J.D. Power Reports:
The Uninsured Remain Underserved by Health Exchanges,
As Many Continue to Struggle to Enroll in Healthcare Coverage

Focus Needed by Health Insurance Providers to Meet the Needs of the Uninsured

WESTLAKE VILLAGE, Calif.: 10 July 2014 — While the Affordable Care Act is designed to reduce cost and increase access to health insurance, many U.S. citizens still are uninsured and underserved due to obstacles not based on cost, such as technical problems and lack of information from health insurance companies and health exchanges, according to the inaugural J.D. Power 2014 Health Insurance Marketplace Shopper Study™ released today.

Satisfaction varies widely based on a variety of factors; however, cost is the key reason shoppers who have wanted health insurance in the past were unable to obtain it (89%). Other reasons include pre-existing conditions (26%) and not knowing where to buy insurance (10%). (Shoppers were able to select multiple reasons during the survey.)

The ACA was enacted to make health insurance affordable and available to U.S. citizens and legal immigrants, yet many remain uninsured and underserved. Many shoppers began the process but had problems completing enrollment at the time of the survey primarily due to three reasons: a combination of technical problems experienced during the enrollment process (40%); the application process taking too long (19%); and the website not having enough information about the plans to make a selection (18%). Additionally, 49 percent of shoppers who did not complete enrollment did not choose a plan during their initial shopping experience because they had not yet decided which plan they wanted.

“No doubt that ensuring a technologically error-free experience, along with streamlining the online enrollment process will be most impactful to future Marketplace shoppers,” said Rick Johnson, senior director of the healthcare practice at J.D. Power. “While the uninsured are now a smaller group, they continue to be underserved, just as they were prior to the exchanges, and continue to need more information delivered in an easy-to-understand and personal way.”

According to Johnson, “The exchanges have benefited from millions of media impressions derived from the Affordable Care Act advertising and news coverage. When the dust finally settles later in 2014 and in 2015, for health insurance providers to thrive in this new environment, they will need to retool their marketing, information and enrollment efforts toward a new generation of uninsured to serve their needs.”

The inaugural study is designed to evaluate the health insurance shopping experience of the previously uninsured. The study examines enrollment satisfaction among 1,632 U.S. consumers who shopped for health insurance under the Affordable Care Act from November 2013 through April 2014. The key factors of satisfaction are amount of time it takes to complete the enrollment process (23%); ease of enrolling (21%); variety of information available about the plans (15%);
ease of understanding benefits and coverage (15%); ease of navigating the website (14%); and clarity of instructions (13%).

Overall enrollment satisfaction averages 615 on a 1,000-point scale. Among those who have enrolled, there is great variance in satisfaction depending on how they applied for coverage; the type of plan they selected; and their demographic.

Although in-person is the least used method of enrollment, overall satisfaction is highest among the 13 percent of consumers who enroll via this channel (719). The majority (67%) of consumers enroll online, among whom overall satisfaction is 122 points lower, at 597. Among the 14 percent who enroll by phone, satisfaction is 623. Using a navigator—a certified agent or broker used by 17 percent of shoppers—during the shopping process also improves satisfaction (631 vs. 611 among those who do not use a navigator). Health insurance companies and the exchanges should continue to find ways to personalize the insurance shopping experience for consumers.

Marketplace shoppers, like all healthcare consumers, heavily weigh cost when selecting a plan, with 59 percent of enrollees citing monthly premiums as an important reason for their plan selection. Doctor visit co-pays (36%), out-of-pocket maximums (32%) and annual deductibles (32%) also are among key considerations when selecting a plan.

Under the Affordable Care Act, health insurers can offer policies with four types of payment structures, known as metal tiers or bands: bronze plans, which are the least expensive because insurers pay only 60 percent of a policyholder's covered health expenses and the policyholder pays the remaining 40 percent; silver plans, which are a 70-30 split; gold, 80-20 split; and platinum, 90-10. Satisfaction among the 55 percent of enrollees with a silver plan is 621. While the gold and platinum plans have the lowest enrollments (14% and 9%, respectively), satisfaction among these enrollees is the highest across the four bands (655 and 766, respectively). Satisfaction is lowest among the 23 percent of enrollees with a bronze plan (556*).

When analyzing satisfaction by age groups, enrollment satisfaction is highest among shoppers younger than 30 years old (647) and lowest among those between the ages of 50 and 64 (591). Additionally, satisfaction is highest among men younger than 50 and who have less than a four-year college degree (675*) and lowest among women 50 years and older (582) and women with at least a four-year degree (590).

**KEY FINDINGS**

- While the study does not break out individual states for analysis, when the shopping experiences of all state exchanges are combined, the study does not find a significant difference in the enrollment experience for federal and state exchanges. Satisfaction among those enrolling through a state exchange is 621, compared with 611 among those enrolling through in a federal exchange.
- Enrollment satisfaction is higher among consumers shopping for an individual plan than among those shopping for a family plan (625 vs. 586, respectively).
- The top reason cited by consumers for shopping via the Marketplace is to comply with the law, at 50 percent, while 40 percent shop because they have been wanting health insurance but weren't able to obtain it in the past.
- More than one-half (55%) of shoppers indicate they first heard about the Marketplace through the news media, while only 4 percent learned about it in a notification from a state or federal agency. With media coverage of the health exchanges expected to decrease over
time, the insurance industry will need to develop effective communication to reach the uninsured to help fill that information vacuum.

The 2014 Health Insurance Marketplace Shopper Study is based on responses from 1,632 U.S. residents. The survey data was collected from November 2013 through April 2014.

**Media Relations Contacts**
Jeff Perlman; Brandware Public Relations; Woodland Hills, Calif.; 818-317-3070; jperlman@brandwarepr.com
Syvetril Perryman; Westlake Village, Calif.; 805-418-8103; media.relations@jdpa.com

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*Fewer than 100 respondents*