

**Benchmark on Health Care Coverage
Perceptions and Readiness – Consumer Section**

The First Annual Transamerica Center for Health StudiesSM Survey

September 2013

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About the Transamerica Center for Health StudiesSM

The Transamerica Center for Health Studies (TCHS) informs the national health care conversation, bringing clarity to the complex decision-making regarding health coverage and personal health and wellness. Through its broad-based analysis and research findings, TCHS offers consumers and employers a guide to navigate the financial implications of the health care decisions they are facing.

TCHS engages with the American public through national surveys, its website, research findings and consumer guidance. TCHS also collaborates with health care experts and organizations that are equally focused on health coverage and personal health and wellness.

A division of the Transamerica Institute, a nonprofit, private foundation, TCHS is dedicated to identifying, researching and analyzing the most relevant health care issues facing consumers and employers nationwide.

The Transamerica Institute is funded by contributions from Transamerica Life Insurance Company and its affiliates (not a major medical insurer) and may receive funds from unaffiliated third parties.

About the Survey

The Transamerica Center for Health StudiesSM (TCHS) has conducted a national survey of both the U.S. General Adult Population and businesses (Employers) regarding their attitudes toward health care and health insurance coverage as they face a shifting health care coverage landscape.

The Survey took place in July 2013 and asked randomly selected Americans and Employers questions about their health care needs and preferences and also about their preparedness for and expectations relating to the Affordable Care Act. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public about healthcare and health coverage. The 2013 Survey is the first of what will be an annual nationwide health care survey.

Harris Interactive was commissioned to conduct the survey for TCHS and it was conducted independently. TCHS is not affiliated with Harris Interactive.

Methodology: General Population Survey

- An 18-minute online survey was conducted July 9–22, 2013 among a nationally representative sample of 2,505 members of the U.S. General Adult Population using the Harris online panel. Among the respondents:
 - All were U.S. residents aged 18–64.
 - 1,704 were working (full-time, part-time, or self-employed).
- Data were weighted (statistically adjusted) on income, education, gender, race/ethnicity, region, employment status, number of employees in company, and health insurance status to:
 - Account for differences between the population available via the Internet versus by telephone.
 - Be a representative sample of the U.S. General Adult Population age 18-64.
- Percentages were rounded to the nearest whole percent. Differences in the sums of combined categories/answers are due to rounding.

Terminology

This report uses the following terminology:

General

- **ACA:** Affordable Care Act
- **Gen Pop:** General Adult Population
- **Workers:** Those among the Gen Pop who are full-time, part-time, or self-employed, unless otherwise noted
- **Employers:** Weighted sample of employers surveyed

Company Size

- **Small company:** 1–49 employees (EEs)
 - **Micro company:** 1–9 employees (EEs)
 - **Small non-micro company:** 10–49 employees (EEs)
- **Medium company:** 50–499 employees (EEs)
- **Large company:** 500 or more employees (EEs)

Generations

- **Millennials :** Those born 1979–1995
 - **Younger Millennials:** Those born 1989–1995
 - **Older Millennials:** Those born 1979–1988
- **Generation X:** Those born 1965–1978
- **Baby Boomer:** Those born 1946–1964

Iconography

This report uses the following iconography:



: Slide contains data from the Employer survey.



: Slide contains data from the Gen Pop survey. Some slides show subsets of the Gen Pop (e.g., full-time, part-time, or self-employed Workers) rather than all of the Gen Pop.

The Current Health Care Landscape

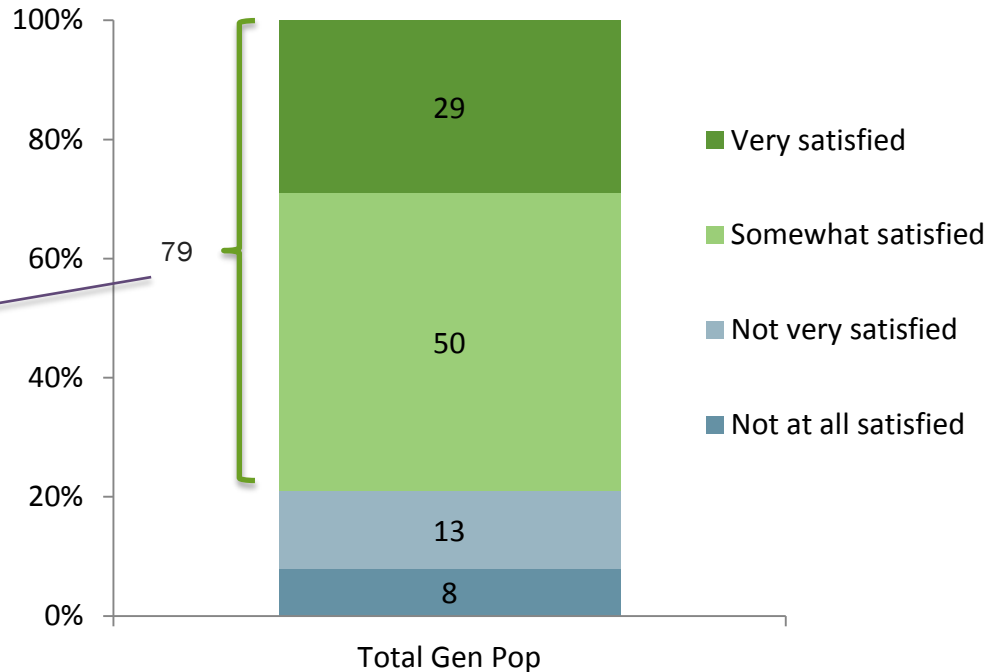
Many Are Satisfied with the Quality of the Health Care System

Seventy-nine percent of the Gen Pop are at least somewhat satisfied with the health care system to which they have access. However, only 29 percent are “very” satisfied.



Satisfaction of Quality of Health Care System

A similar majority of full-time/part-time/self-employed Workers (79 percent) are satisfied with the quality of the health care system to which they have access.



BASE: Total Gen Pop (n=2505)

Q730. Overall, how satisfied are you with the quality of the health care system you have access to today? When we say health care system we are referring to all things related to health care including doctors, nurses, and other health care providers, hospitals, insurance, etc.

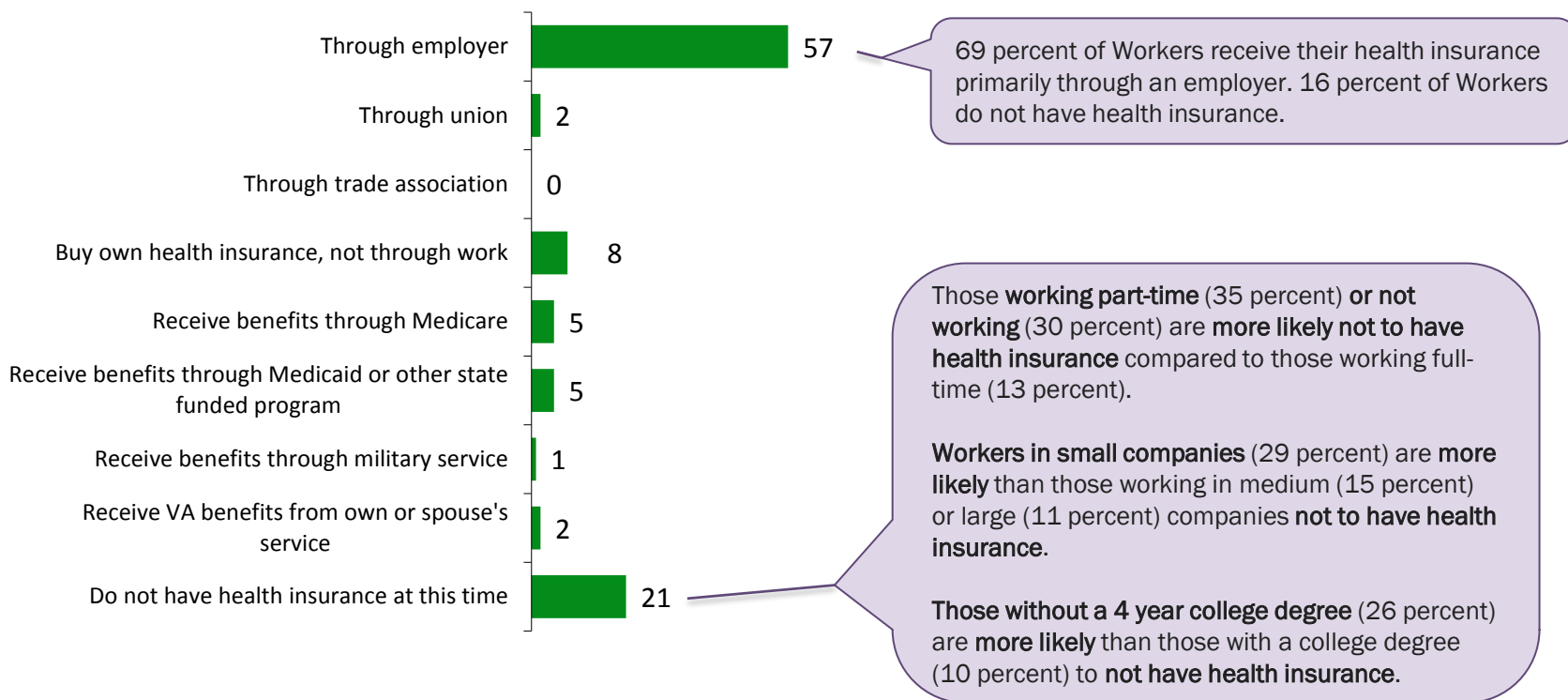
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Employers Are the Most Cited Source of Health Insurance

Most of the Gen Pop (57 percent) receive their health insurance primarily through an employer, and about one-fifth (21 percent) currently do not have health insurance.*



