



DATA BRIEF NO. 139 | JANUARY 2023

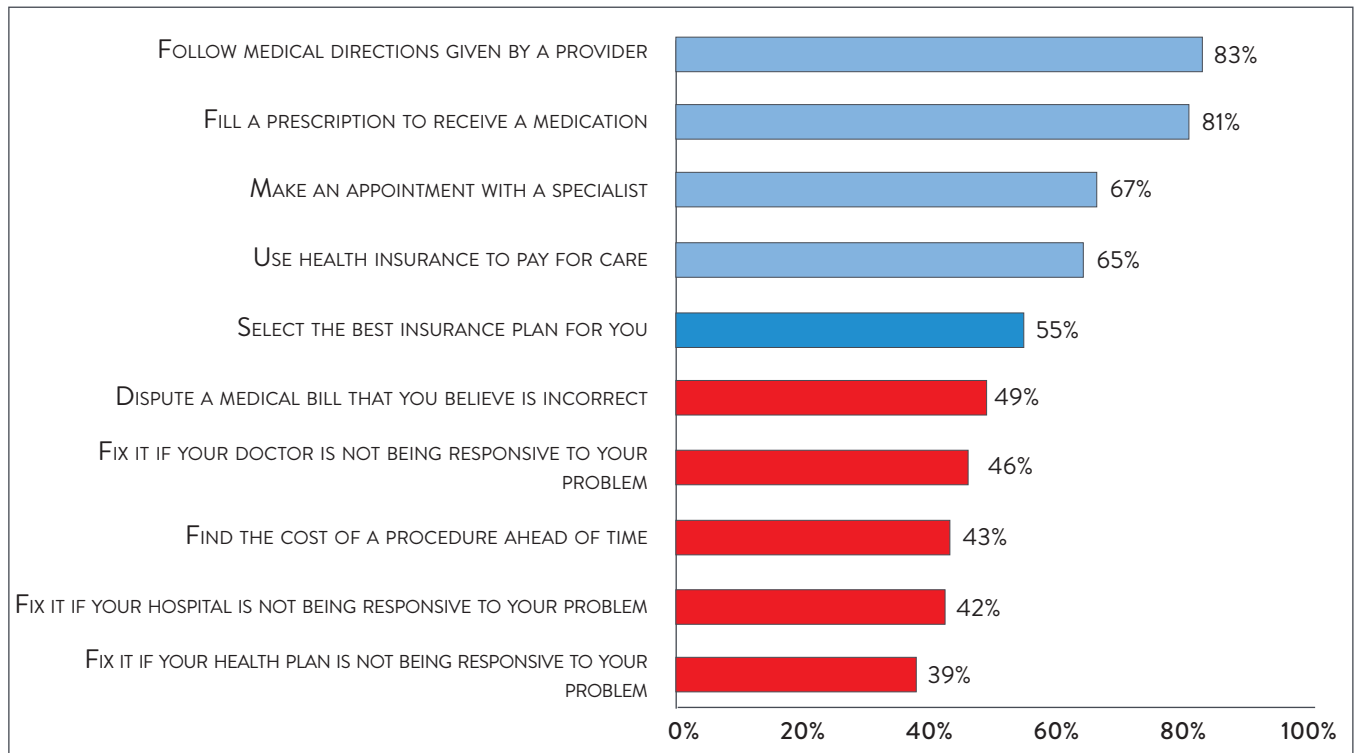
Difficulty Finding and Understanding Cost Obligations Contributes to Healthcare Affordability Woes in Wisconsin

A 2022 survey of more than 1,100 Wisconsin adults found that residents face heavy healthcare affordability burdens, and that affording healthcare in the future is a top consumer concern.¹ Using data from the same survey, this data brief explores how Wisconsin residents navigate the health system and understand their cost obligations.

Out of 21 tasks, Wisconsin residents have the least confidence when it comes to correcting billing issues or working with their doctor, hospital or health plan to solve problems.

