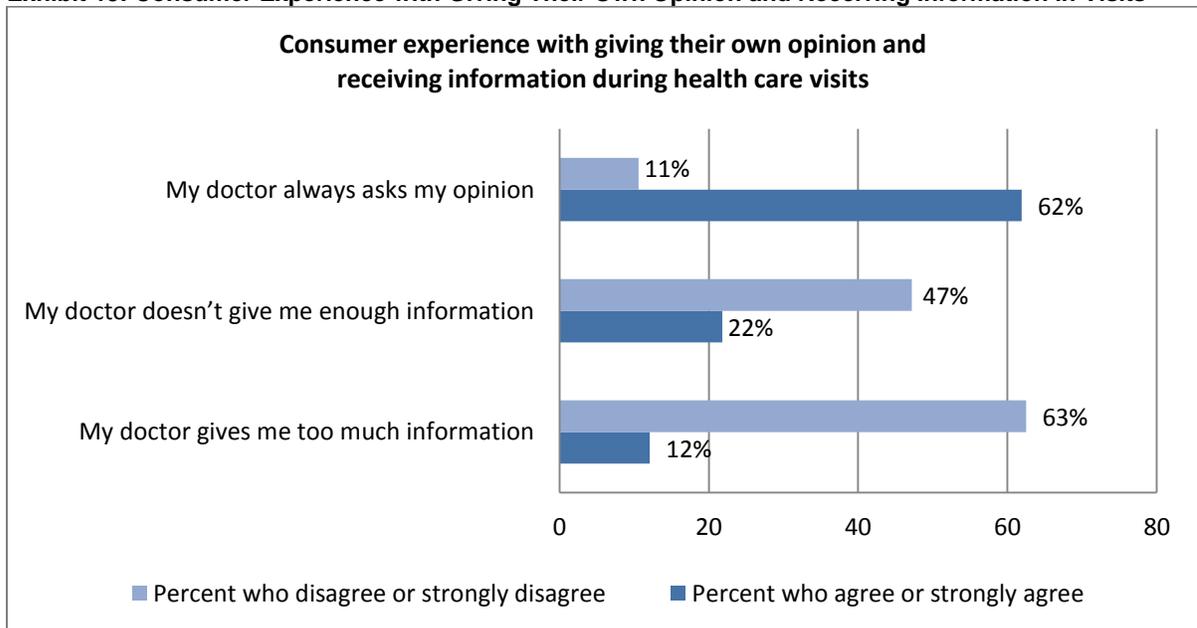
<sup>7</sup> Institute of Medicine. (2012). *Best care at lower cost: The path to continuously learning health care in America*. Washington, DC: The National Academies Press.

Regarding their interactions with doctors during a visit, consumers described being largely content to let the doctor be in control (10%) or mostly take charge (51%). Only 39% reported coming prepared with questions and insisting on getting answers. Further, when asked specifically about aspects of their usual visits, more than 60% of consumers reported being asked their opinion in discussions with their doctor. Only 12% and 22% felt that they received too much or too little information from their doctor, respectively.

**Exhibit 12: Likelihood of Asking Questions When Visiting the Doctor**



**Exhibit 13: Consumer Experience with Giving Their Own Opinion and Receiving Information in Visits**



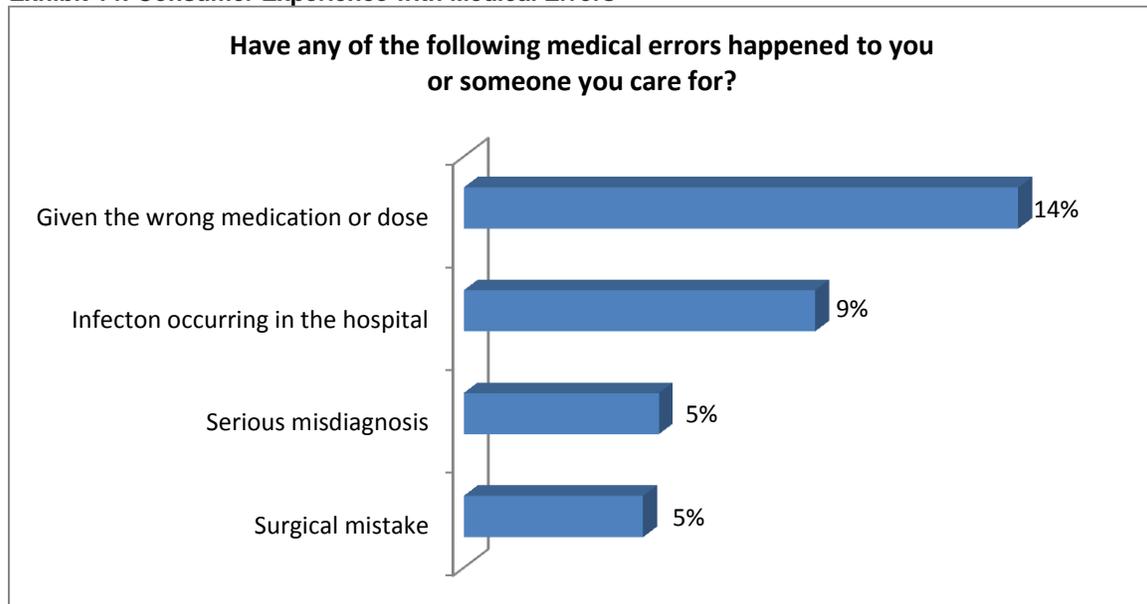
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## IV. Medical Errors and Perceptions of Safety

### Experience with Medical Errors

Consumers were asked about their own experience with preventable medical errors, which claim the lives of an estimated 400,000 people each year.<sup>8</sup> One in seven (14%) reported that they or someone for whom they cared had been given the wrong medication or dosage. Others reported errors related to hospital-acquired infections (9%), serious misdiagnoses (5%), and surgical mistakes (5%). Overall, 31% of consumers had experienced an error on themselves or on a loved one.