Primary Health Insurance Benefits Received



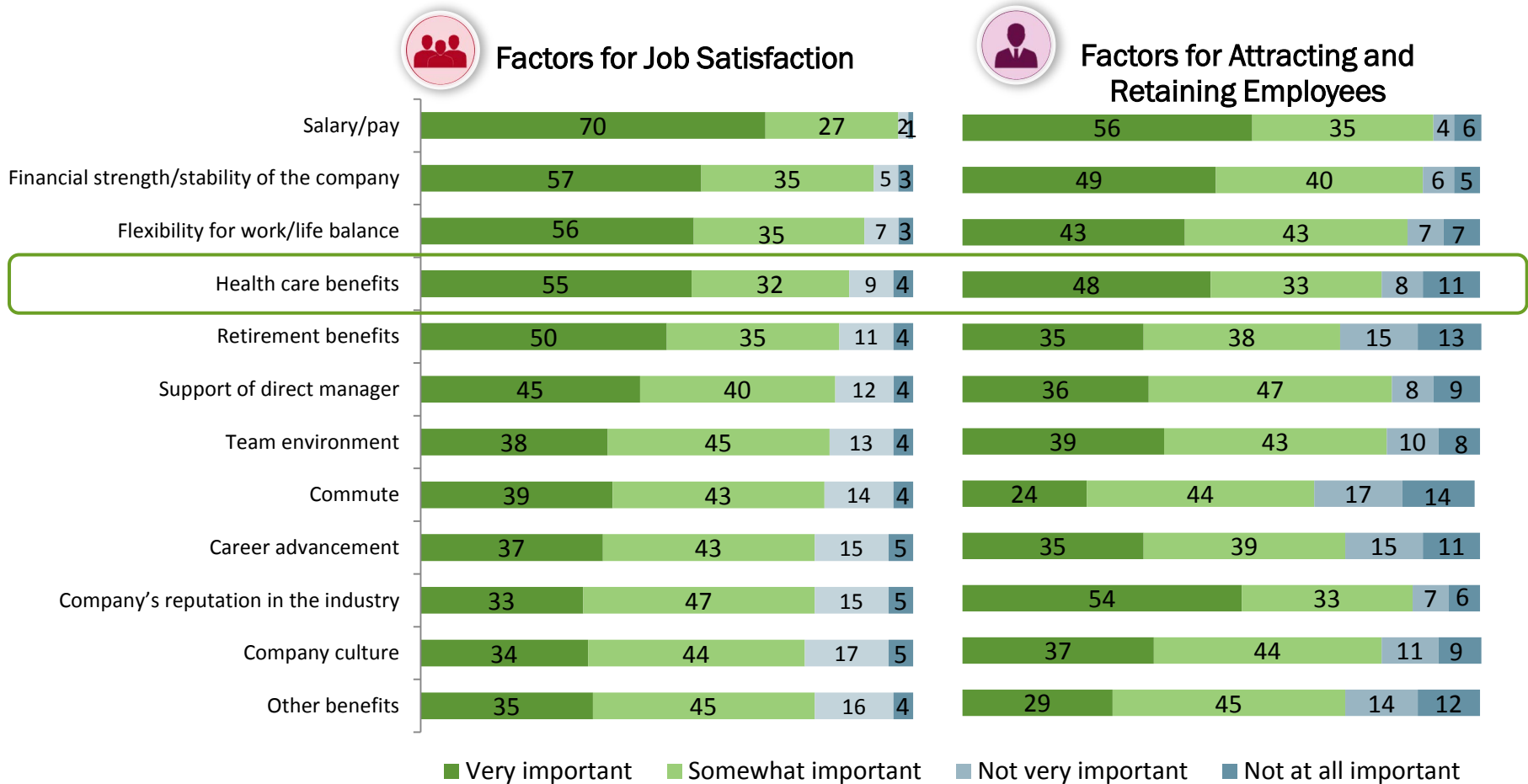
*Note: For comparison, the U.S. Census 2012 Current Population Survey (CPS) has an uninsured rate of 21 percent among Americans 18-64 years of age.

BASE : Total Gen Pop (n=2505)

Q602. Which of the following best describes how you primarily receive health insurance benefits today?

Health Care Benefits Play a Role in Job Satisfaction

Health care benefits was the fourth most cited important factor for job satisfaction among full-time and part-time Workers (55 percent say it is very important), and Employers indicate it is the fourth most important factor in attracting and retaining employees (48 percent say it is very important).



BASE: Total full-time or part-time Workers (n=1615)

Q1105. When thinking about your job/career, how important are each of the following factors in your overall job satisfaction?

BASE: Total Employers (n=758)

Q716. How important are each of the following attributes in your company's ability to attract and retain employees?

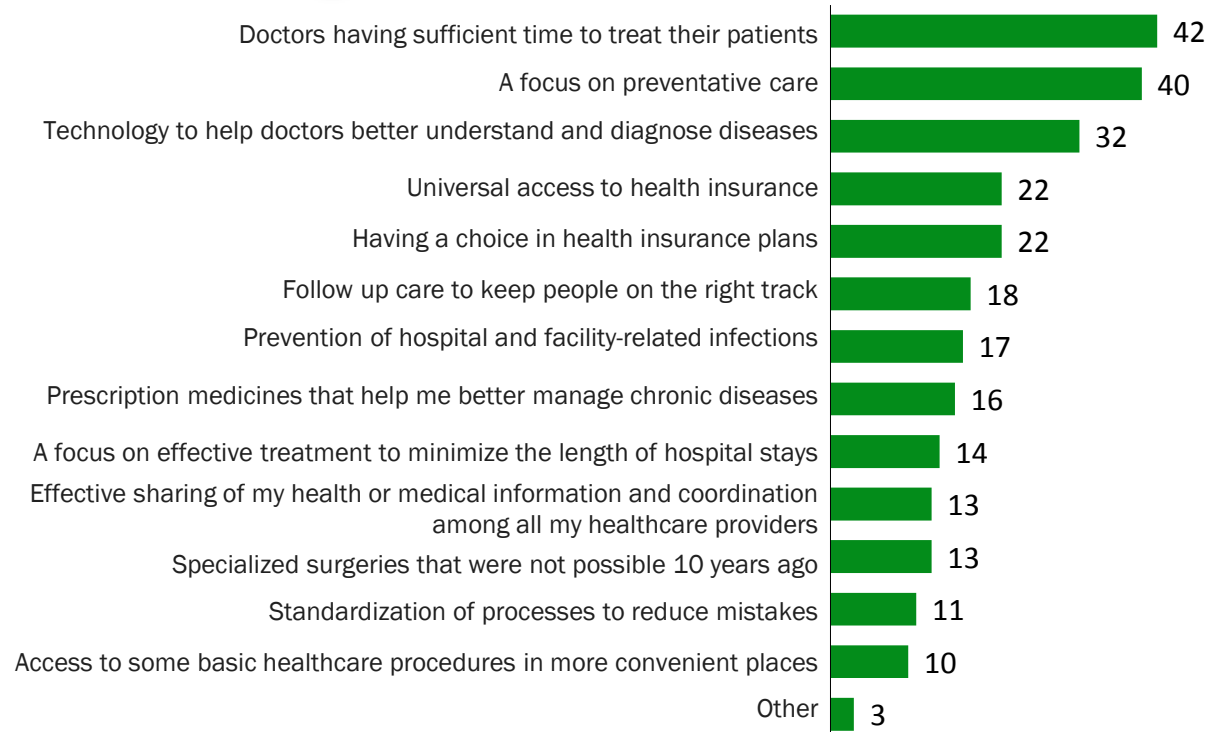
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Quality in the Health Care System Consists of Different Elements

The Gen Pop most frequently cites characteristics of quality, such as doctors having sufficient time to treat patients (42 percent), a focus on preventative care (40 percent), and technology to help doctors better understand and diagnose diseases (32 percent).



Characteristics of Quality in the Health Care System



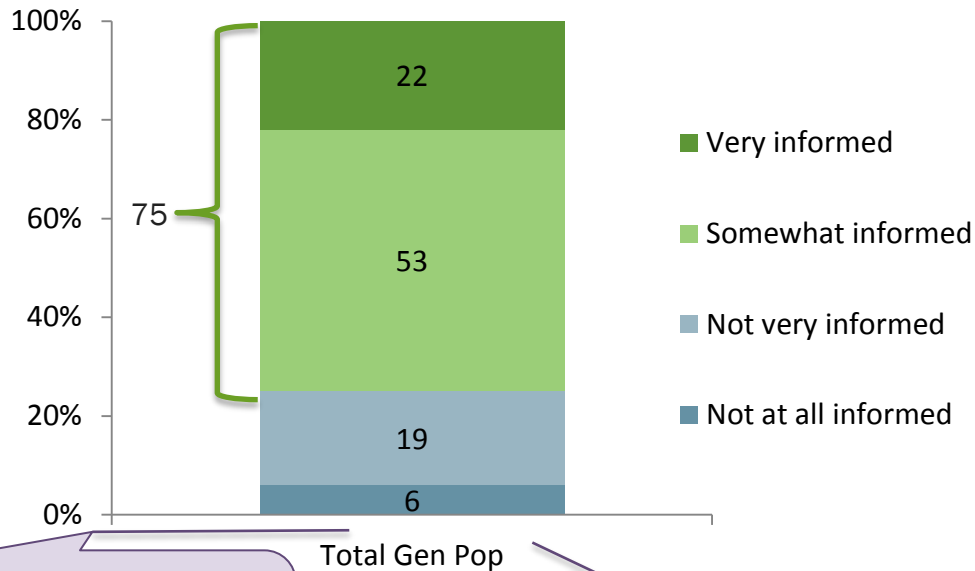
<i>Full-Time/Part-time/Self-Employed Workers</i>
42
43
33
21
21
18
16
14
16
13
12
12
10
3

Deep Knowledge of Health Insurance Options Is Low Among the General Population and Employers

Most of the Gen Pop (75 percent) and Employers (81 percent) are at least somewhat informed about their personal and their company's health insurance options, but only 22 percent and 37 percent, respectively, are "very informed."



Informed of Health Insurance Options



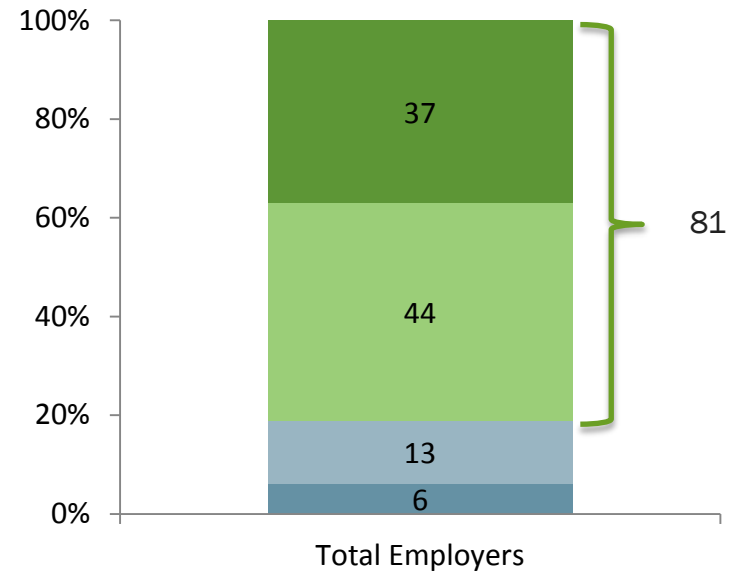
Total Gen Pop

Women (28 percent) are more likely not to feel informed compared to men (22 percent).

Employees of small companies (32 percent) are more likely than those in medium (21 percent), or large (18 percent) companies to not feel informed.



Informed of Health Insurance Options



Total Employers

BASE: Total Gen Pop (n=2505)

Q1000. How informed do you feel about your current options for health insurance (i.e., major medical insurance)?

BASE: Total Employers (n=758)

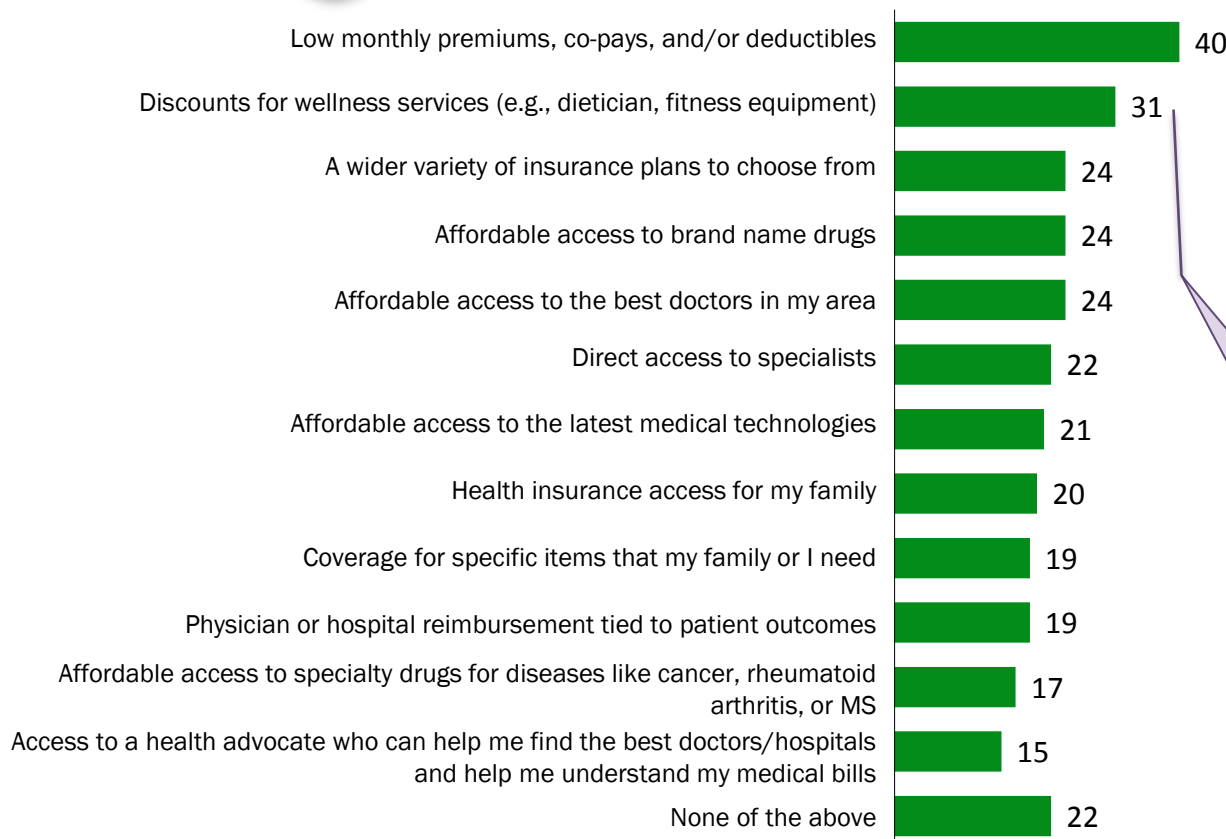
Q1005. Regardless of whether you offer insurance, how informed do you feel about your company's current options for health insurance (i.e., major medical health insurance)?

