The U.S. healthcare system is in the midst of significant change. Providers, hospital systems and insurers are exploring potential solutions for increasing the value of healthcare from both price and quality perspectives. At the same time, employers and insurance companies are offering more choices for coverage to individuals and families. Within this healthcare evolution lies a common denominator: consumers now must assume more responsibility when making healthcare decisions. Whether enrolling in a plan, selecting a provider or deciding where to receive healthcare services and how to pay for them, consumers are expected to take an active role in managing their healthcare and benefits. This movement toward greater consumer choice and responsibility—far from a passing trend—marks what many experts call “the age of healthcare consumerism.”

In parallel to the rapid transformation of its healthcare system, the U.S. also is experiencing major demographic shifts, including an increasingly diverse population and widening income disparities. Adding to the population dynamic, Millennials (ages 18-34), the generation known for its tech savvy and burdensome college debt, were recently declared the largest segment of the U.S. workforce.
How prepared are consumers to meet the challenges of the changing healthcare environment? FAIR Health conducted a survey of a random sample of more than 1,000 adults in the U.S. to gauge consumer preferences related to selecting a plan, accessing healthcare and managing healthcare expenses. Respondents were asked where they go for non-emergency treatment and how cost influences their selection of doctors and health plans. They were also asked about their online comparison shopping behavior and experiences with medical bills. Survey results revealed significant differences along generational, socio-economic and racial and ethnic lines.

**METHODOLOGY**

The survey was conducted March 5-8, 2015 by ORC International’s Telephone CARAVAN®. The study used two probability samples: landline and mobile phone numbers, both randomly selected. The combined sample consisted of 1,011 U.S.-based adults. The margin of error was +/- 3.08 percent, at the 95 percent confidence level.
**KEY FINDINGS**

**Attitudes about place of service for non-emergency care vary significantly by demographic groups:**

- Latinos were nearly twice as likely as the general population to say they would rely on the emergency room (ER) for non-emergent care.

- Millennials (ages 18-34) and younger Gen-Xers (35-44) were more likely to rely on urgent care settings than were older consumers.

- Consumers age 45+ were more likely than younger adults to depend on primary care.

**Surprise medical bills:**

- Half of U.S. consumers reported that they were surprised by out-of-pocket medical expenses. Those ages 55 to 64 were most likely to say that costs are usually much more than they expect.

**Comparison shopping for medical and dental services:**

- Most U.S. consumers reported that they do not use the Internet to comparison shop or check prices for medical or dental services.

- Millennials are avid online comparison shoppers and have a reputation for being tech savvy. But while Millennials were much more likely than all other age groups to use the Internet to shop for consumer electronics and gadgets, there was no significant difference between Millennials and older generations related to searching online for medical and dental services.

**Selection of health benefits and doctors:**

- Among younger healthcare shoppers (under age 45), the cost of the monthly premium ranked as a top concern when enrolling in a health plan; among older consumers (age 45 and older), in-network access to their doctors ranked higher.

- Women were significantly more likely than men to consider cost when choosing a doctor.

- Consumers in all age groups were more interested in making sure their primary care/family doctors participate in their plan network rather than the number of doctors that are in-network.
**CONCLUSIONS**

Even though this is the age of Big Data and smartphones, not all consumers are taking full advantage of easily accessible information that can inform critical decisions about their healthcare. While many tools and resources exist today, as the survey shows, more work is needed to raise consumer awareness about their availability and value.

After decades in the passenger seat, healthcare consumers are now being asked to be the drivers of key healthcare decisions. Like any new driver navigating through a complex system, consumers will encounter bumps in the road, but taking advantage of available resources can ultimately help them make better choices. Based on the survey results, here are a few recommendations that can help improve consumer healthcare decision making:

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**Launch Year-Round Educational Campaigns**

Despite the need to manage health insurance benefits effectively throughout the year, efforts to educate consumers about selecting and managing their plans tend to be concentrated during open enrollment season. While enrollment-season guidance helps consumers make initial plan choices, educational materials should be available and easily accessible year-round as people use their benefits. For example, FAIR Health’s study shows that many consumers, particularly African-Americans and Latinos, continue to see the emergency room as an appropriate place to go for non-emergency care. While a number of factors that extend beyond cost transparency and education contribute to this trend, increasing healthcare literacy can play a critical role in fostering better healthcare choices. A robust and consistent educational effort can help plan members identify the broad range of care options available, and thereby save money and reduce overall healthcare costs.

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**A robust and consistent educational effort can help plan members identify the broad range of care options available, and thereby save money and reduce overall healthcare costs.**
Keep It Simple

A significant portion of the workforce communicates in 140 characters or less, watches ten-second videos and sorts through volumes of information of varying quality online. Healthcare marketers should strive to make content brief, but engaging, and use formats geared to the populations they serve. For example, social media, web content and mobile applications that provide tips for saving money and using health insurance wisely can be helpful and likely will appeal to Millennials and other tech savvy consumers.