**Exhibit 14: Consumer Experience with Medical Errors**



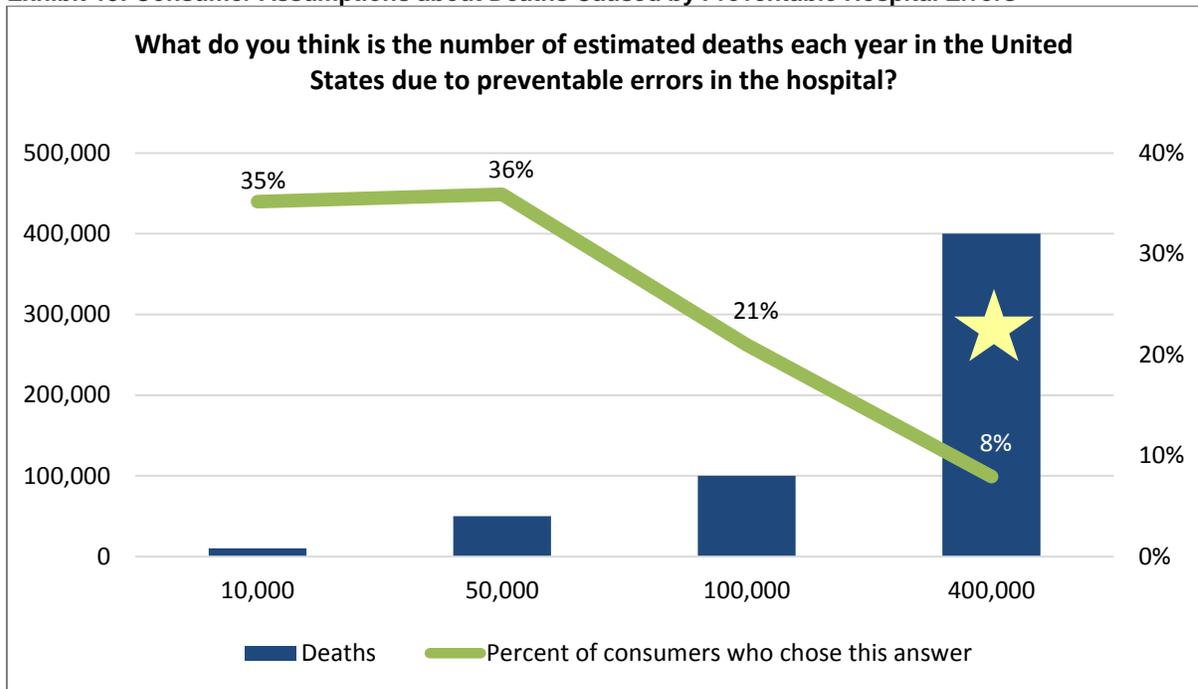
### Knowledge of Medical Errors

To examine whether there is an awareness of the high rate of accidental, preventable deaths in hospital settings, consumers were asked to choose the actual death rate out of four responses. Options ranged from a low of 10,000 deaths per year to a high of 400,000 (the correct response). As shown, consumers were most equally likely (35% each) to choose the lowest two options (10,000 and 50,000). Only 8% selected the actual, highest option of 400,000.

