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THE 2022 HEALTHCARE BENEFITS CENSUS

# Understanding Benefits Utilization and Member Dissatisfaction



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# Executive Summary

According to the 2020 U.S. Census, the “percentage of people with health insurance coverage for all or part of 2020 was 91.4. Private health insurance coverage was more prevalent than public coverage at 66.5 percent and 34.8 percent, respectively.”<sup>1</sup> While ensuring access to health insurance for all Americans remains a priority, it is equally important to make sure people who have health insurance understand what benefits they have and are using them to get the care they need. With this survey, we sought to get a picture of healthcare benefits utilization among adults in the United States and to understand what factors lead to full utilization and satisfaction with a health insurance plan.

## Member Pain Points

We commissioned The Harris Poll to conduct a survey limited to adults in the United States with health insurance and a flexible spending account (FSA) or health savings account (HSA).<sup>\*</sup> We asked those selected, “Do you like your current health insurance plan?”

While the majority replied “yes,” those who answered “no” revealed clear, correctable pain points. Health plans that solve these pain points will have more satisfied members and higher member retention metrics.

### Health plan detractors:

- Struggle tracking their benefits (75%).
- Don't use all of their benefits (60%).
- Don't know their benefits (48%)

## Solving One Solves the Others

Benefit awareness, utilization, and tracking each have their own pain points. However, they can be connected, e.g., the more a member is unaware of their benefits, the less likely they are to use them. In our study, we discovered:

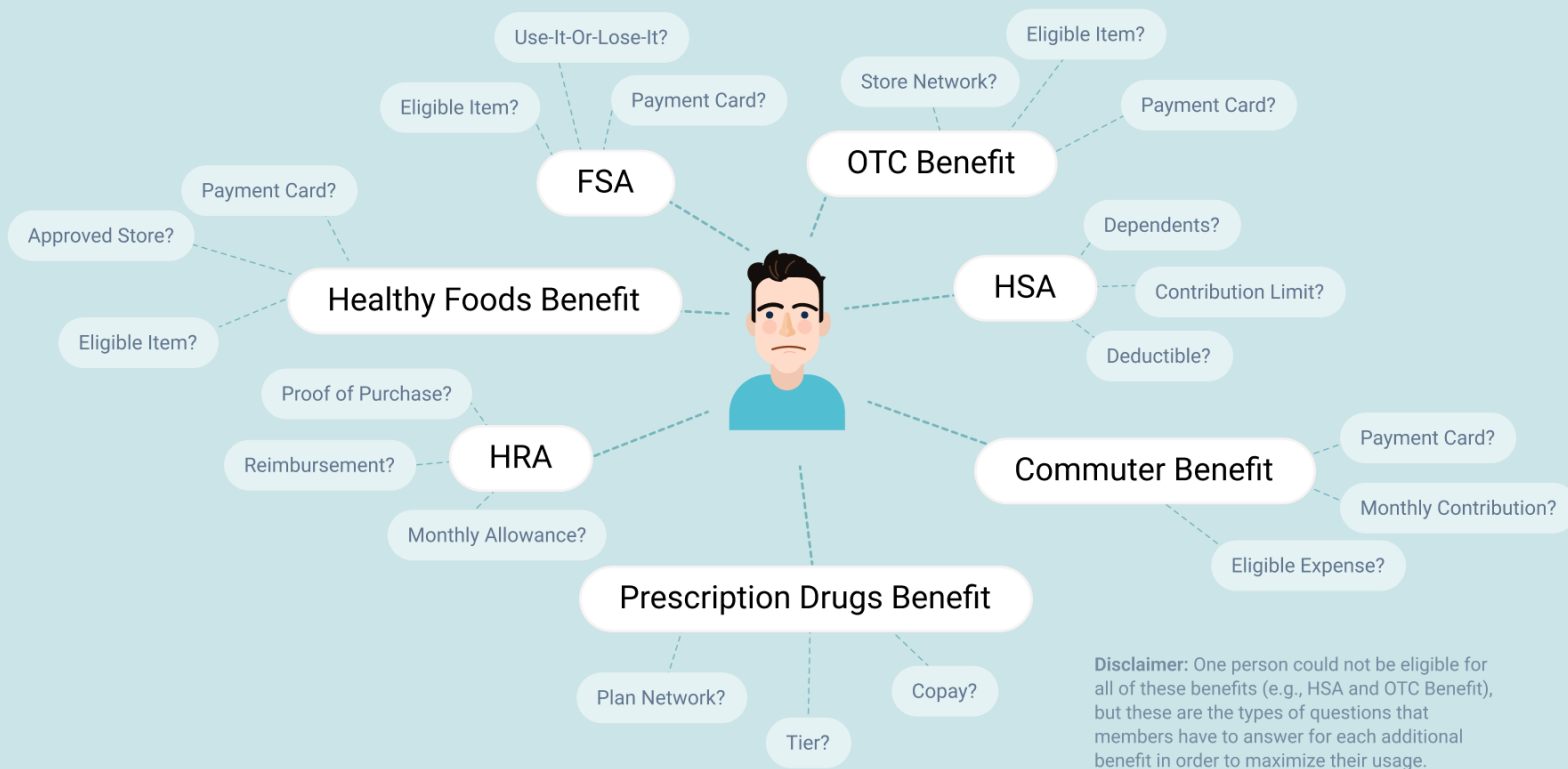
- Use all of their benefits tend to know what benefits their plan offers (92%).
- Find it easy to track their benefits tend to know what benefits their plan offers (89%).

## Single-Card Solution

Members are looking for an intuitive, streamlined healthcare experience. When presented with a single-card solution that streamlined how they would pay for healthcare services, 84% of members said they would be at least somewhat likely to switch to a health plan that offered this solution.