Engage Early Adopters and Millennials

Although healthcare cost transparency digital tools are still in their infancy, their use has grown rapidly. Millennials—avid online shoppers—are relatively healthy due to their youth, but as they age and require more complex care, they will be able to use their tech savvy to fully leverage these tools. The next step is to help them apply their technical expertise to healthcare shopping.

Encourage Advance Planning

Families should be encouraged to plan healthcare in advance when possible, and become familiar with their coverage and the type of health plan that best meets their needs. Treatment cost estimators can be used to help families plan their healthcare expenses based on typical or expected care throughout the year; using these tools may be especially helpful for those with chronic conditions. Understanding the costs of different treatment options or comparing costs between in- and out-of-network care can help consumers make informed choices at the point of accessing care. Advance planning is particularly important given the growth of both public and private health insurance exchanges in which individuals must now make a range of decisions that will impact their health and their financial lives.
Focus On Diversity and Cultural Relevance

The U.S. population has never been more culturally diverse. Offering culturally relevant information about the healthcare system, insurance and costs will reach more individuals and help them become wiser, more cost-conscious consumers. Language translation and the use of diverse channels are critical to outreach efforts, but are not enough. Cultural immersion and building relationships with organizations and experts with deep ties to target communities will help ensure the message resonates with each intended audience.

Be Mindful of Life Stage, Income and Generational Differences

Economists and other experts continue to highlight the growing income inequality in the U.S. and inadequate savings available to cover out-of-pocket healthcare costs. Many Americans also face significant student loan debts at a time when healthcare expenses continue to climb. Comparison shopping for medical and dental care can help consumers save money. In addition, it is important to recognize that particular plan features resonate more with certain consumers based on their life stage, age and income. For example, FAIR Health’s survey shows that those with children, and younger consumers under age 45 are more price sensitive and focus primarily on the monthly premium cost when they select their health benefits. Conversely, older consumers, age 45+, are mostly interested in maintaining a relationship with their primary care physician.

In addition to consumers, FAIR Health serves a wide range of healthcare stakeholders, including government agencies, insurers, employers, brokers, hospitals, medical facilities, research and healthcare professionals. Its data products support a variety of uses, including:

- Conducting medical and dental research;
- Evaluating public policies and public health interventions;
- Informing in-network and out-of-network fee schedules;
- Creating workers’ compensation fee schedules;
- Advancing strategic planning;
- Supporting All Payer Claim Databases;
- Resolving legal disputes;
- Processing out-of-network claims; and
- Developing customized healthcare literacy and transparency tools, including online treatment cost calculators.
**Attitudes about Place of Service for Non-Emergency Care**

**QUESTION** In the event that you require treatment for a non-emergency or non-life threatening situation, where would you most likely go for care?

Latinos and African-Americans were more likely than the total population to report they would use the ER for non-emergency care.

**Treatment for Non-Emergency**  
(Percentage of respondents)

![Graph showing treatment preferences by race/ethnicity and age groups.](image)

Millennials and Young Gen-Xers were more likely to rely on urgent care settings than were older consumers. Consumers ages 45 and older were more likely than younger adults to rely on primary care.
Attitudes about Place of Service for Non-Emergency Care
(Continued)

Individuals with lower household incomes were more likely to rely on the ER for non-emergency care than were those with higher incomes.

Individuals with only a high school education or less were more likely to rely on the ER for non-emergency care than were those with a college education.
Surprise Medical Bills

**QUESTION:** Which one of the following best describes your experience with the out-of-pocket costs of your medical bills?

Half* of U.S. consumers said their out-of-pocket medical costs were more than they expected.

Women (35 percent) were more likely than men (28 percent) to say that their out-of-pocket expenses were in line with their expectations.
Consumers ages 55 to 64 were more likely to report medical costs were much more than they expected, especially when compared with Millennials and seniors ages 65+.
More than half of consumers said that they have comparison shopped online in at least one of the five categories, with the highest incidence (74 percent) of online comparison shopping reported by Millennials and the lowest (35 percent) by seniors.

However, consumers of all ages reported a lower rate of online comparison shopping for healthcare services than they did for other categories. Millennials (ages 18-34) were avid online comparison shoppers, especially when it comes to buying consumer electronic gadgets and cars, but there was only a small difference between Millennials and other generations when comparing the rates at which they check the prices of medical and dental services online.
Selection of Health Insurance

QUESTION: Which one of the following is your most important consideration when enrolling in a health insurance plan?