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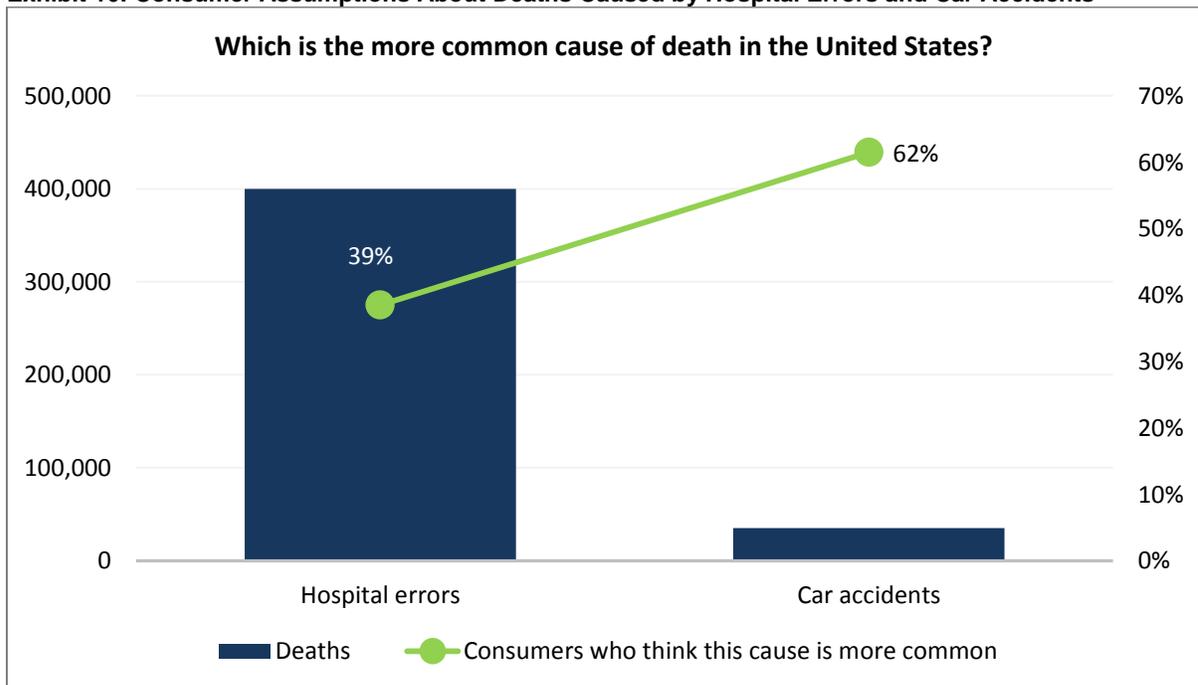
<sup>8</sup> James, J. (2013). A new, evidence-based estimate of patient harms associated with hospital care. *Journal of Patient Safety*, 9(3), 122–128.

**Exhibit 15: Consumer Assumptions about Deaths Caused by Preventable Hospital Errors**



Additionally, the survey asked about the relative rates of death from car accidents and preventable hospital errors. Although more than 10 times as many people die each year from hospital errors, only 39% of respondents selected hospital errors as the more common cause of death.

**Exhibit 16: Consumer Assumptions About Deaths Caused by Hospital Errors and Car Accidents**

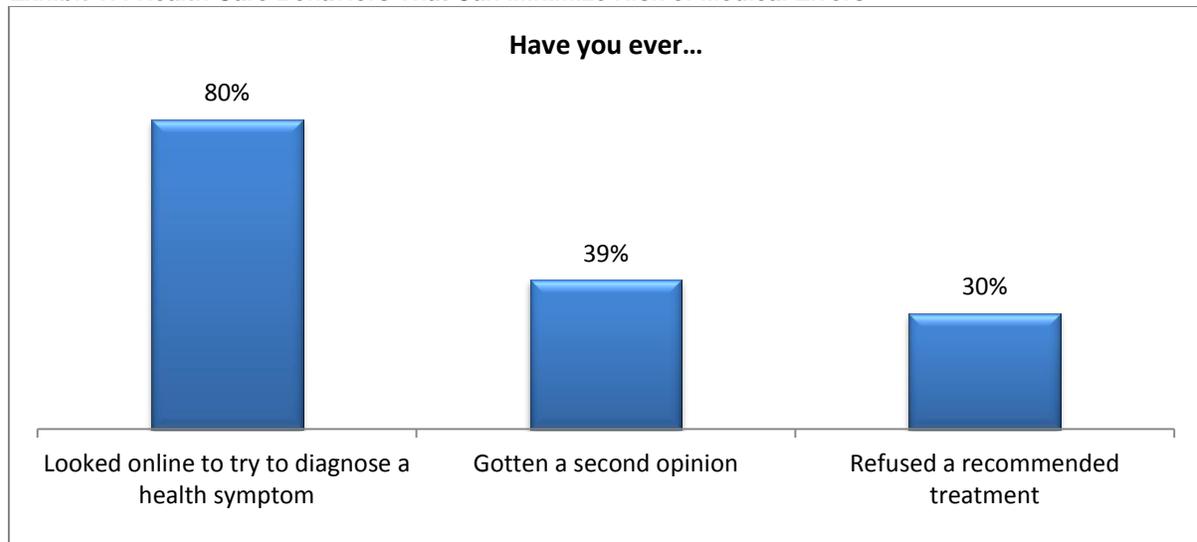


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## Reducing the Risk of Medical Errors

Active and engaged consumers can take steps to protect against medical errors by seeking and sharing health information, asking questions, and consulting with various experts. This survey found that 80% of consumers have searched for information on the Internet about their health-related symptoms. About two out of five consumers (43%) have gone to more than one doctor to seek a second opinion on a diagnosis or treatment, and nearly one-third (30%) have refused a recommended treatment.