Wisconsin residents report being confident they can follow the directions provided by their doctor or fill a prescription (Figure 1). However, they are far less confident when dealing with cost issues, such as disputing a medical bill error or finding out the cost of a procedure ahead of time. Fewer than half of Wisconsin adults are confident they can take steps to fix a problem if their doctor, hospital or health plan is not responsive to their concerns (46%, 42% and 39%, respectively).

Figure 1
Among Wisconsin Respondents, Percent “Very” or “Extremely Confident” They Can...



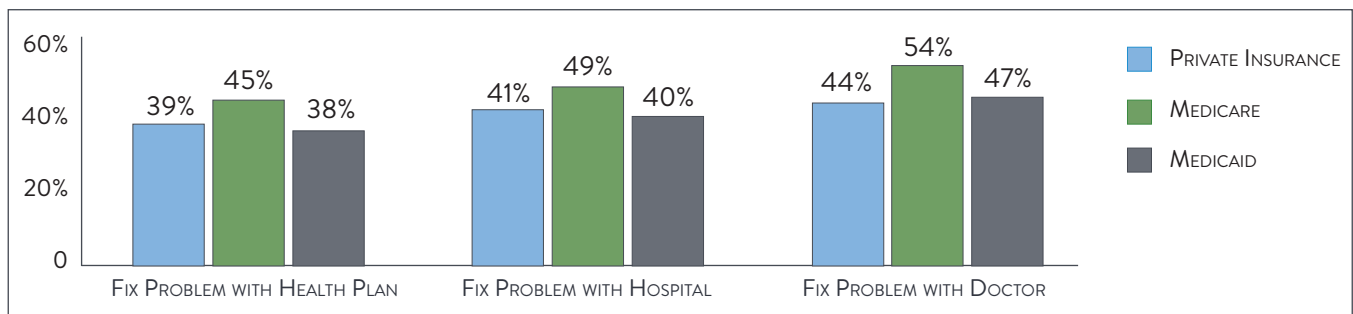
Source: 2022 Poll of Wisconsin Adults, Ages 18+, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey

Despite these concerns, some respondents report they feel more confident that they can *navigate* the healthcare system than *afford* the care they receive. For example, only 38% of respondents were somewhat or very confident that they could afford to pay for a major illness.²

For the most difficult tasks, respondents generally report similarly low rates of confidence, regardless of insurance type (Figure 2). However, those who use Medicare reported slightly higher levels of confidence across each of these tasks, compared to respondents with different types of insurance.

Figure 2

Among Wisconsin Adults, by Type of Insurance, Percent “Very” or “Extremely Confident” They Can...



Source: 2022 Poll of Wisconsin Adults, Ages 18+, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey

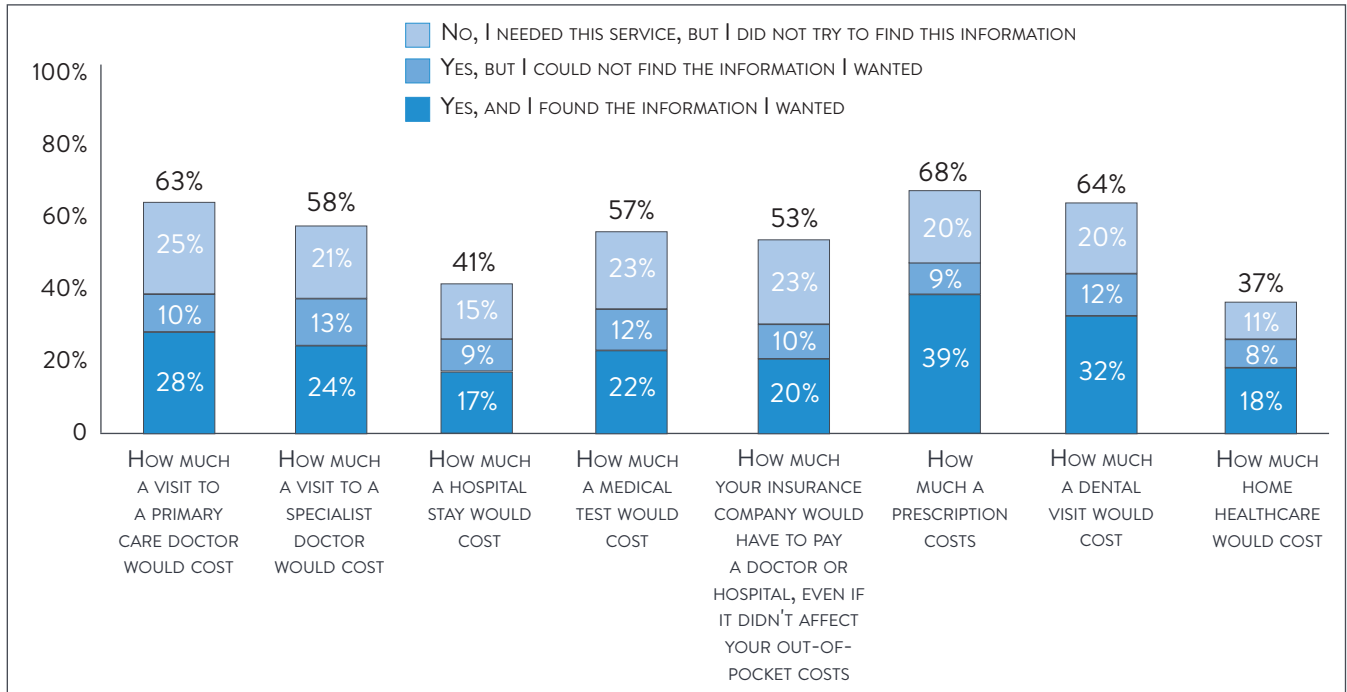
This data is consistent with CHES survey findings, not only in Wisconsin but in other states as well, which show that among privately insured adults, respondents often only took the simplest actions to address healthcare challenges such as contacting their health plan, doctor or hospital.³ However, respondents almost never escalated their efforts to include contacting a state agency, filing an appeal or other steps. Many reported being dissatisfied with the resolution of their surprise bill.

WISCONSIN RESPONDENTS MAY NOT KNOW WHERE TO FIND PRICE INFORMATION

Less than half (43%) of Wisconsin adults are confident they can find the price of a procedure ahead of time (Figure 1)—this comports with the price-seeking behavior reported in the survey (Figure 3). Respondents who reported engaging in price-seeking behavior but could not find the information they wanted indicated that the barriers to finding this information included: The resources available to research price information were confusing (43%); the provider (which includes doctor/hospital/pharmacy/dentist/home health provider) would not give me a price estimate (39%); the price information available was not sufficient (30%); my insurance plan would not give me a price estimate (28%).

Of those respondents who report needing the service but did not try to find price information, reasons most often selected included: I followed my doctor's recommendation (39%); I didn't know where to look (29%); looking for the information felt too confusing or overwhelming (26%); and I didn't have time to look (20%).

Figure 3
Among Wisconsin Adults, Percent Who Report in the Last 12 Months Trying to Find the Out-of-Pocket Costs for...



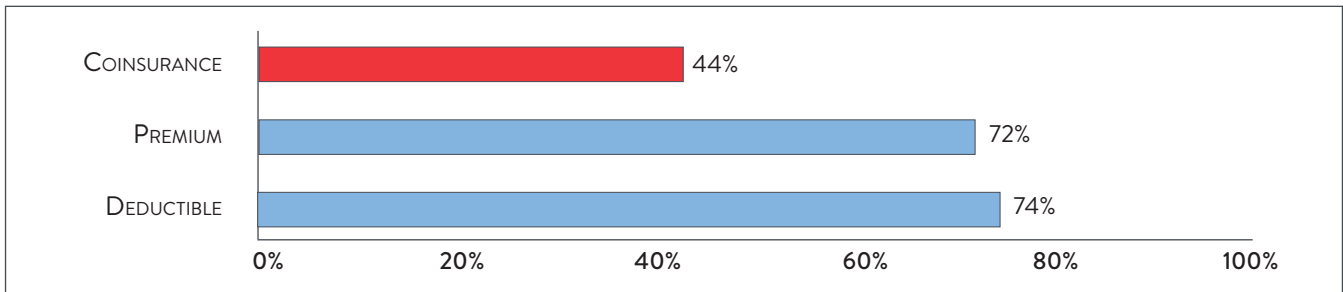
Source: 2022 Poll of Wisconsin Adults, Ages 18+, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey

HEALTH PLAN COST-SHARING TERMS ARE DIFFICULT TO UNDERSTAND

Despite this price-seeking behavior, consistently understanding cost-sharing obligations remains challenging for Wisconsin respondents.

When given multiple choices, respondents were able to choose the correct definitions for “Deductible” 74% of the time, but less than half had an accurate understanding of “Coinsurance” (Figure 4).

Figure 4
Among Wisconsin Adults, Percent Choosing Correct Insurance Term Definition (out of three choices)



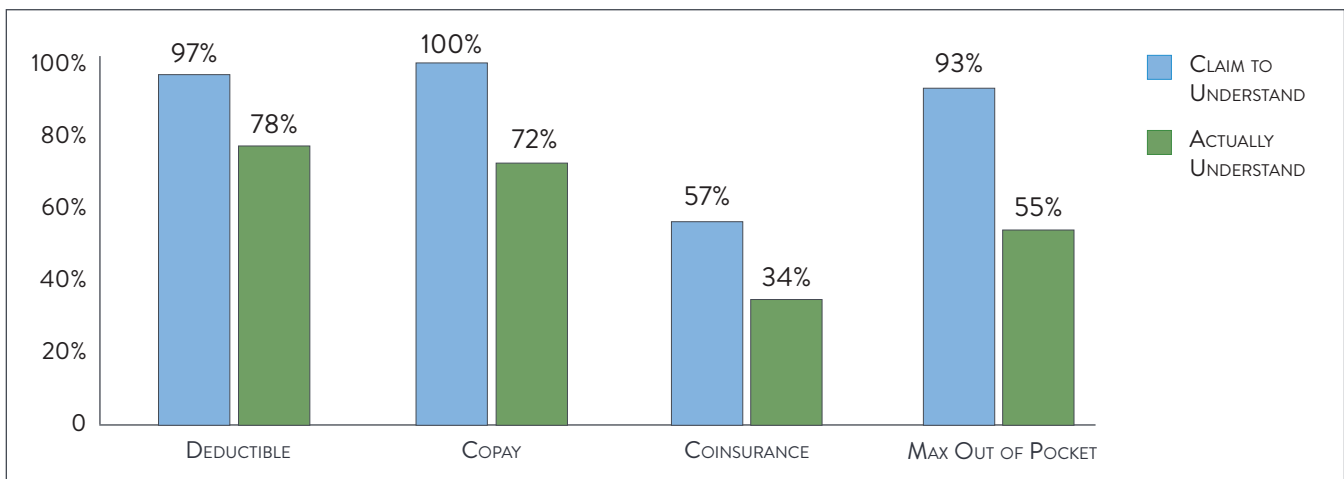
Source: 2022 Poll of Wisconsin Adults, Ages 18+, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey

This comports with national studies which found that health plan cost-sharing terms are very difficult for consumers to understand. Reasons for this include complex insurance rules, poor numeracy skills and poor literacy skills.⁴ Information related to patients' out-of-pocket costs was rated as the most challenging to find and understand out of all healthcare information.⁵

Unfortunately, national data suggests that consumers are not good self-reporters when it comes to assessing their skills. Studies, like the one in Figure 5, show that confidence typically exceeds actual skills, particularly when it comes to applying insurance cost-sharing rules to understand the amount patients have to pay.⁶