Most Important When Choosing a Health Insurance Plan
(Percentage of respondents)

<table>
<thead>
<tr>
<th>AGE</th>
<th>Monthly premium</th>
<th>Total out-of-pocket cost</th>
<th>Primary care doctor accepts plan</th>
<th>Number of doctors in the network</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-34</td>
<td>12</td>
<td>14</td>
<td>9</td>
<td>32</td>
</tr>
<tr>
<td>35-44</td>
<td>23</td>
<td>16</td>
<td>32</td>
<td>24</td>
</tr>
<tr>
<td>45-54</td>
<td>25</td>
<td>24</td>
<td>22</td>
<td>17</td>
</tr>
<tr>
<td>55-64</td>
<td>28</td>
<td>28</td>
<td>22</td>
<td>17</td>
</tr>
<tr>
<td>65+</td>
<td>20</td>
<td>18</td>
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<tr>
<td>TOTAL</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

When selecting health insurance, the cost of the monthly premium was the top concern for younger healthcare shoppers (under age 45) and in-network access to their doctor ranked higher with older consumers (ages 45 and older). Those in all age groups were more concerned about their doctors inclusion in the network than about the number of doctors in their network.
Choosing a Doctor

**QUESTION:** How does cost affect your decisions about choosing a doctor?

Women were more cost conscious than men when choosing a doctor.

Older consumers were less likely to take cost into consideration when selecting a doctor.

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**How Cost Affects Doctor Selection**

(Percentage of respondents)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Always consider cost</th>
<th>Usually consider cost</th>
<th>Occasionally consider cost</th>
<th>Never consider cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-34</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>17</td>
</tr>
<tr>
<td>35-44</td>
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<td>45-54</td>
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<td>55-64</td>
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<td>17</td>
</tr>
<tr>
<td>65+</td>
<td>51</td>
<td>17</td>
<td>14</td>
<td>13</td>
</tr>
</tbody>
</table>
Choosing a Doctor (Continued)

Most Latinos (63 percent) said they usually or always consider cost when choosing a doctor, versus 48 percent of the general population.

How Cost Affects Doctor Selection
(Percentage of respondents)

RACE/ETHNICITY

<table>
<thead>
<tr>
<th>Always consider cost</th>
<th>Usually consider cost</th>
<th>Occasionally consider cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLACK (NON-LATINO)</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>LATINO</td>
<td>16</td>
<td>28</td>
</tr>
<tr>
<td>WHITE (NON-LATINO)</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL POPULATION</td>
<td>18</td>
<td>21</td>
</tr>
</tbody>
</table>

(Chart does not show respondents who answered ‘Never consider cost,’ or ‘Don’t know.’)

More than half (56 percent) of consumers with children in their household said they always or usually consider cost when selecting a doctor, versus 45 percent of respondents without children at home.

How Cost Affects Doctor Selection
(Percentage of respondents)

NO CHILDREN IN HOUSEHOLD

CHILDREN IN HOUSEHOLD

Never consider cost | Always/usually consider cost

Never consider cost | Always/usually consider cost

More than half (56 percent) of consumers with children in their household said they always or usually consider cost when selecting a doctor, versus 45 percent of respondents without children at home.

How Cost Affects Doctor Selection
(Percentage of respondents)

HOUSEHOLD INCOME

<table>
<thead>
<tr>
<th>Always/usually consider cost</th>
<th>Occasionally consider cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>LESS THAN $35K</td>
<td>60</td>
</tr>
<tr>
<td>$35K - $49.9K</td>
<td>46</td>
</tr>
<tr>
<td>$50K - $74.9K</td>
<td>43</td>
</tr>
<tr>
<td>$75K - $99.9K</td>
<td>42</td>
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<tr>
<td>$100K+</td>
<td>37</td>
</tr>
<tr>
<td>TOTAL POPULATION</td>
<td>48</td>
</tr>
</tbody>
</table>

(Chart does not show respondents who answered ‘Never consider cost,’ or ‘Don’t know.’)

Sixty percent of respondents with household income of less than $35,000 said they always or usually consider cost when choosing a doctor, versus 48 percent of the general population.
About the survey
The survey was conducted March 5-8, 2015 by ORC International’s Telephone CARAVAN®. The study used two probability samples: landline and mobile phone numbers, both randomly selected. The combined sample consisted of 1,011 U.S.-based adults. The margin of error was +/- 3.08 percent at the 95 percent confidence level.

About FAIR Health
FAIR Health is a national, independent, nonprofit corporation whose mission is to bring transparency to healthcare costs and health insurance information through comprehensive data products, consumer resources and research tools, all powered by the nation’s largest collection of privately billed medical and dental claims data.

FAIR Health offers consumers free resources to improve their healthcare literacy and to help them estimate out-of-pocket medical expenses. These tools are available at www.fairhealthconsumer.org or in Spanish at www.consumidor.fairhealth.org. FAIR Health also works with companies to private-label consumer educational materials and online and mobile cost estimation tools.

For more information, please contact FAIR Health:
info@fairhealth.org 855-301-FAIR (3247)