**Exhibit 17: Health Care Behaviors That Can Minimize Risk of Medical Errors**



## V. Unexpected Medical Bills

### Experience with Unexpected Medical Bills

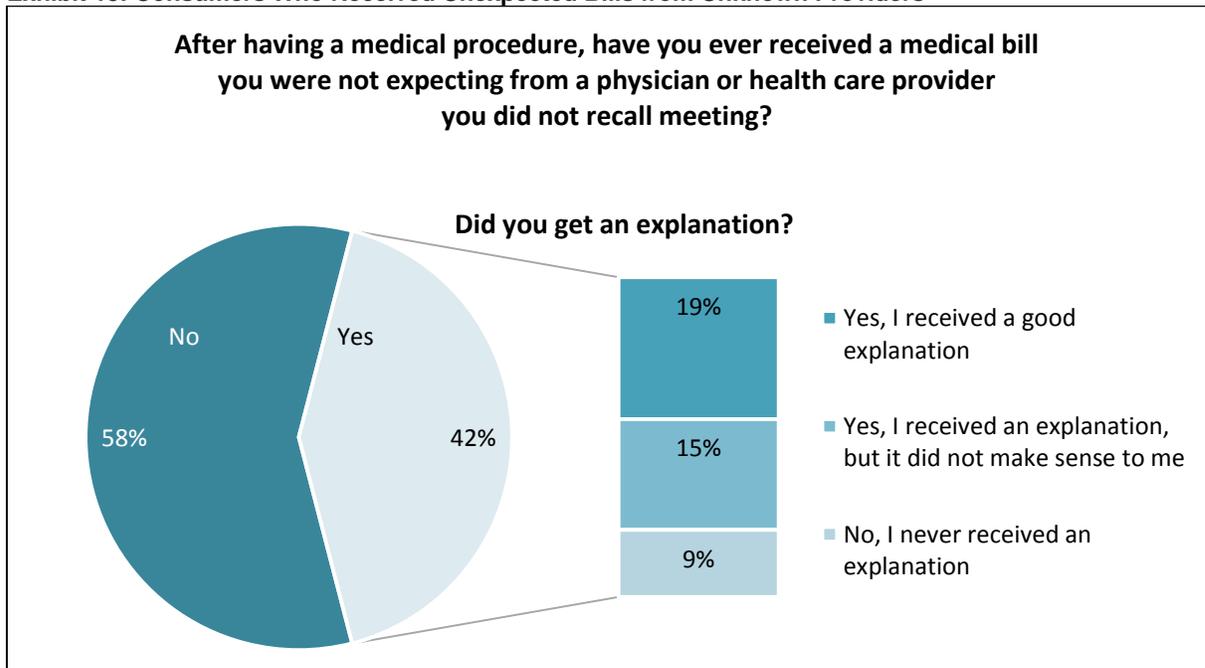
Since insurance and billing can be confusing, it is not uncommon for consumers to receive bills that they do not understand. Furthermore, a recent *New York Times* story<sup>9</sup> reported that patients often encounter “drive-by” fees from providers whom they did not know. To assess how commonly this occurs, the survey asked, “After having a medical procedure, have you ever received a medical bill you were not expecting from a physician or healthcare provider you did not recall meeting?”

More than 40% of respondents reported that they had received an unexpected bill. Of those, fewer than half had received a good explanation of the bill that they understood.

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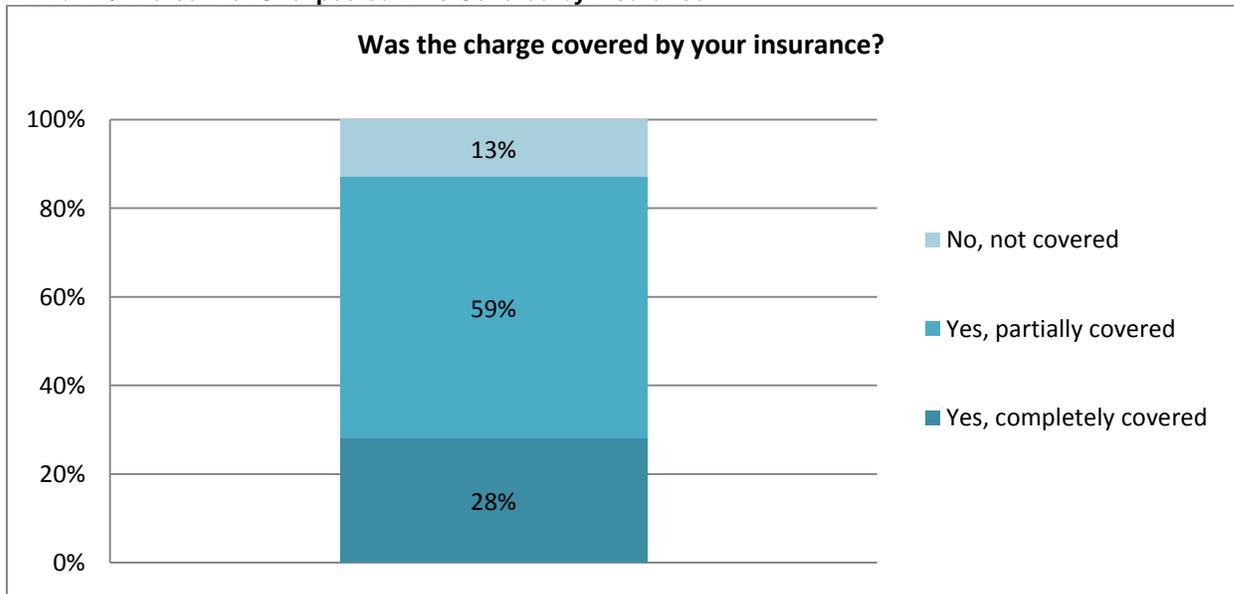
<sup>9</sup> Rosenthal, E. (2014, September 20). After surgery, surprise \$117,000 medical bill from doctor he didn't know. *The New York Times*. Retrieved from [http://www.nytimes.com/2014/09/21/us/drive-by-doctoring-surprise-medical-bills.html?\\_r=1](http://www.nytimes.com/2014/09/21/us/drive-by-doctoring-surprise-medical-bills.html?_r=1).