Figure 5

Health System Knowledge: Claim to Understand vs. Actually Understand



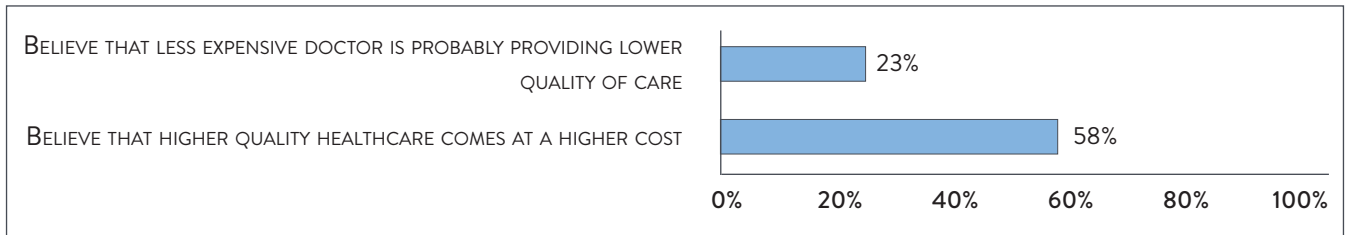
Source: Loewenstein, George, et al., "Consumers' Misunderstanding of Health Insurance," *Journal of Health Economics* (June 26, 2013).

RELATIONSHIP BETWEEN QUALITY AND PRICE

In light of well-documented, wide-spread variation in clinical quality and price,⁷ it is clear that consumers can benefit if they can successfully identify providers and treatment options that are of "good value." Furthermore, studies show there is little relationship between the quality and price of a medical service.⁸ This survey investigated respondents' own views on the relationship between quality and price.

More than half of Wisconsin respondents (58%) believe that higher quality health care usually comes at a higher cost, yet very few believe that prices reliably signal the quality of care. Just 23 percent believe that a less expensive doctor is likely providing lower-quality care (Figure 6).

Both cost and quality are important to Wisconsin respondents. More than half of Wisconsin respondents (54%) indicated that if two doctors or health care providers had equal quality ratings, out-of-pocket costs would be a very or extremely important factor in deciding between the two professionals. Conversely, 56 percent of respondents indicated that if two doctors' out-of-pocket costs were equal, quality ratings would be a very or extremely important factor in deciding between the two professionals.

Figure 6**Among Wisconsin Adults, Views on the Relationship between Healthcare Price and Quality**

Source: 2022 Poll of Wisconsin Adults, Ages 18+, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey

DISCUSSION

Wisconsin respondents are knowledgeable about the relationship between the cost and quality of healthcare, and seemingly willing to seek out-of-pocket cost data. Yet they also report lacking confidence in certain skills needed to navigate the healthcare system. The most common struggles reported include an inability to successfully dispute medical bills and resolve problems with unresponsive providers, health plans and hospitals. These navigational challenges do not vary substantially by insurance type, suggesting that these difficulties are not isolated to a specific insurance type.

Low understanding of coinsurance and other challenges can make it difficult for consumers to anticipate out-of-pocket costs in order to budget for expenses. Moreover, these difficulties may contribute to the receipt of “surprise medical bills” and worsen affordability burdens and worries of consumers.^{9,10}

Consumer harm that results from difficulty navigating the health system can be addressed in numerous ways. Evidence to date suggests that simplifying eligibility, benefit design and other aspects of our health system are likely to yield better results than educational efforts alone. Simplification strategies that have been tried in other states include:

- Reducing the likelihood of encountering pricing or quality outliers;¹¹
- Simplifying and standardizing cost-sharing benefit designs;¹²
- Providing “nudges” like integrated provider directories, quality rankings and out-of-pocket calculators at the point of health plan shopping;
- Providing live, hands-on assistance navigating health insurance issues; and
- Deploying “Universal Precautions” in communications

Similarly, to the extent that the health system remains complex, consumers have signaled a preference for live, just-in-time consumer assistance as opposed to passive educational materials.¹³ A few states have developed a one-stop-shop for helping consumers address denied claims or other difficulties.¹⁴

NOTES

1. For more information, see [Wisconsin Residents Struggle to Afford High Healthcare Costs; Support for a Range of Government Solutions Across Party Lines](#), Healthcare Value Hub, Data Brief No. 137 (January 2023).
2. Ibid.
3. For a listing of Healthcare Value Hub Consumer Healthcare Experience State Survey briefs focused on surprise

medical bills please visit https://www.healthcarevaluehub.org/advocate-resources/consumer-healthcare-experience-state-survey?pub_topic=Surprise%20Medical%20Bills.

