

Health Insurance

Brought to you by AHIP

Survey: Americans Risk Averse in Health-plan Choice

- AP

December 01, 2006

People with employer-sponsored health coverage choose to enroll in traditional plans over consumer directed products, which have been touted as a way to lower health care costs, according to a survey released Friday.

The study also found that of 39 percent of the 2.7 million people enrolled in employer-sponsored consumer directed health plans this year weren't offered other options, according to the Center for Studying Health System Change, a research organization in Washington.

Consumer directed health plans combine high deductibles with tax-advantaged savings accounts. Experts have said the plans will bring down health care costs because they make patients more financially accountable for their spending decisions.

However, the study shows that people aren't necessarily anxious for that responsibility, said Jon Gabel, a study author and vice president of the center. "Most Americans are risk averse. They don't like making financial decisions," Gabel said.

The survey found that when offered a choice of at least two plans, 55 percent of employees selected a preferred provider organization or PPO, 40 percent chose a health maintenance organization and 19 percent opted for a consumer driven plan.

Gabel said some employers haven't done a thorough job in explaining the consumer directed products to employees, and some employers may have not properly priced the product.

The study found that a single employee's monthly premium for a PPO was \$61 compared with \$56 for the consumer driven plan. Yet, the consumer driven plan had a deductible of \$1,459 compared with a \$261 deductible for the PPO.

Gabel said the amount an employee would save on premiums by selecting the consumer driven plan over a PPO is outweighed by the large difference in the deductibles.

Karen Ignagni, president and CEO of America's Health Insurance Plans, said its surveys show that enrollment in the consumer directed plans is growing. She said 30 percent of small businesses in its own study didn't offer any health insurance to workers until consumer directed plans became available. The plans are also popular among individuals who buy their health plans on the open market, she said.

Ignagni said the plans are popular in certain niches but that it was too soon to say if they will

gain wide acceptance.

The Center for Studying Health System Change study was based on a survey of 2,122 randomly chosen private and nonfederal companies.

© 2006 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

[Back to Top](#) | [Health Insurance Home](#)

Copyright 2005 HealthDecisions.org