**Exhibit 18: Consumers Who Received Unexpected Bills from Unknown Providers**



Notably, less than one-third (28%) of the unexpected bills were covered in full by the person’s health insurance. In most cases (59%), the bill was only partially covered.

**Exhibit 19: Percent of Unexpected Bills Covered by Insurance**



## VI. Altarum Consumer Engagement (ACE) Measure

### ACE Measure

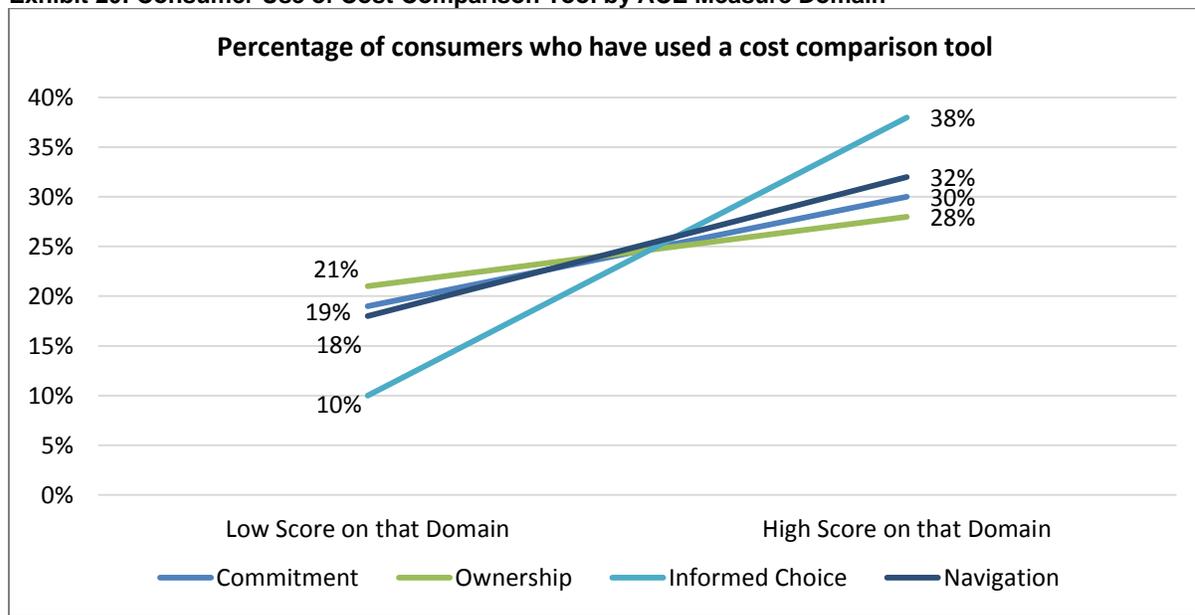
In 2013, Altarum launched a tool to better understand the ways in which people engage in their health. The ACE Measure is a 21-item survey that assesses four domains of health engagement:

- ▲ The **ownership** domain assesses the extent to which a person feels responsible for his or her own health.
- ▲ The **commitment** domain measures a person's ability to manage his or her own health.
- ▲ The **informed choice** domain assesses the degree to which a person seeks and uses health-related information.
- ▲ The **navigation** domain measures how skilled a person is at using the health care system.



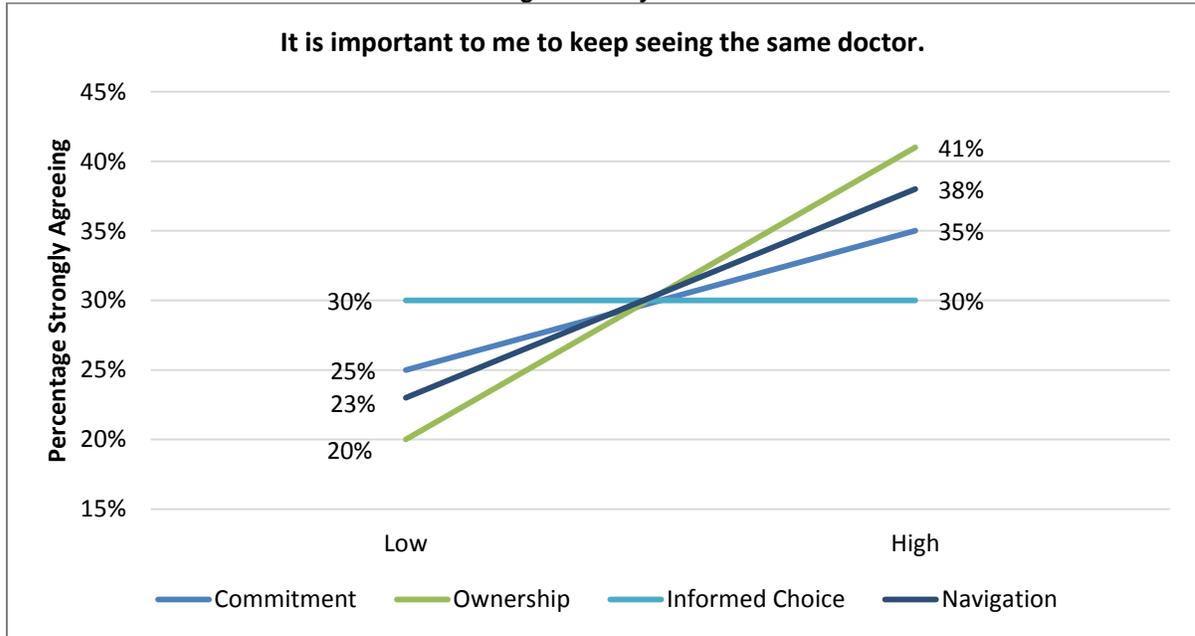
Consumers who took the fall 2014 *Altarum Institute Survey of Consumer Health Care Opinions* were also asked to respond to the ACE Measure questions. Respondents received a score for each domain, and these scores were split at the median to identify consumers with high and low levels of engagement. High scores in each domain were associated with a greater likelihood of having used a cost comparison tool. Notably, only 10% of those scoring low on the informed choice domain have used a tool, while 38% of those scoring high have done so. This may be expected as the informed choice domain measures information-seeking behavior.

