

Most Employees Spend Little Time Choosing Their Health Plan

A new study has found that individuals enrolled in high-deductible health plans (HDHPs) are more engaged than their traditional plan counterparts during open enrollment, spending more time on choosing plans and using employer-provided tools to help them make their choices.

Despite their higher engagement though, overall, 72% of group health plan enrollees spent less than an hour on their plan during last year's open enrollment, according to the "2023 Consumer Engagement in Health Care Survey" by the Employee Benefits Research Institute and Greenwald Research.

Additionally, one in five didn't spend any time researching or tending to their health plan and were just automatically re-enrolled.

The study's authors said there are likely a few reasons U.S. workers are not spending a significant amount of time researching health plans during open enrollment, including:

Satisfaction with their plan — The study found that 90% of employees were satisfied or somewhat satisfied with their employer's open enrollment process. As mentioned, 20% of participants auto renewed, indicating they are likely satisfied with their plan.

More choices — Employees that have more plans to choose from may find the process of comparing and contrasting plans overwhelming.

Too many obligations — Many employees likely want to spend more time researching plans, but everyday work, family, social and community obligations can get in the way.

HDHP enrollees more engaged

HDHP enrollees on most metrics were more involved in plan selection and research during open enrollment than their traditional plan counterparts.

For example, 29% of HDHP enrollees spent more than an hour researching plans during open enrollment, compared to 23% of those enrolled in traditional plans.

HDHP enrollees were also more likely to have three or more choices of health plans than their traditional plan counterparts. In fact, while 29% of HDHP enrollees had a choice of three plans, only 17% of traditional plan enrollees had three choices. Meanwhile, 36% of those in traditional plans had only one choice, compared to 29% of those in HDHPs

They were also more likely to use employer-provided tools to choose a plan:

- **Annual employee benefits guide from employer:** 58% of HDHP enrollees used it, compared to 38% of traditional plan enrollees.

- **Employee benefits online portal:** 41% HDHP, 29% traditional plan
- **Online research:** 23% HDHP, 32% traditional plan.
- **Employer-provided educational videos:** 25% HDHP, 24% traditional plan
- **HR/benefits department consultations:** 13% HDHP, 14% traditional plan
- **Insurance carrier/provider website:** 11% HDHP, 16% traditional plan

One of the driving factors for plan choice among high-deductible health plan recipients was whether the plan covered preventative care for chronic conditions, pre-deductible.

Nearly one-half (45%) reported that pre-deductible coverage of preventive care for chronic conditions affected their decision to select the HDHP to a great extent. Another 25% reported that it impacted their decision to a minor extent.

Additionally, 25% of traditional plan enrollees said they would be extremely or very likely to select an HDHP if it covered preventative care for chronic conditions before they reach their deductible. Another 39% reported being somewhat likely to select an HDHP if such care were covered pre-deductible.

Despite these numbers, the percentage of workers enrolled in HDHPs has ebbed since 2020, when 34% of U.S. workers were enrolled in them. In 2022, 32% were.

The takeaway

With so few employees spending more than an hour researching plans during open enrollment, some of your workers may be choosing the wrong coverage for their life circumstances.

While open enrollment only happens during the last few months of the year, you can still provide educational resources to your staff during the rest of the year to educate them on their plan choices and how to choose the best one for their life situation.

You can also encourage them to use the resources you and we provide them to help make educated decisions about their coverage.

*This material was created by Insurance Newsletters and authorized for use by Brown & Stromecki Agency

###