Ways to Lower Health Care Costs Are the Most Cited Elements Missing from Health Care Options

Low monthly premiums, co-pays, and deductibles (40 percent) and discounts for wellness services (31 percent) are the two most cited elements mentioned by the Gen Pop that are missing from their current health care options.



Missing Elements from Current Health Care Options



Baby Boomers (44 percent) are more likely than Younger Millennials (29 percent) to indicate low monthly premiums, co-pays, and/or deductibles as missing from their current health care options.

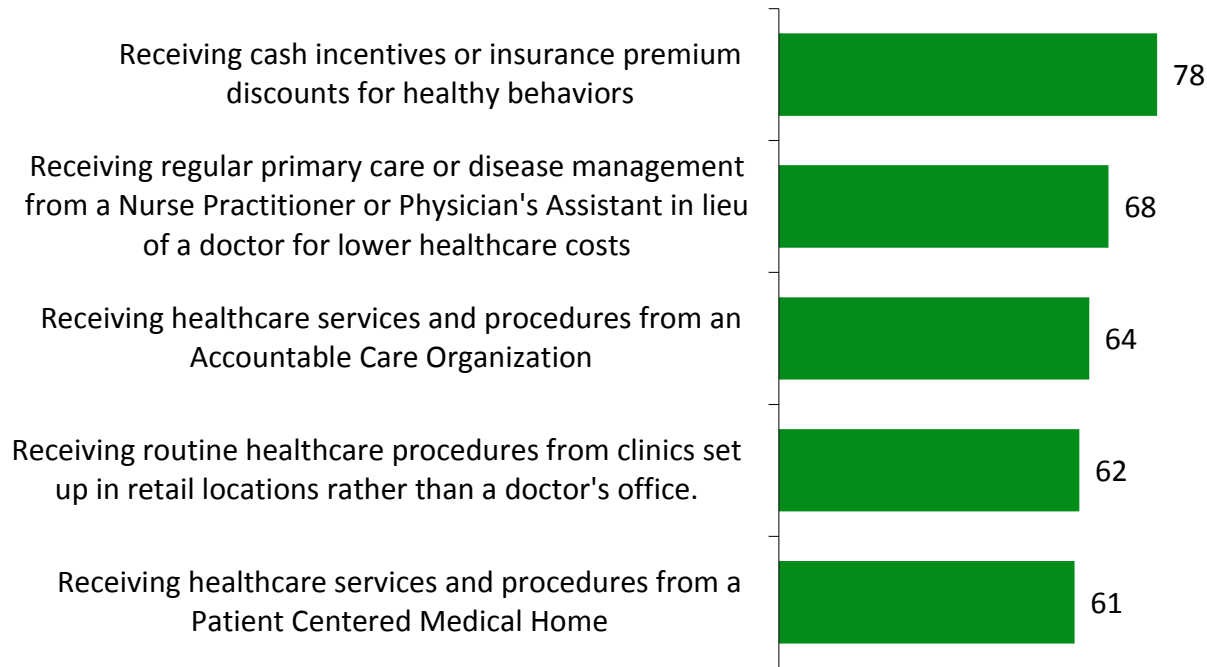
Baby Boomers (29 percent) are less likely than Older Millennials (37 percent) to indicate discounts for wellness services as missing from their current health care options. Workers (34 percent) are more likely than the Gen Pop to select discounts for wellness as missing from health care options.

High Level of Interest Exists in Different Approaches to Health Care Services

When asked about possible approaches to health care, receiving cash incentives, or discounts on health insurance premiums for healthy behaviors (78 percent) and receiving primary care or disease management from a nurse practitioner or physician's assistant (68 percent) are the two proposed approaches to generate the most interest.



Potential Approaches to Health Care Very/Somewhat Interested



BASE: Total Gen Pop (n=2505)

Q800. How interested are you in each of the following potential approaches to health care?

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Health Care Benefits Management

Employers Offer Several Channels Workers Find Helpful When Seeking Health Insurance-Related Information

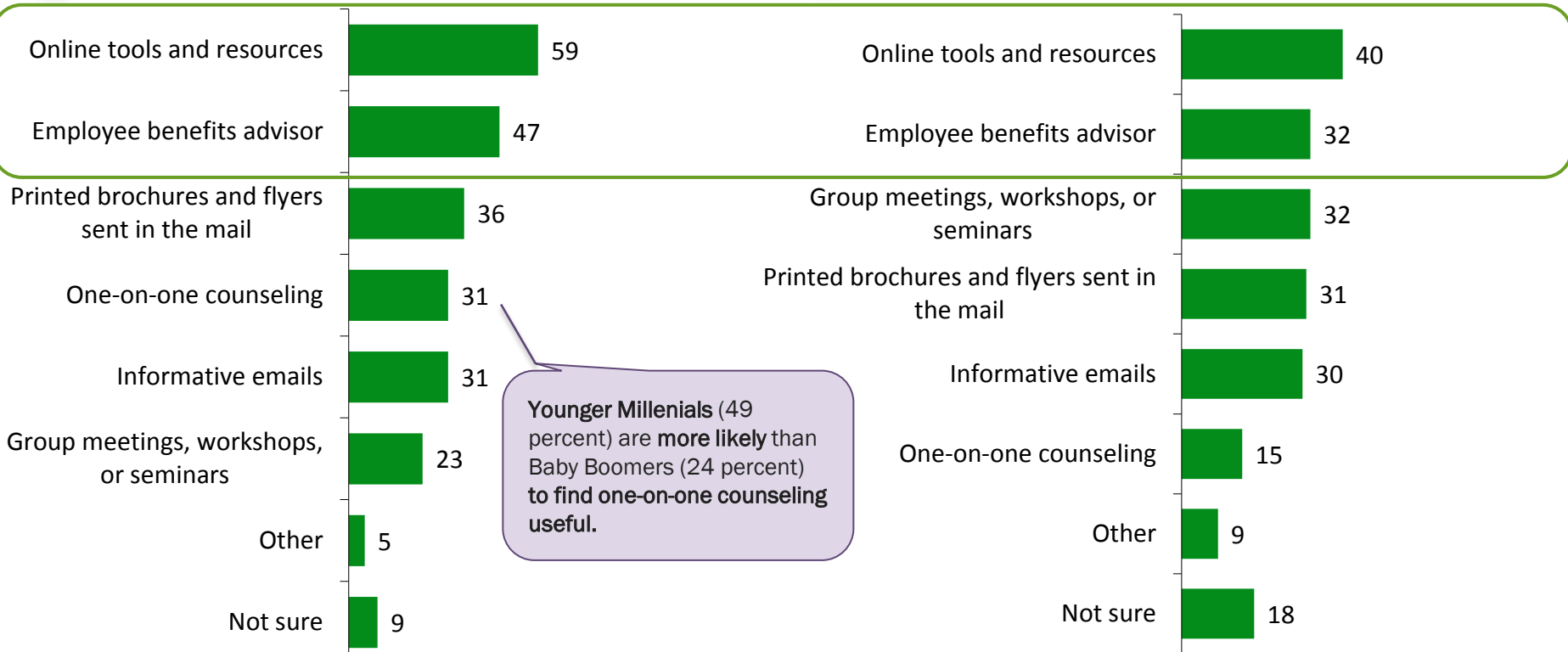
Employers cite online tools and employee benefits advisors as the options most often provided to employees for advice about health care benefits, but less than half (40 percent) of Employers reported any single option as being provided to their employees.



Helpful Options When Seeking Health Insurance-Related Information



Options Offered by Company Regarding Education or Advice on Health Insurance



BASE: Full-time, part-time, or self-employed Workers and offered/have access to health care benefits (n=1426)

Q1120. When seeking information and/or advice about health care benefits, saving for health care costs, or planning for health care costs, which of the following options do you find helpful? Please select all that apply.

BASE: Total Employers (n=758)

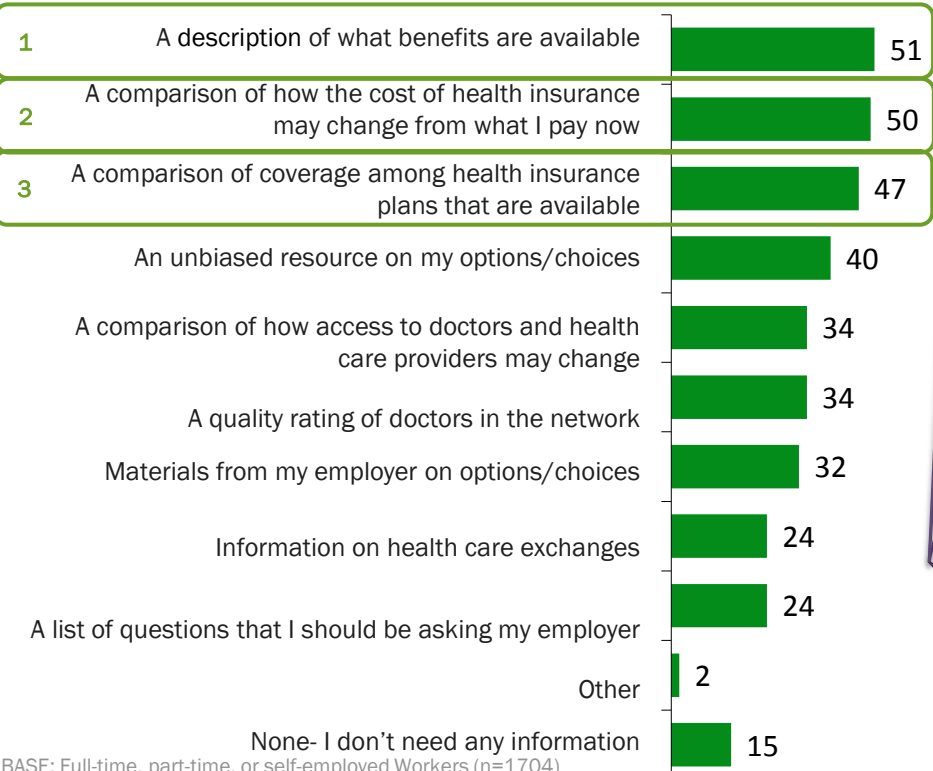
Q1100. Which of the following options does your company, insurance plan provider or benefits advisor offer to your employees regarding education and/or advice about health care benefits, saving for health care costs, or planning for health care costs?