**Exhibit 20: Consumer Use of Cost Comparison Tool by ACE Measure Domain**



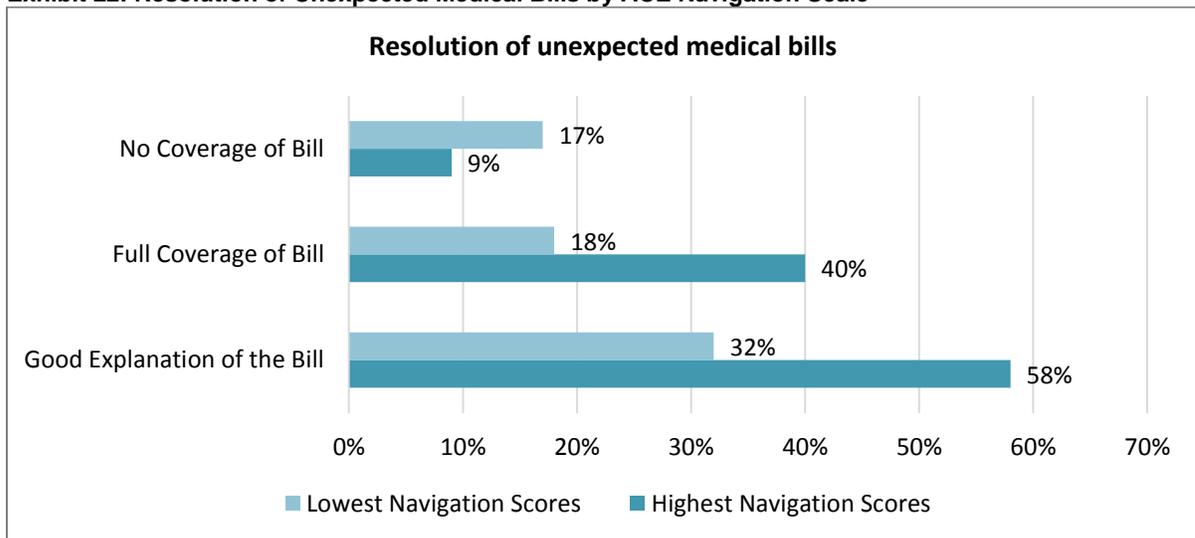
Some opinions also varied according to domain scores. Interestingly, when asked whether they agreed that it is important to keep seeing the same doctor, those scoring above the median in commitment, ownership, and navigation were more likely to agree strongly. However, consumers with both high and low informed choice scores did not differ in their agreement. This indicates that the information-seeking domain is less associated with physician loyalty than the other domains are.

**Exhibit 21: Consumer Commitment to Existing Doctor by ACE Measure Domain**



The navigation scale within the ACE measure indicates a person's degree of comfort and skills dealing with the health care system. This has practical application to the amount and quality of services the person receives. As an example, scores on the navigation domain influenced how likely the respondent was to have unexpected medical bills resolved.

**Exhibit 22: Resolution of Unexpected Medical Bills by ACE Navigation Scale**



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Over 58% of those with the highest navigation scores received a good explanation of the bill and 40% had the bill fully covered by insurance. By comparison, among those with the lowest navigation scores, only 32% received a good explanation and only 18% (half as many) had the bill fully covered by insurance. While 17% of those with the lowest navigation scores received no insurance coverage for the bill, only half as many (9%) of those with high navigation scores received no coverage.

## **VII. Conclusion**

The fall 2014 *Altarum Institute Survey of Consumer Health Care Opinions* finds that consumers have a high level of interest in being involved in their health and health care. Many consumers reported behaviors that reflect this desire to be engaged in their own health, such as playing a lead or shared role in decisions and asking questions about the price of services. Consistent with past survey findings, however, the majority most consumers are not using health care cost and quality data to influence decisions. Only one-quarter of respondents in this survey have used a cost comparison tool to look up the price of a health care services. Of those who did, the majority found it useful and would use it again.