4. Long, S. et. al. Low Levels of Self-Reported Literacy and Numeracy Create Barriers to Obtaining and Using Health Insurance Coverage, The Urban Institute, Washington, D.C. (October 2014). <https://www.urban.org/sites/default/files/publication/49821/low-levels-of-self-reported-literacy-and-numeracy.pdf>
5. Duke, Chris, *The Challenge of Communicating Health Care Information Effectively*, Altarum Institute (Aug. 22, 2016) and Quincy, Lynn, *What's Behind the Door: Consumers' Difficulties Selecting Health Plans*, Consumers Union (January 2012).
6. Paez, Kathryn, and Coretta, Mallery, *A Little Knowledge Is a Risky Thing: Wide Gap in What People Think They Know About Health Insurance and What They Actually Know*, American Institute for Research (AIR), Arlington, VA (October 2014). https://www.air.org/sites/default/files/Health%20Insurance%20Literacy%20brief_Oct%202014_amended.pdf
7. Zack Cooper, et al., *The Price Ain't Right? Hospital Prices and Health Spending on the Privately Insured*, Health Care Pricing Project, <http://www.healthcarepricingproject.org/papers/paper-1>
8. Hussey, P., Wertheimer, S., and Mehrotra, A. "The Association Between Health Care Quality and Cost: A Systematic Review," *Annals of Internal Medicine* (2013). <https://pubmed.ncbi.nlm.nih.gov/23277898/>
9. *Wisconsin Residents Struggle to Afford High Healthcare Costs; Express Bipartisan Support for a Range of Government Solutions*, Healthcare Value Hub, Data Brief No. 137 (January 2022).
10. The federal No Surprises Act prohibits surprise medical billing in most plans effective January 2022. However, it does not cover ground ambulances, which often result in surprise bills, and consumers may remain vulnerable to billing errors and forms allowing them to "opt-out" of these federal protections. Further study is needed to determine the impact of the No Surprises Act on surprise medical billing.
11. Vestal, Christine, *One State's Hospital Cost Solution: Regulated Prices*, PEW Charitable Trusts, Philadelphia, P.A. (March 2011). <http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2011/03/29/one-states-hospital-cost-solution-regulated-prices>
12. *Improving Value: Standard Benefit Design*, Altarum Healthcare Value Hub, Ann Arbor, MI. <http://www.healthcarevaluehub.org/improving-value/browse-strategy/standard-health-plan-designs/>
13. Tolbert J, Perry M, Dryden S, Perry K., *Connecting Consumers to Coverage: Lessons Learned from Assisters for Successful Outreach and Enrollment*, Kaiser Family Foundation, San Francisco, CA (2014). <https://www.kff.org/health-reform/issue-brief/connecting-consumers-to-coverage-lessons-learned-from-assisters-for-successful-outreach-and-enrollment/>
14. *The Office of Healthcare Advocate: Giving Consumers a Seat at the Table*, Altarum Healthcare Value Hub, Ann Arbor, MI (May 2018). <https://www.healthcarevaluehub.org/advocate-resources/publications/office-healthcare-advocate-giving-consumers-seat-table>



ABOUT ALTARUM'S HEALTHCARE VALUE HUB

With support from Arnold Ventures, the Healthcare Value Hub provides free, timely information about the policies and practices that address high healthcare costs and poor quality, bringing better value to consumers. The Hub is part of Altarum, a nonprofit organization with the mission of creating a better, more sustainable future for all Americans by applying research-based and field-tested solutions that transform our systems of health and healthcare.

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Methodology

The Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey (CHESS) is designed to elicit respondents' unbiased views on a wide range of health system issues, including confidence using the health system, financial burden and views on fixes that might be needed.