Workers Need Comparative Information about Health Insurance

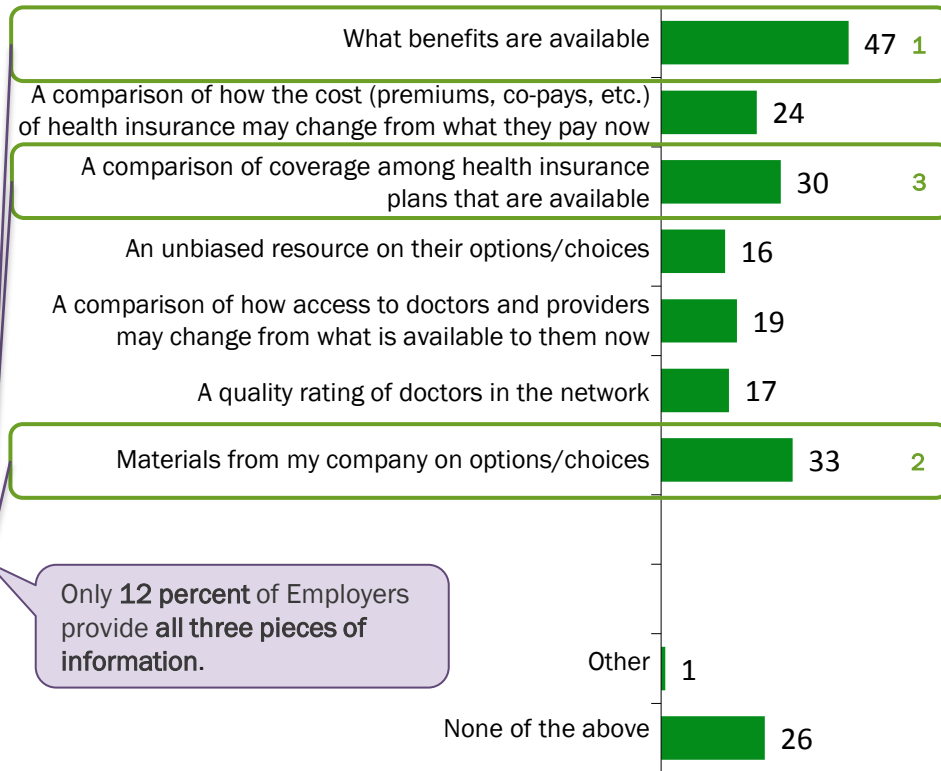
Compared to Employers, a higher proportion of Workers indicate they need a comparison of costs (50 percent vs. 24 percent) and coverage of available health insurance plans (47 percent vs. 30 percent) and an unbiased resource (40 percent vs. 16 percent).



Information Needed by Workers (Full-Time/Part-Time/Self-Employed) to Make Informed Health Insurance Decisions



Information Provided by Company to Help Employees Make Informed Health Insurance Decisions



Only 12 percent of Employers provide all three pieces of information.

BASE: Full-time, part-time, or self-employed Workers (n=1704)
 Q1025. What information do you need to make an informed decision regarding your health insurance options in the next 1-2 years? Please select all that apply.

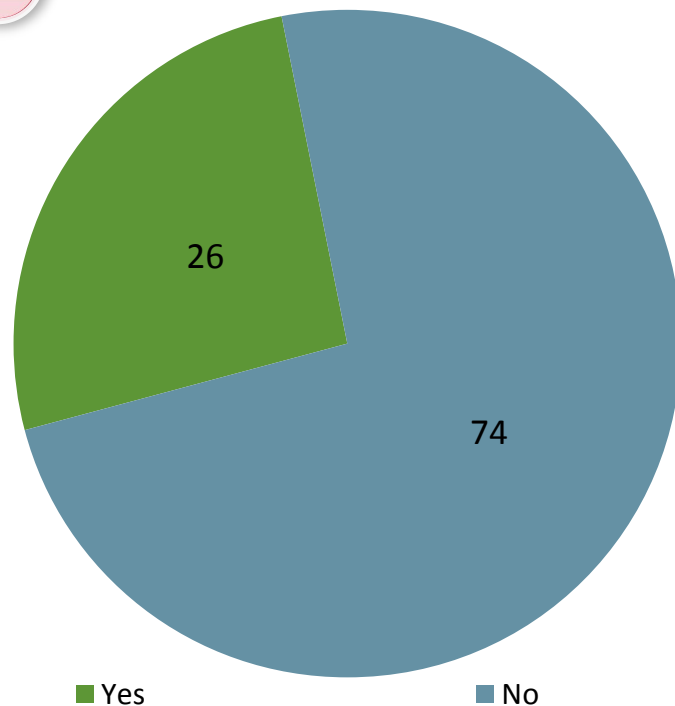
BASE: Total Employers (n=758)
 Q1102. What information, if anything, do you provide so that your employees can make informed choices about their health insurance options? Please select all that apply.

Health Care Priorities

Most People Are Not Actively Saving for Health Care Expenses

The majority (74 percent) of the Gen Pop currently isn't saving for health care expenses.

 Currently Saving for Health Care Expenses



Those who do not have a 4 year college degree (79 percent) are **more likely** than those with a college degree (64 percent) to **not be saving for health care expenses**.

Workers in small companies (77 percent) have the **highest proportion of not saving for health care expenses** compared to those in medium (69 percent) or large (64 percent) companies.

BASE: Total Gen Pop (n=2505)

Q755. Are you currently saving for health care expenses, in accounts such as a flexible spending account (FSA), health savings account (HSA), bank account, etc.?

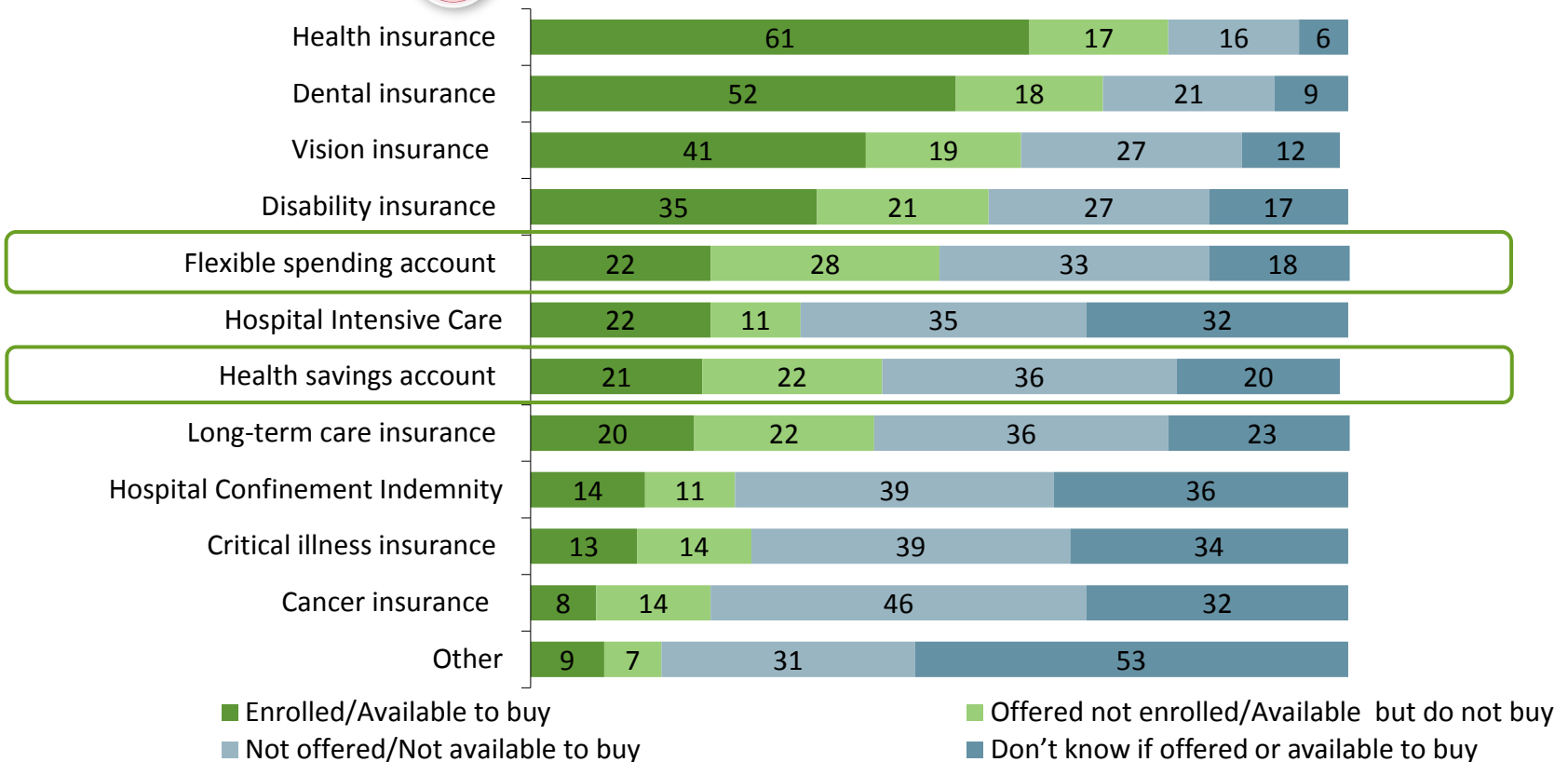
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Workers Are Not Taking Advantage of FSAs and HSAs

Twenty-eight percent of Workers have access to a flexible spending account but do not participate and 22 percent of Workers have access to a health savings account but do not participate.



Health Care Benefits Offered at Workplace



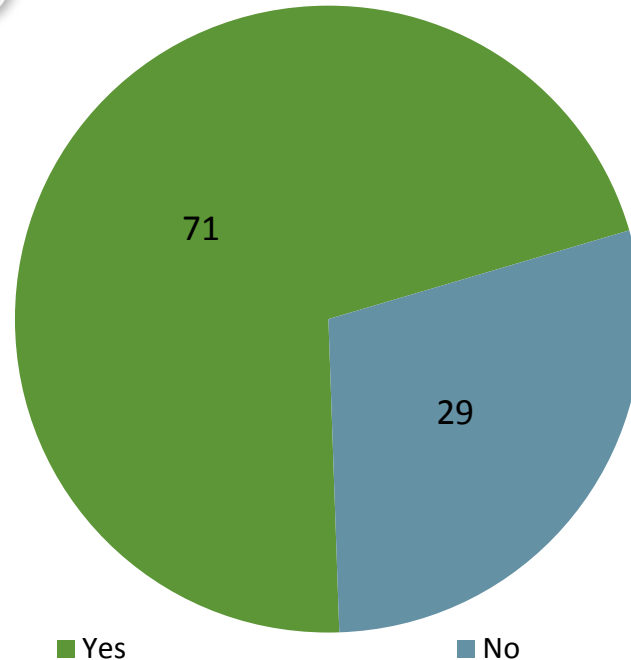
BASE: Full-time, part-time, or self-employed Workers (n=1704)
 Q1110. Now, we would like to ask you some questions about specific health care benefits. Which of the following health care benefits does your company offer you, personally, even if you choose not to participate?

Most People Say They Are Able to Afford Health Care Expenses

In light of the lack of saving for health care expenses, a strong majority (71 percent) of the Gen Pop indicate they are able to afford their routine health care expenses. However, that still leaves 29 percent of the Gen Pop who are unable to afford routine health care expenses.