Results of the survey suggest that consumers have very high levels of trust and are not aware of the risks in health care. While national experts estimate that one-third of health care services are unnecessary or redundant, only 7% of respondents believed that their own providers would provide unnecessary services. Furthermore, 92% underestimated the number of deaths due to hospital errors, most missing by a significant degree.

Lastly, this survey provides some illustrated examples using our measure of consumer engagement, the ACE, a tool that separates four independent domains of how consumers behave with regard to their health and health care. Elements of this measure are predictive of health behaviors and perceptions.

## **Appendix**

### **Methodology**

Survey respondents were paid participants from a nationwide panel maintained by Survey Sampling International, Inc. The survey was administered via the Internet in October 2014. Responses for any participant whose patterns indicated either a lack of understanding or hasty completion were dropped from the sample. This resulted in a total of 1,921 usable surveys.

Some questions are repeated in each semiannual survey. It should be noted that because different people respond to each survey, one cannot conclude with certainty that opinions have changed over time. However, consistent trends may be suggestive of a general shift in opinion.

### **Respondents**

Survey respondents included a nationally representative sample of adults between the ages of 18 and 64 years old. More than half (59%) of all respondents were female. The majority (80%) identified themselves as White, 6% as African American, 6% as Hispanic, and 5% as Asian. About half were employed either full time (53%) or part time (12%), and 57% reported that they were married. Annual

household incomes ranged from less than \$20,000 to more than \$150,000, with a median income between \$60,000 and \$75,000.

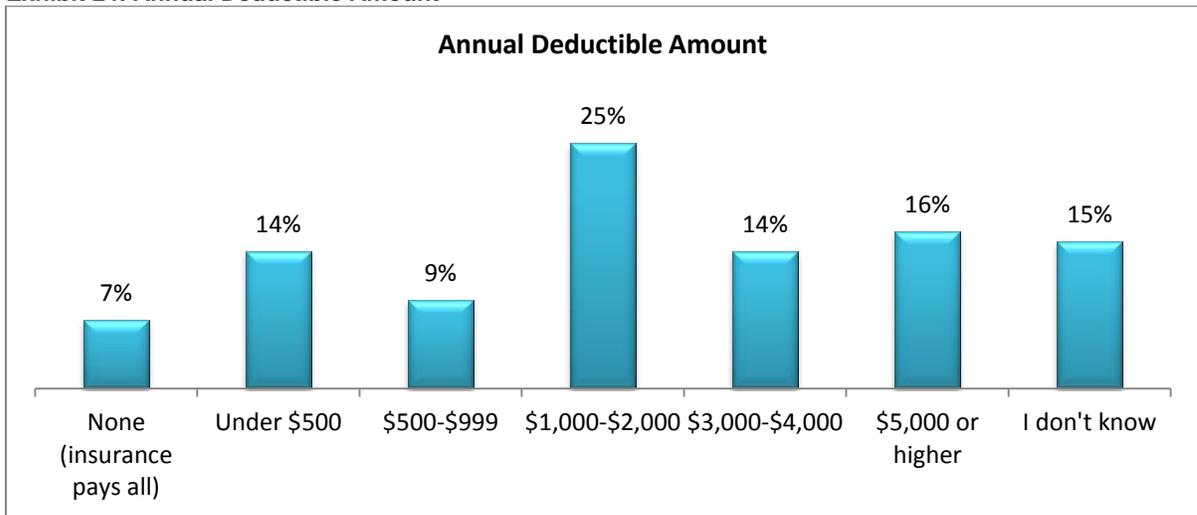
**Exhibit 23: Demographic Characteristics of Survey Respondents**

|                           | Percentage |                                  | Percentage |
|---------------------------|------------|----------------------------------|------------|
| <b>Age Group (years)</b>  |            | <b>Income</b>                    |            |
| 18–24                     | 7          | Less than \$20,000               | 4          |
| 25–34                     | 22         | \$20,000–\$29,999                | 7          |
| 35–44                     | 18         | \$30,000–\$39,999                | 11         |
| 45–54                     | 20         | \$40,000–\$49,999                | 9          |
| 55–64                     | 33         | \$50,000–\$59,999                | 13         |
|                           |            | \$60,000–\$74,999                | 15         |
| <b>Gender</b>             |            | \$75,000–\$99,999                | 16         |
| Male                      | 41         | \$100,000–\$149,999              | 14         |
| Female                    | 59         | \$150,000+                       | 8          |
| <b>Education</b>          |            | <b>Race</b>                      |            |
| Some high school          | 1          | African American                 | 6          |
| High school               | 16         | American Indian or Alaska Native | 1          |
| Some college              | 27         | Asian American                   | 5          |
| College                   | 34         | Hispanic                         | 6          |
| Masters and postgraduate  | 18         | White                            | 80         |
| Doctorate or professional | 4          | Other                            | 2          |
| <b>Employment</b>         |            | <b>Marital Status</b>            |            |
| Full time                 | 53         | Married                          | 63         |
| Part time                 | 12         | Single                           | 20         |
| Unemployed                | 35         | Separated/divorced/widowed       | 12         |
|                           |            | Domestic partnership             | 5          |

**Health Insurance Deductible Amounts**

Annual health insurance deductibles varied from \$0 to more than \$10,000, with a median deductible between \$1,000 and \$2,000. Almost one in seven respondents reported a deductible above \$5,000. About 15% of consumers reported that they did not know the amount of their health insurance deductible.