The survey used a web panel from Dynata with a demographically balanced sample of approximately 1,196 respondents who live in Wisconsin. The survey was conducted in English or Spanish and restricted to adults ages 18 and older. Respondents who finished the survey in less than half the median time were excluded from the final sample, leaving 1,113 cases for analysis. After those exclusions, the demographic composition of respondents was as follows, although not all demographic information has complete response rates:

Demographic Composition of Survey Respondents

DEMOGRAPHIC CHARACTERISTIC	FREQUENCY	PERCENTAGE	DEMOGRAPHIC CHARACTERISTIC	FREQUENCY	PERCENTAGE
HOUSEHOLD INCOME			GENDER		
Under \$20K	187	17%	WOMAN	717	64%
\$20K - \$30K	135	12%	MAN	368	33%
\$30K - \$40K	117	11%	TRANSWOMAN	1	<1%
\$40K - \$50K	132	12%	TRANSMAN	3	<1%
\$50K - \$60K	137	12%	GENDERQUEER/NONBINARY	15	1%
\$60K - \$75K	122	11%	INSURANCE TYPE		
\$75K - \$100K	122	11%	HEALTH INSURANCE THROUGH EMPLOYER OR FAMILY MEMBER'S EMPLOYER	406	36%
\$100K - \$150K	104	9%	HEALTH INSURANCE I BUY ON MY OWN	87	7%
\$150K+	57	5%	MEDICARE	295	27%
AGE			WISCONSIN MEDICAID	232	21%
18-24	216	20%	TRICARE/MILITARY HEALTH SYSTEM	13	1%
25-34	216	20%	DEPARTMENT OF VETERANS AFFAIRS (VA) HEALTH CARE	18	2%
35-44	163	15%	NO COVERAGE OF ANY TYPE	40	4%
45-54	136	12%	I DON'T KNOW	26	2%
55-64	228	21%	RACE/ETHNICITY		
65+	142	13%	AMERICAN INDIAN OR NATIVE ALASKAN	29	3%
HEALTH STATUS			ASIAN	21	2%
EXCELLENT	120	11%	BLACK OR AFRICAN AMERICAN	73	7%
VERY GOOD	368	33%	NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	5	<1%
GOOD	385	35%	WHITE	976	88%
FAIR	195	18%	PREFER NOT TO ANSWER	21	2%
POOR	45	4%	TWO OR MORE RACES	23	2%
DISABILITY					
MOBILITY: SERIOUS DIFFICULTY WALKING OR CLIMBING STAIRS	187	17%	HISPANIC OR LATINX - YES	105	9%
COGNITION: SERIOUS DIFFICULTY CONCENTRATING, REMEMBERING OR MAKING DECISIONS	119	11%	HISPANIC OR LATINX - NO	1,008	91%
INDEPENDENT LIVING: SERIOUS DIFFICULTY DOING ERRANDS ALONE, SUCH AS VISITING A DOCTOR'S OFFICE	73	7%	PARTY AFFILIATION		
HEARING: DEAFNESS OR SERIOUS DIFFICULTY HEARING	80	7%	REPUBLICAN	287	26%
VISION: BLINDNESS OR SERIOUS DIFFICULTY SEEING, EVEN WHEN WEARING GLASSES	50	4%	DEMOCRAT	420	38%
SELF-CARE: DIFFICULTY DRESSING OR BATHING	59	5%	NEITHER	406	36%
NO DISABILITY OR LONG-TERM HEALTH CONDITION	757	68%	Geographic Setting		
			Rural	223	20%
			Non-Rural	890	80%

Source: 2022 Poll of Wisconsin Adults, Ages 18+, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey

Note: Percentages in the body of the brief are based on weighted values, while the data presented in the demographic table is unweighted, except for race/ethnicity data.

Altarum does not conduct statistical calculations on the significance of differences between groups in findings. Therefore, determinations that one group experienced a significantly different affordability burden than another should not be inferred. Rather, comparisons are for conversational purposes. We do not report any estimates under N=100 and a co-efficient of variance more than 0.30.