Able to Afford Routine Health Care Expenses



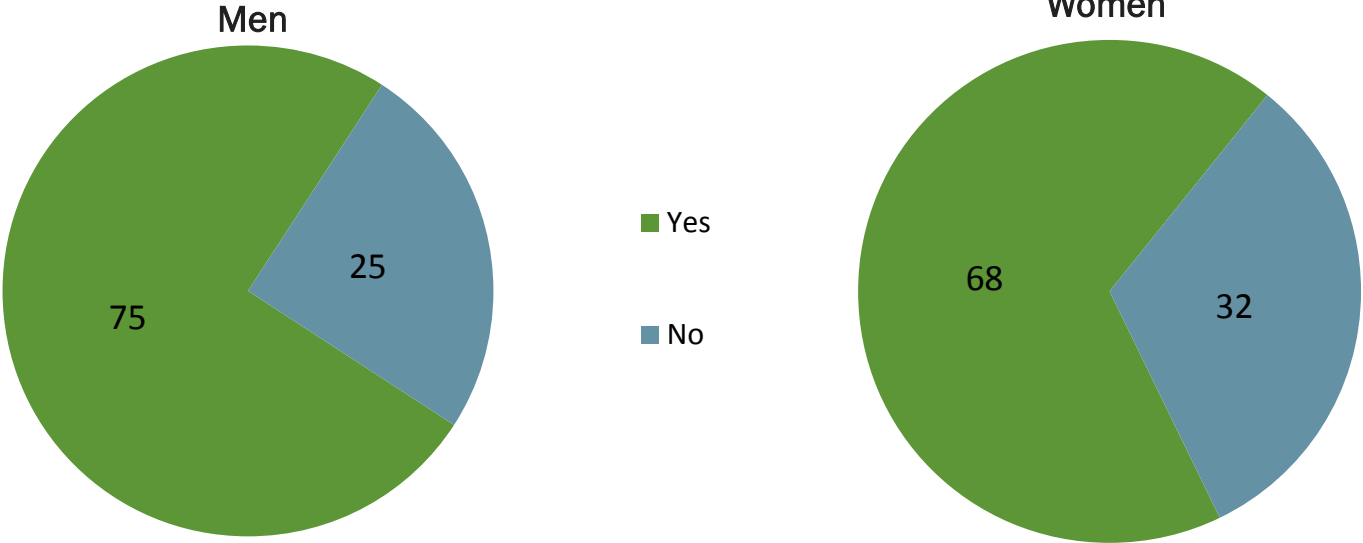
Employees of small companies (31 percent) are more likely than employees in medium (22 percent) or large companies (22 percent) to indicate they are not able to afford current health care expenses.

Women Feel Less Able to Afford Health Care Expenses

Women (68 percent) are less likely than men (75 percent) to say they are able to afford routine health care expenses – in fact nearly one-third (32 percent) of women say they are not able to afford them.



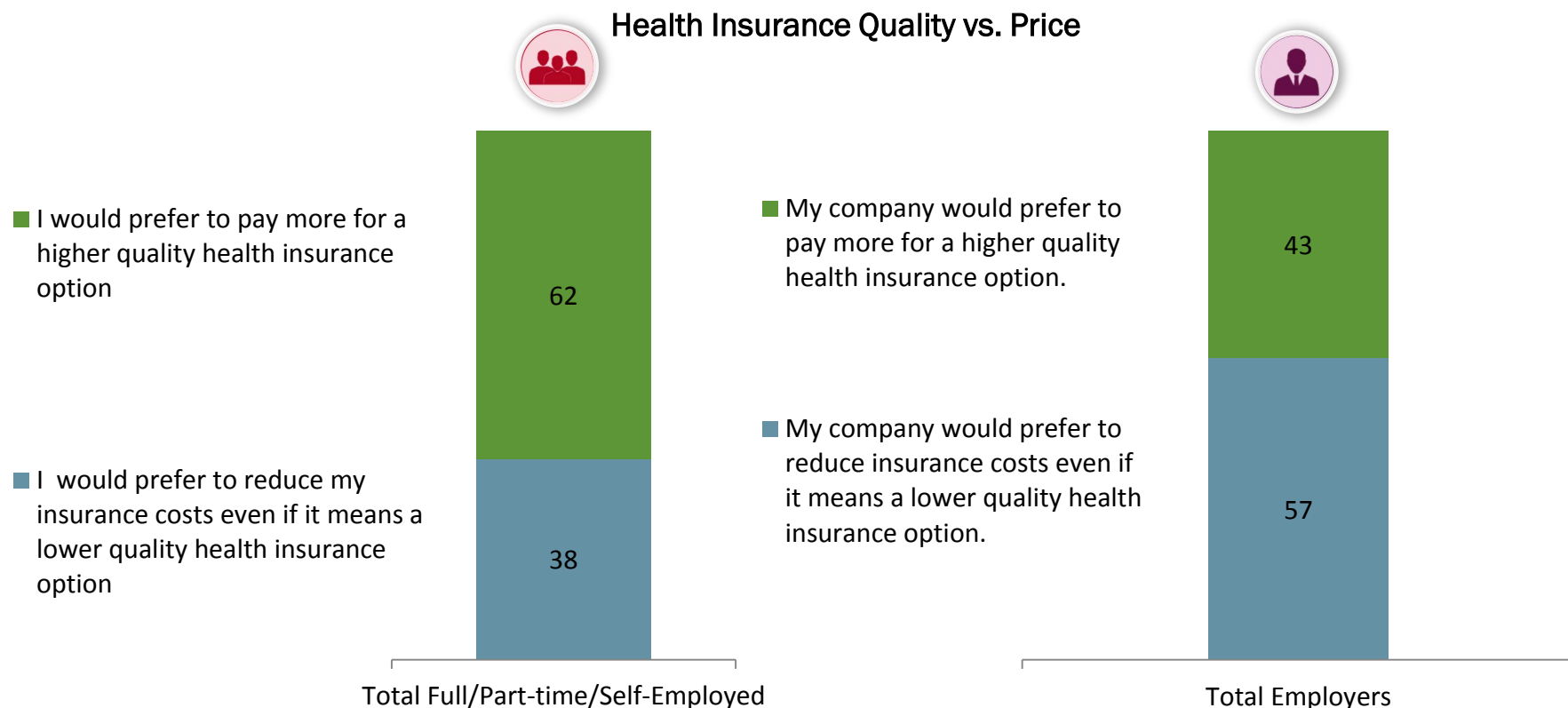
Able to Afford Routine Health Care Expenses



BASE: Total Gen Pop (Male N=1072, Female N=1433)
Q760. Are you currently able to afford your routine health care expenses (health insurance co-pays, deductibles, out-of-pocket expenses, etc.)?
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Workers and Employers Have Conflicting Priorities Regarding Trade-Off between Quality and Price for Health Insurance

The majority (62 percent) of Workers have a preference for higher quality over lower price regarding health insurance while the majority (57 percent) of Employers have a preference for lower price over quality.



BASE: Total full-time, part-time or self-employed Workers (n=1704)

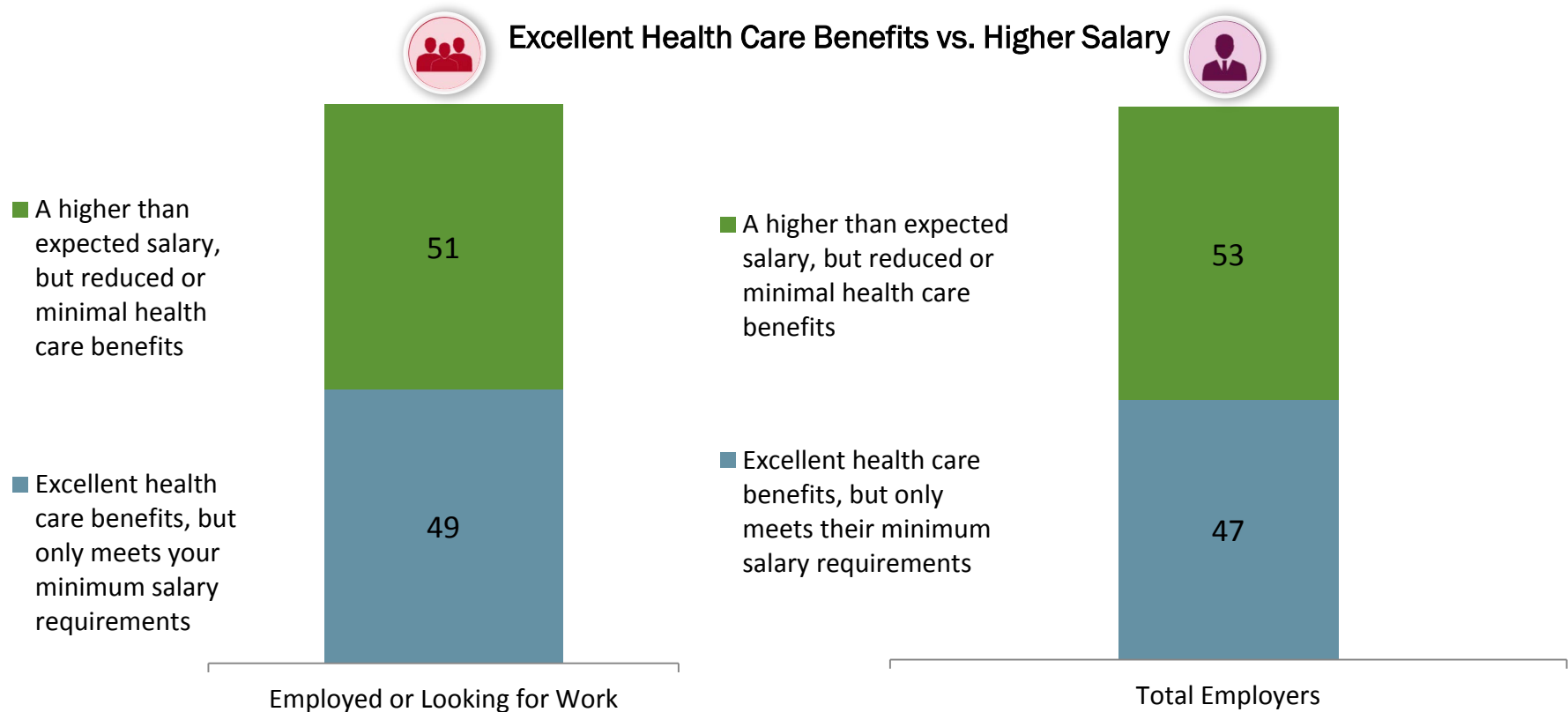
Q1040. Which of the following statements is closer to your view?

BASE: Total Employers (n=758)

Q935. Which of the following statements is closer to your company's view?

Workers and Employers Agree on Job Offer Preferences

The Gen Pop that is working or searching for work is fairly split on their preference for a higher salary vs. excellent health care benefits (51 percent vs. 49 percent). Employers are almost equally as split regarding their beliefs about what potential employees prefer (53 percent for higher salary vs. 47 percent for excellent health care benefits).



BASE: Full-time, part-time, or self-employed workers or unemployed but looking for work (n=1888)

Q1125. Suppose that two job offers come your way. Which of the following job offers would you choose?

BASE: Total Employers (n=758)

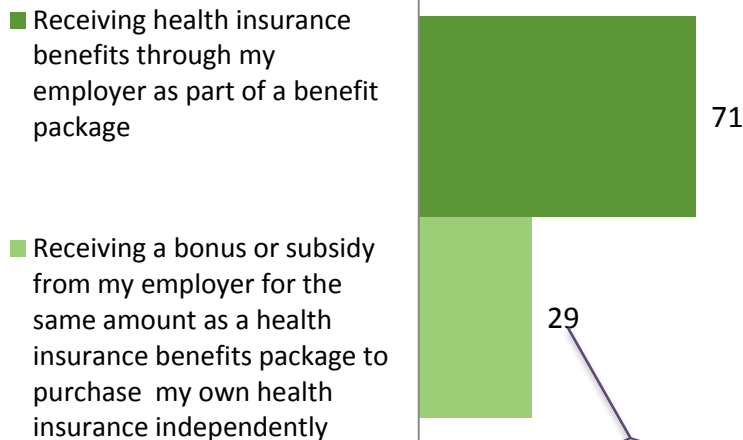
Q930. Suppose your company could offer the following two choices in a job offer to a potential employee. Which one of the following options do you feel would be of greater preference to a potential employee?