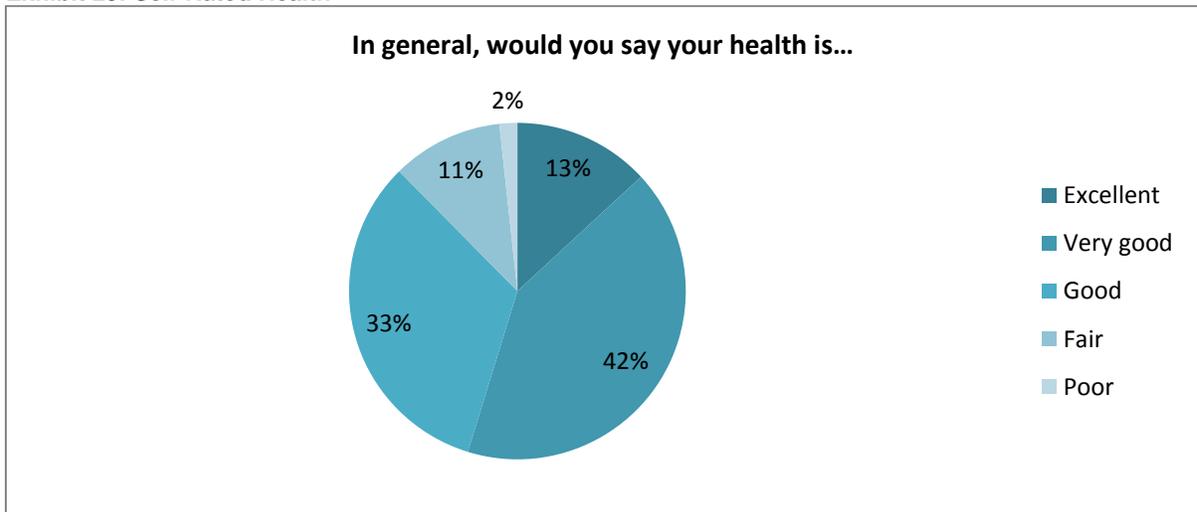
**Exhibit 24: Annual Deductible Amount**



**Self-Rated Health Evaluation**

Survey respondents were asked to rate the status of their own health on a scale from excellent to poor. About 13% perceived themselves to be in excellent health, and three-quarters reported themselves in very good (42%) or good (33%) health. About 13% rated their health as fair or poor.

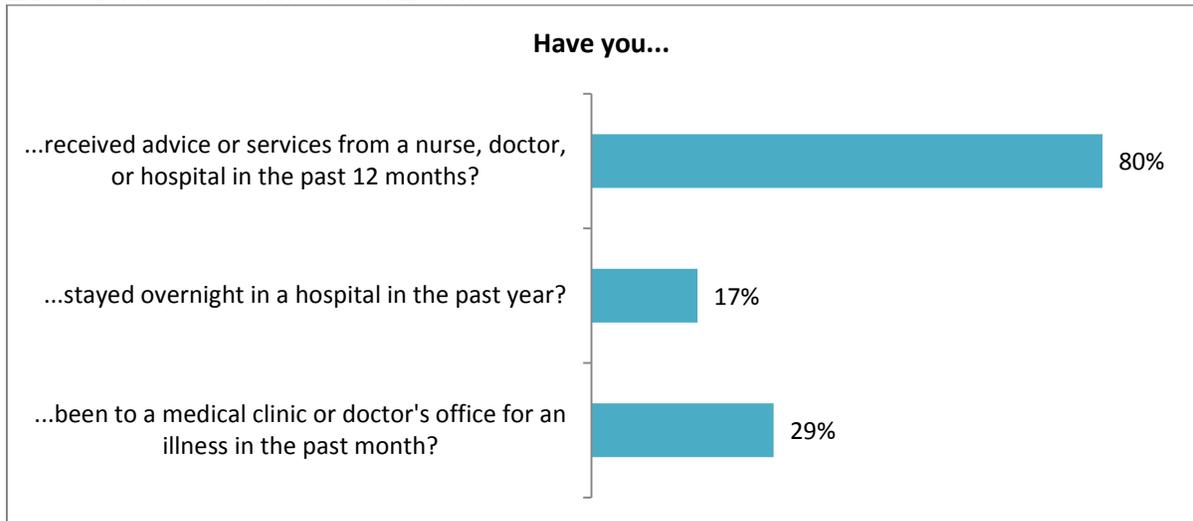
**Exhibit 25: Self-Rated Health**



## Health Care Utilization

Over the past year, 80% of consumers received health care services, and 17% stayed overnight in a hospital. About 29% reported that they had visited a medical facility due to an illness within the past month.

**Exhibit 26: Recent Health Care Utilization**



Two-thirds of respondents take at least one medication prescribed by a doctor. Half of these individuals take one or two medications on a regular basis. Approximately 2% of respondents reported taking 10 medications regularly, and 1% reported taking 12 or more medications. Two out of five consumers (38%) reported that they sometimes forget to take their daily medicine. Within the past 2 weeks, 32% had forgotten to take their medication.

**Exhibit 27: Number of Medications**