Workers Prefer to Receive Health Insurance through Employer

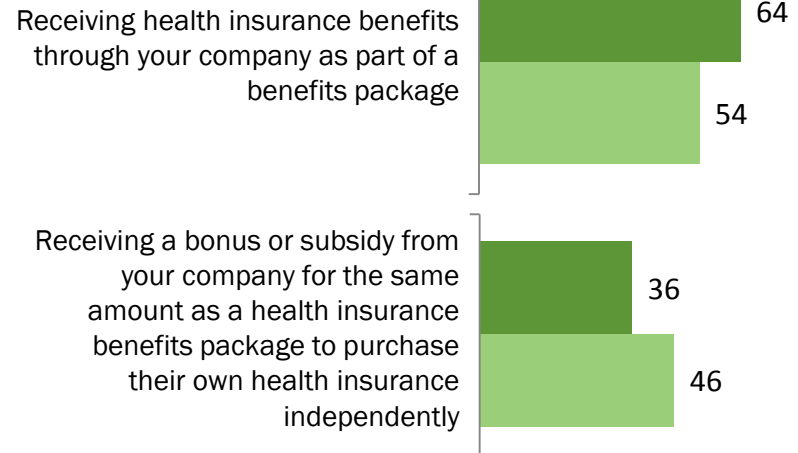
Although full-time and part-time Workers overwhelmingly prefer (and the majority of Employers also acknowledge their employees would prefer) to receive health insurance through their Employer (71 percent and 64 percent, respectively), Employers are split in their company's preference in continuing to provide health insurance directly.



Preferred Methods of Obtaining Health Insurance



Preferred Methods of Obtaining Health Insurance by Employees



Total Employers

■ Your employees

■ Your company

Employees in small companies (36 percent) are more likely than employees in medium (25 percent) or large (26 percent) companies to prefer receiving a bonus or subsidy to buy their own health insurance.

BASE: Full-time or part-time Workers (n=1615)

Q1145. Which of the following methods of obtaining health insurance would you prefer, assuming the costs to you were the same?

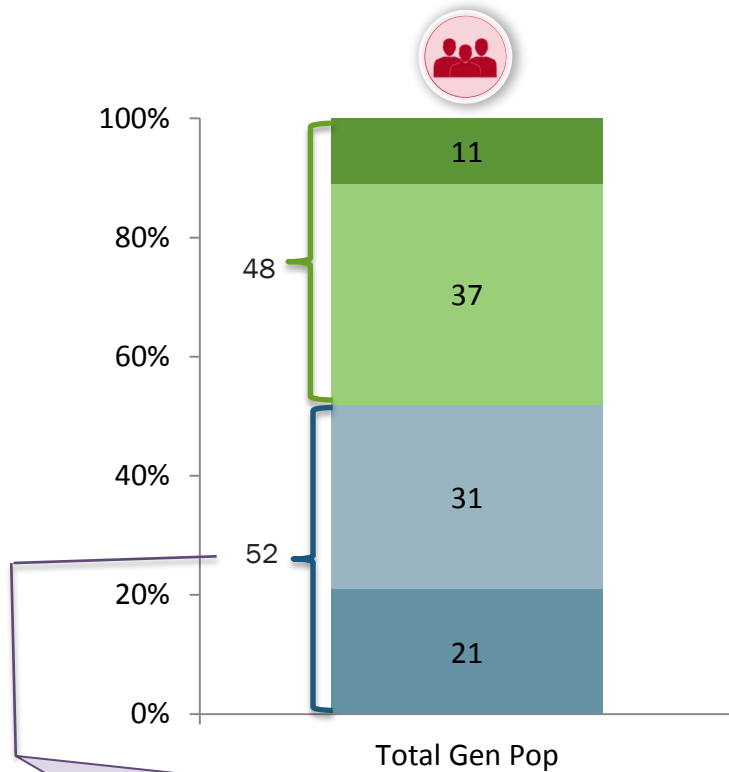
BASE: Total Employers (n=758)

Q918/Q919. Thinking about your employees, which of the following methods of obtaining health insurance do you think your employees would prefer assuming the costs to them were the same? And how about your company?

Perception of and Preparation for the ACA

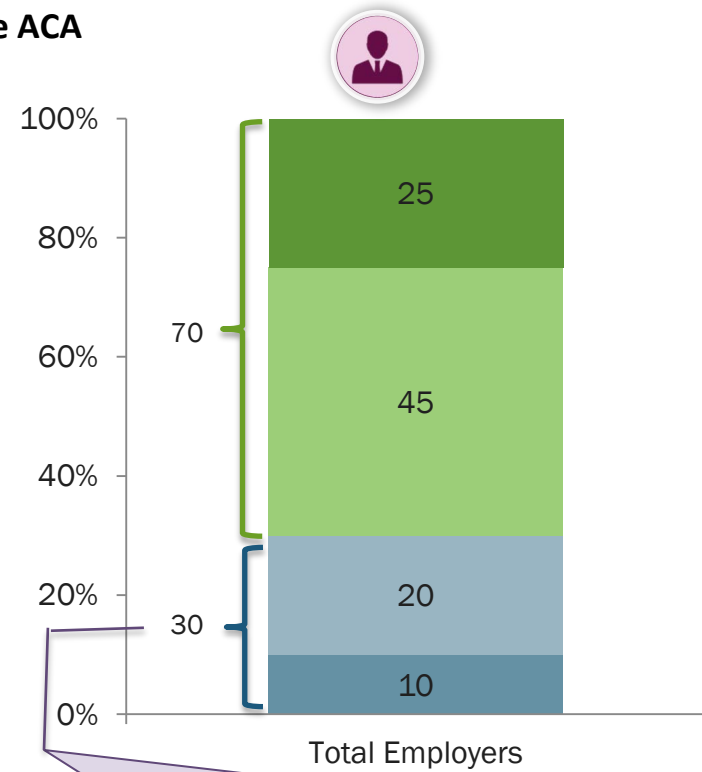
Level of Being Informed about the ACA Differs Between the Gen Pop and Employers

A much higher proportion of Employers (70 percent) feel informed about the ACA compared to a little less than half (48 percent) of the Gen Pop feeling informed about the ACA.



Informed about the ACA

- Very informed
- Somewhat informed
- Not very informed
- Not at all informed



Those who are **not informed** are more likely to:

- Be women
- Be unemployed
- Not be college graduates
- Have household incomes of less than \$100,000 per year

Small companies (39 percent) are more likely not to be informed than medium (22 percent) or large (25 percent) companies. **Specifically, micro companies (44 percent)** are more likely not to be informed than small non-micro companies (31 percent).

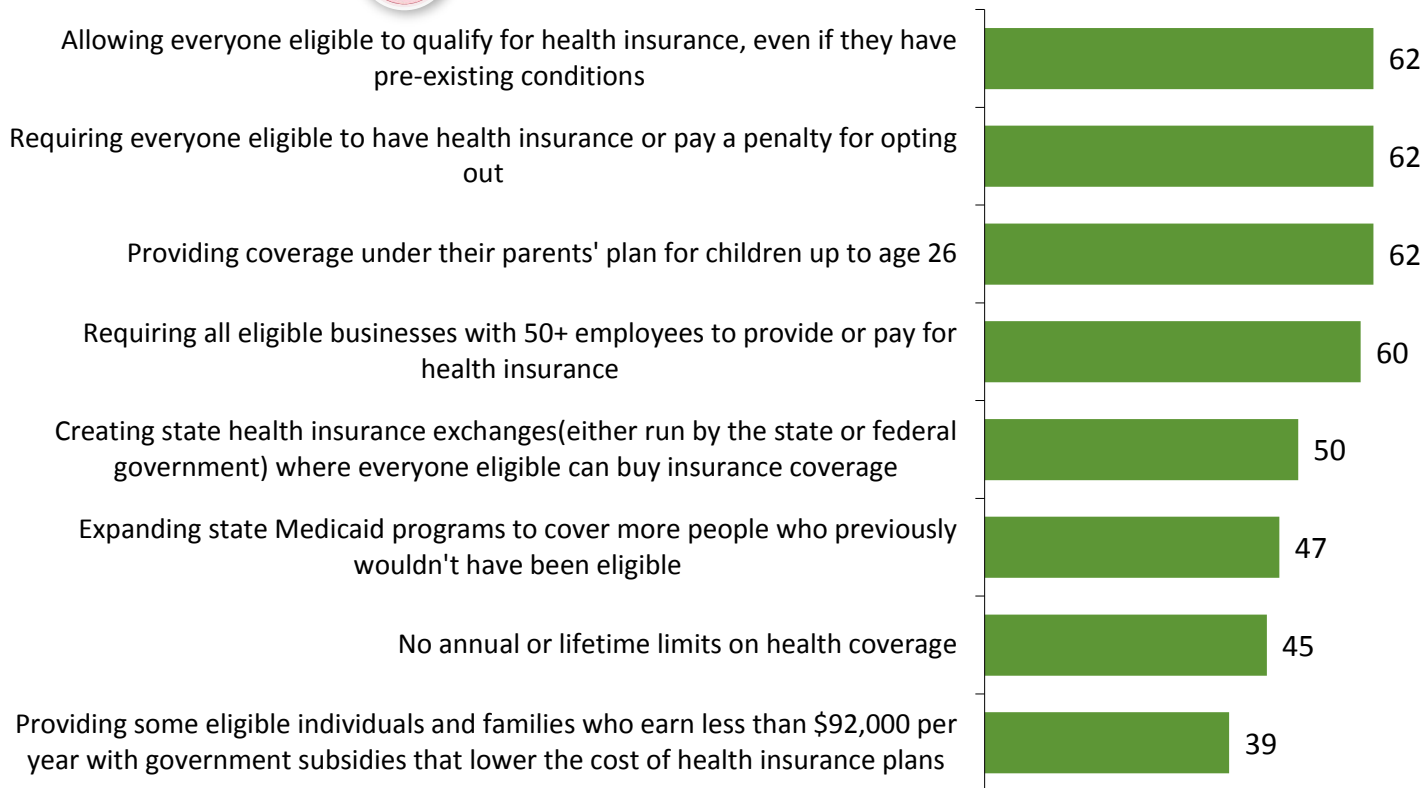
BASE: Total Gen Pop (n=2505)
 Q1915. How informed are you about the Patient Protection and Affordable Care Act, also known as health care reform or the ACA?
 BASE: Total Employers (n=758)
 Q1300. How informed are you about the Patient Protection and Affordable Care Act, also known as health care reform or the ACA?
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Level of Being Informed about Aspects of the ACA Varies

While there is an overall feeling among the Gen Pop of not being informed about the ACA (52 percent), there are strong majorities of those who feel informed about certain specific aspects of the ACA. The Gen Pop is least informed (39 percent) about subsidies for families earning less than \$92,000 per year.



Very/Somewhat Informed about Aspects of the ACA

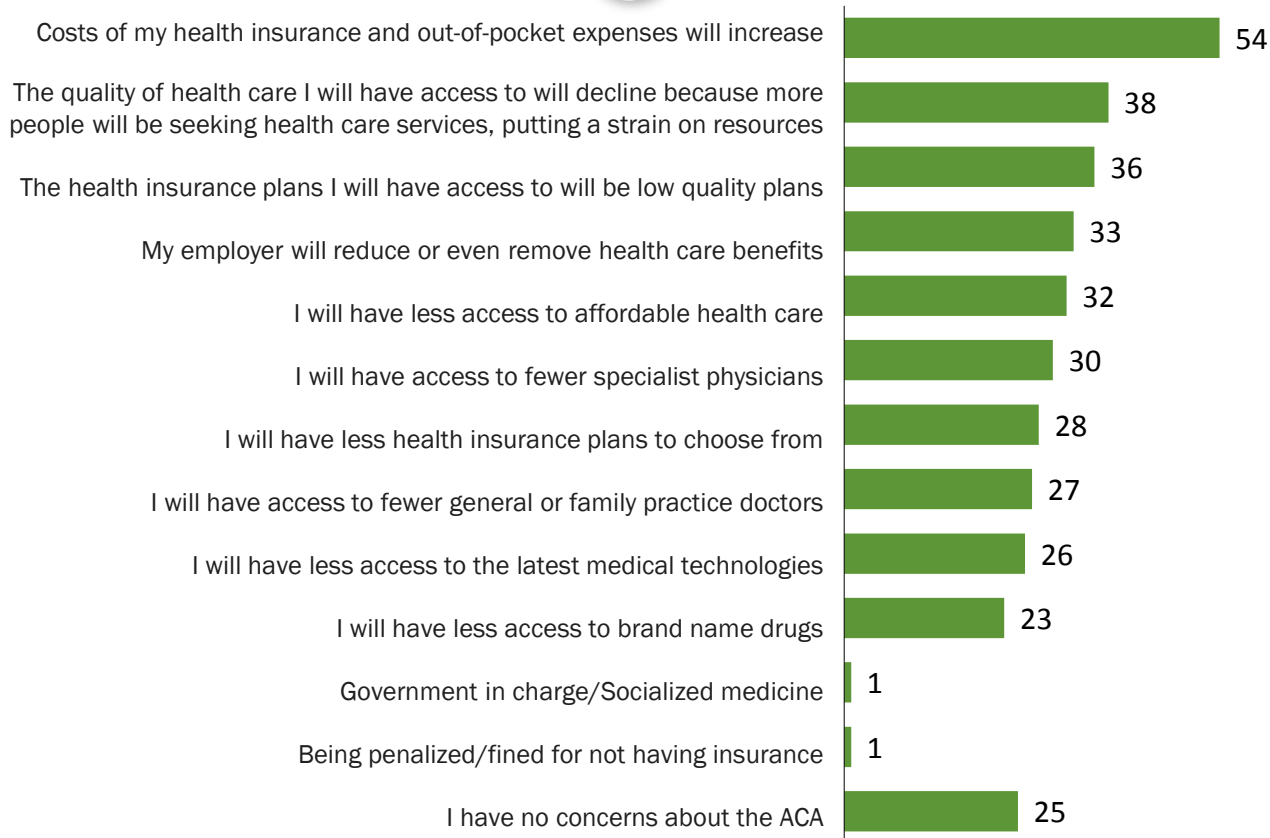


Increased Costs Is the Most Cited ACA Concern among the Gen Pop

A majority (54 percent) of the Gen Pop is concerned that the costs of health insurance and out-of-pocket costs will increase.



Concerns about the ACA



BASE: Total Gen Pop (n=2505)

Q1927. Below is a list of hypothetical concerns about the ACA. Please indicate your biggest concerns about the ACA.

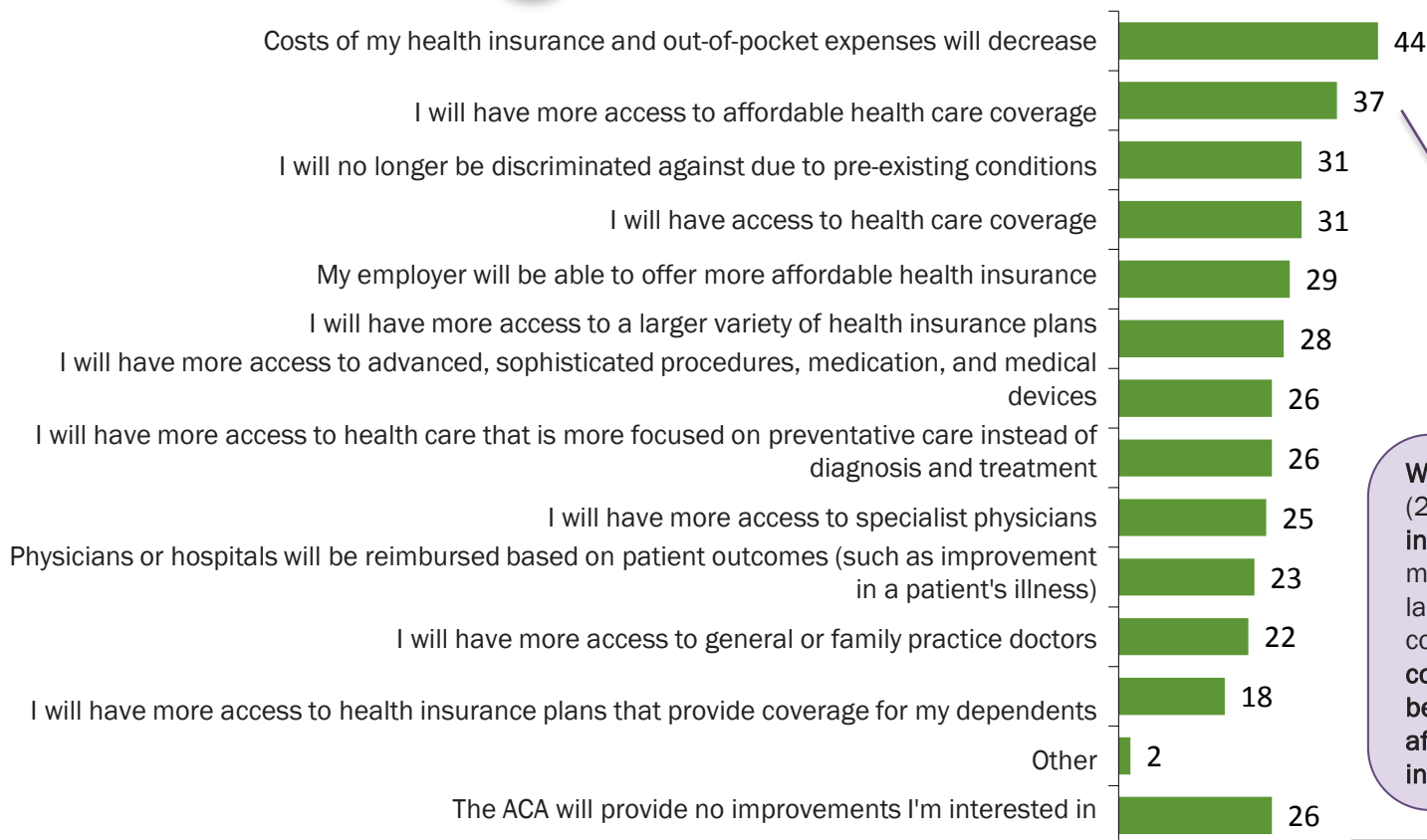
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Gen Pop Interest in ACA Improvements Are Related to Reduced Costs and Increased Access to Coverage

In contrast to their cost-related concerns, decreases in the costs of health insurance and out-of-pocket expenses (44 percent) and more access to affordable health care coverage (37 percent) are the two possible impacts that receive the most interest among the Gen Pop.



Interest in Improvements Resulting from the ACA



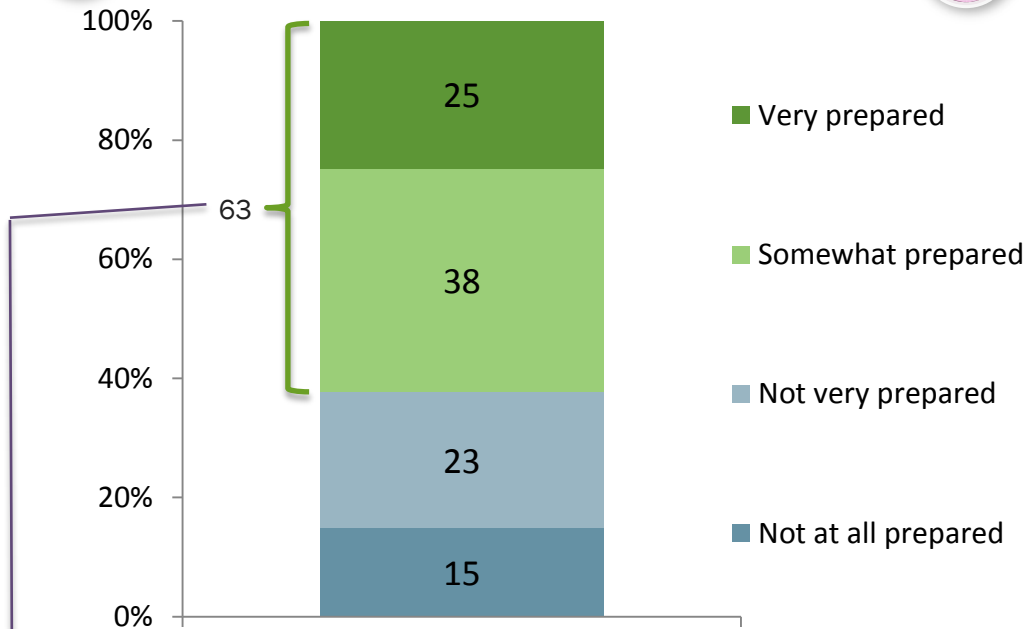
Workers in small companies (26 percent) are less interested than Workers in medium (38 percent) or large (36 percent) companies to in their company hypothetically being able to offer more affordable health insurance.

Many Feel Prepared to Make Health Insurance-Related Decisions as a Result of the ACA

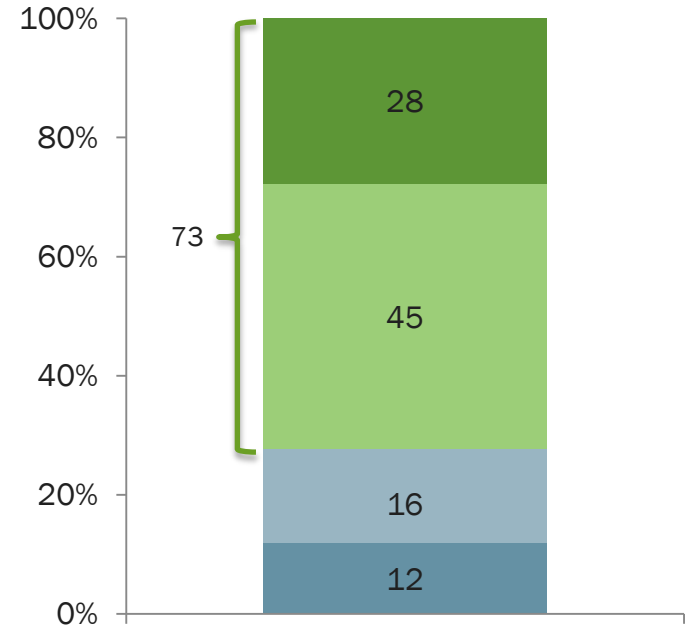
Majorities of the Gen Pop (63 percent) and Employers (73 percent) are prepared to make decisions regarding their health insurance options once the ACA mandates go into effect.



Preparedness to Make Health Insurance Choices after the ACA Mandate



Preparedness of Company to Make Health Insurance Choices after the ACA Mandate



Total Gen Pop

Total Employers

Workers in small companies (58 percent) are less likely than Workers in medium (68 percent) or large (70 percent) companies to feel prepared. Overall 67 percent of workers feel prepared.

BASE: Total Gen Pop (n=2505)

Q1940. As you may know, the ACA insurance mandate will go into effect in January 2014 and January 2015. In January 2014, individuals will need to have health insurance or pay a fine for opting out of health insurance. In January 2015, employers with 50 or more employees will be required to provide health insurance for all full-time employees. Knowing this, how prepared are you to make decisions regarding your health insurance choices by then?

BASE: Total Employers (n=758)

Q1322. How prepared is your company to make decisions regarding health insurance choices for your employees by then?

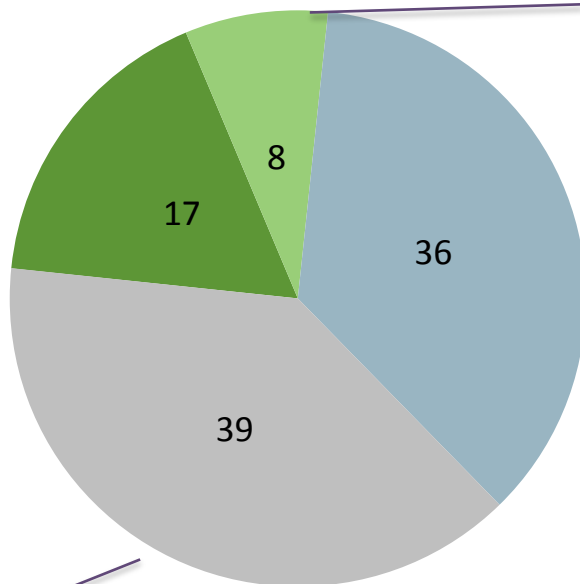
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Uncertainty Exists for Uninsured after ACA Goes into Effect

Among those who currently don't have health insurance through an Employer, 39 percent indicate they aren't sure what they'll do when the individual mandate goes into effect in January 2014. About a fifth (17 percent) indicate they will purchase health insurance through their State Exchange.



Plans after ACA Mandate Goes into Effect for Those Who Don't Have Health Insurance through an Employer



Of note, only 8 percent say they will not purchase health insurance.

Women (44 percent) are more likely than men (33 percent) to be unsure of what they will do.

Those who are not prepared for the ACA (56 percent) are more likely than those who are prepared for the ACA (22 percent) to say they are not sure what they will do.

- Purchase health insurance in my state exchange
- Pay the fine instead of purchasing health insurance
- Keep the health insurance I currently have
- Not sure

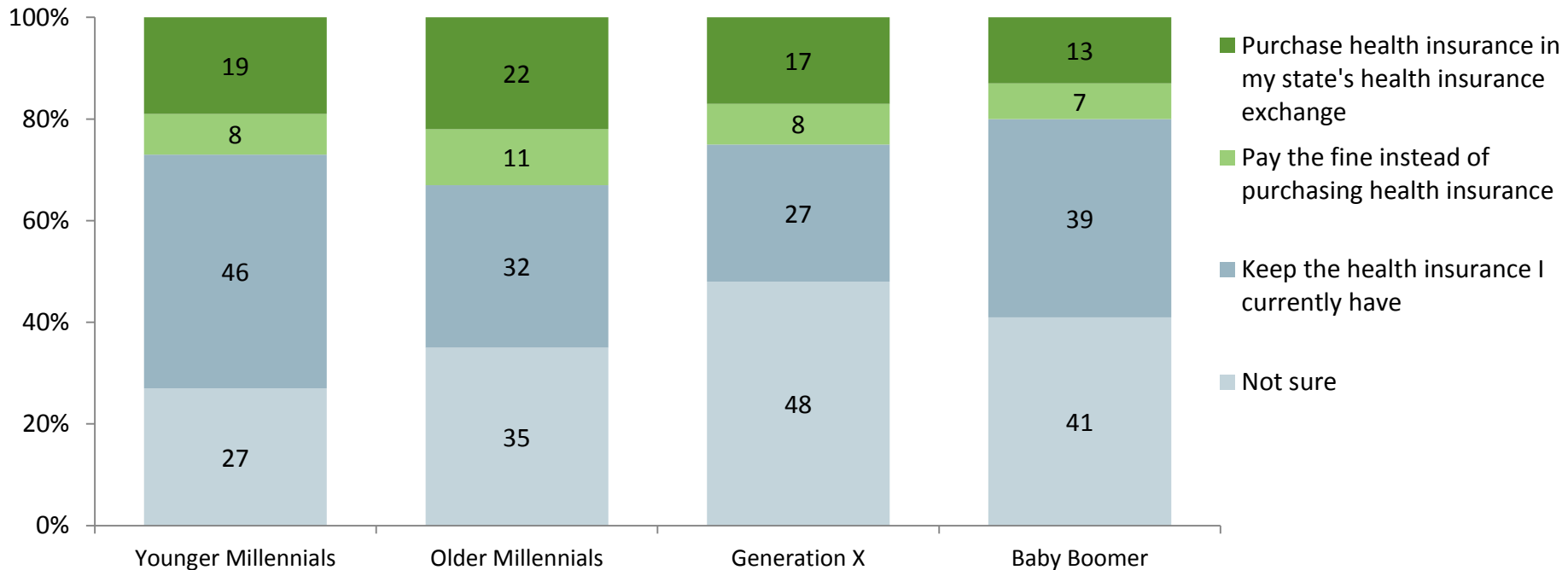
BASE: Currently do not have health insurance through an employer (n=955)
Q1942. With the ACA's insurance mandate for individuals beginning in January 2014, which of the following do you plan to do?

Vast Majority across Generations Are Not Planning to Pay the Fine

After the individual mandate for the ACA goes into effect, 8 percent of the total Gen Pop who currently do not have health insurance through an employer plan on paying the fine instead of purchasing health insurance. This is consistent across generations, even among Younger Millennials.



Plans after ACA Mandate Goes into Effect for Those Who Don't Have Health Insurance through an Employer



Younger Millennials (born 1989-1995, n=88), Older Millennials (born 1979-1988, n=149), Generation X (born 1965-1978, n=239), and Baby Boomer (born 1946-1964)

BASE: Currently do not have health insurance through an Employer (n=479)

Q1942. With the ACA's insurance mandate for individuals beginning in January 2014, which of the following do you plan to do?

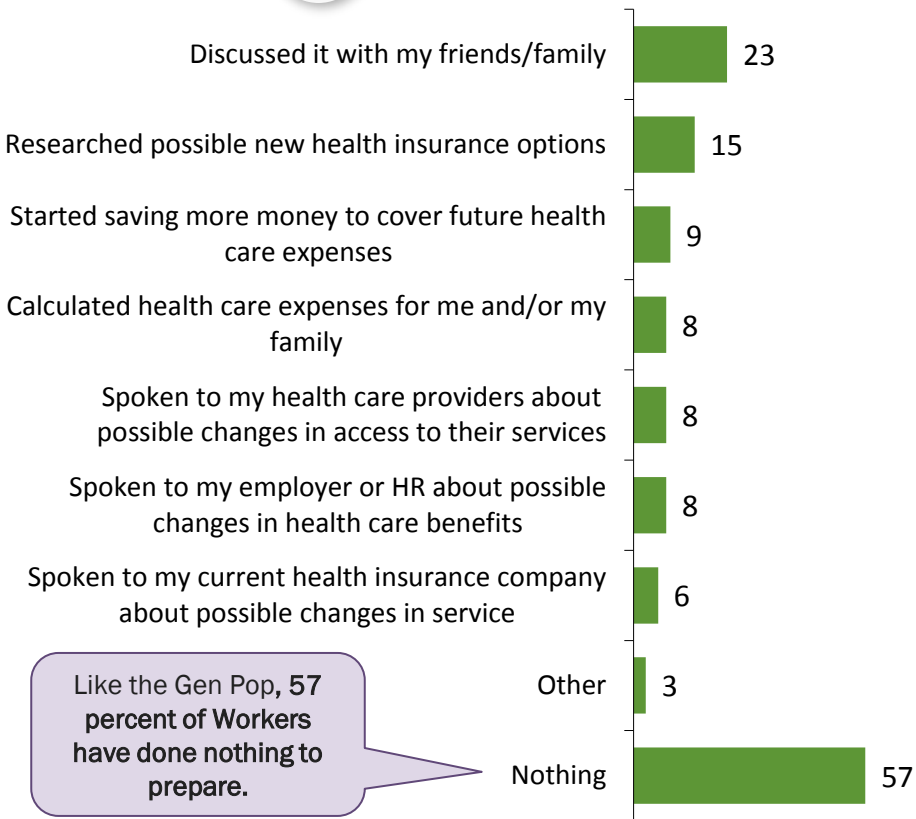
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Many Have Not Taken Any Action to Prepare for ACA

More than half (57 percent) of the Gen Pop have done nothing to prepare for the ACA while a little over a quarter (28 percent) of Employers have done nothing to prepare either.



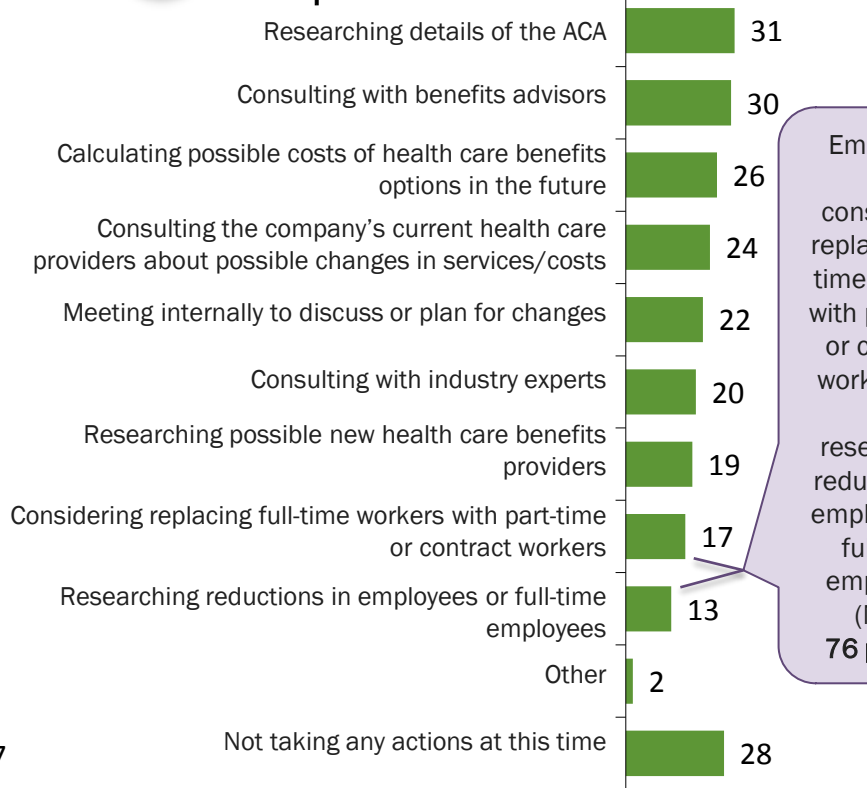
Actions Taken to Prepare for the ACA in Past 12 Months



Like the Gen Pop, **57 percent of Workers** have done nothing to prepare.



Actions Taken by Employer to Prepare for the ACA in Past 12 Months



Employers **not** considering replacing full-time workers with part-time or contract workers **and not** researching reductions in employees or full-time employees (NET): **76 percent**

Total Employers

BASE: Total Gen Pop (n=2505)
Q1945. What action, if any, have you taken in the past 12 months to prepare for the ACA? Please select all that apply.
BASE: Total Employers (n=758)
Q1325. What actions is your company taking in preparation for changes related to the ACA? Please select all that apply.

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