## Summary

Health plan providers who solve the pain points of benefit awareness, utilization, and tracking for their members will have members who use their benefits to their full capacity, leading to higher customer satisfaction and higher member retention metrics.



# Introduction

First Dollar commissioned The Harris Poll to conduct a survey to better understand the challenges faced by adults when using their benefits.

## Participant Details

The Harris Poll conducted this research online within the United States by on behalf of First Dollar among 1,000 U.S. adults age 18+ who have health insurance and either a Flexible Spending Account (FSA) or Health Savings Account (HSA). The survey was conducted between February 15 - February 17, 2022. Throughout this report, these respondents are referred to as “members” even though they are a subset of health insurance plan members in the United States.

## Healthcare Payments Today

When it’s time to pay for health care under the deductible, members today may choose to use their HSA, FSA, DCFSA, cash, or a supplemental benefit provided by their plan or employer. This number of payment options can lead to confusion as members are left on their own to identify the right payment tool.



### Did you know?

In 2019, United States out-of-pocket spending per capita reached \$1,241.<sup>2</sup>

## Cost of Complexity

Complexity has a cost. A 2017 Accenture report found that more than half of U.S. consumers are unable to navigate the complexity of the healthcare system on their own, costing payors an estimated \$4.8 billion annually in administrative expenses alone.<sup>3</sup> And it's unfortunately unsurprising that more than one in four people avoid treatment due to uncertainty about their coverage.<sup>4</sup>

## New Items to Master

With each additional way to pay for health care, members must learn and understand the new benefit so they can take full advantage of the new service. Let's consider some of the questions members answer:

- *What's my HSA annual contribution limit?*
- *Which prescription drugs are covered by my prescription benefits?*
- *When do my FSA funds expire?*
- *What's my password and login for this account?*

## Missed Opportunities

Members and payors miss opportunities when members don't fully use their benefits and plan—leaving hard-earned money on the table.

## Missed Opportunity Example: FSA

Every year, a large portion of FSA funds goes unused. If members do not use their flexible spending account (FSA) funds by their annual expiration date, they forfeit the remaining FSA balance. That's money that members could have used to buy healthcare services, saving their own hard-earned money and maintaining their health (e.g., buying sunscreen).



### Did you know?

In 2019, 44% of workers forfeited part or all of their FSA contributions. The average forfeiture was \$339, and the median forfeiture was \$157.<sup>5</sup>

## Why This Report

We conducted this study to better understand how well members understand, use, and track their benefits, and how that impacts their opinion towards their health plan. We hope to answer the following questions:

- *How well aware are members of their benefits?*
- *Do members use all of their benefits?*
- *Are members able to track their benefits?*
- *How does navigating health care make members feel?*
- *How do members with positive opinions towards their health plan experience benefits?*
- *How do members with negative opinions towards their health plan experience benefits?*

By asking these questions, we hope to identify member pain points for health plans to solve.

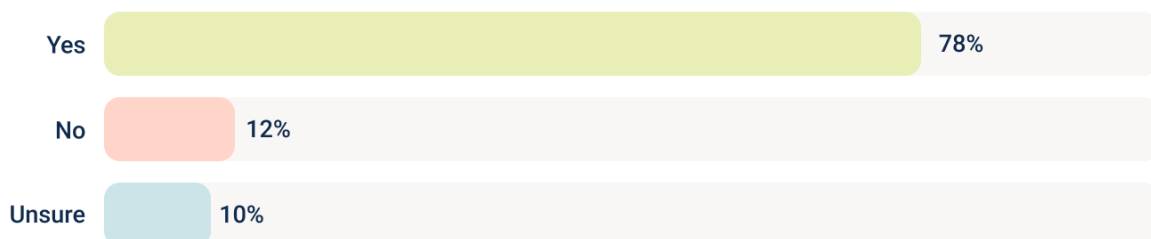
# Benefit Awareness

The first step in members using their benefits is member benefit awareness. In other words, members need to know what their benefits are in order to use them. In this section, we'll review whether members are aware of all their available benefits and how that impacts their attitudes towards their health plan.

## General Benefit Awareness

A majority (78%) of members feel that they are aware of all benefits made available to them by their current health insurance plan.

Do you feel you are aware of the benefits available to you through your current health insurance plan?



Base: All qualified respondents (n=1,000). Do you feel you are aware of the benefits available to you through your current health insurance plan?

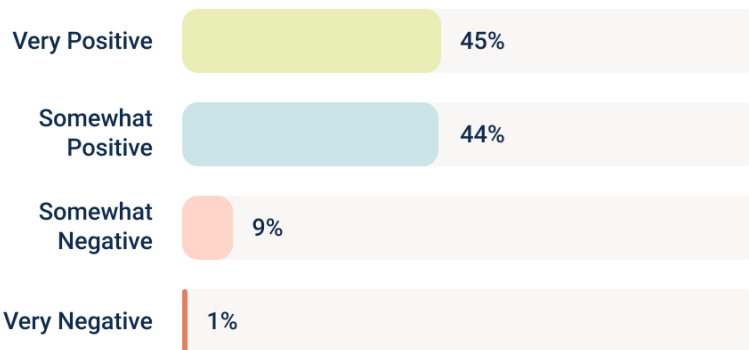
## Health Plan Opinion

We asked members how they felt about their health plan.

### A Note on “Fans” vs. “Detractors”

For the purposes of this report, we’ll refer to any member who answered “very positive” or “somewhat positive” as a health plan fan, and anyone who answered “somewhat negative” or “very negative” as a health plan detractor. This will help us identify what makes someone likely to be a fan versus a detractor.

### In general, how would you describe your overall experience with your current health insurance plan?



#### Breakin’ It Down

In general, members were very positive when describing their overall experience with their current health insurance plan (89%).

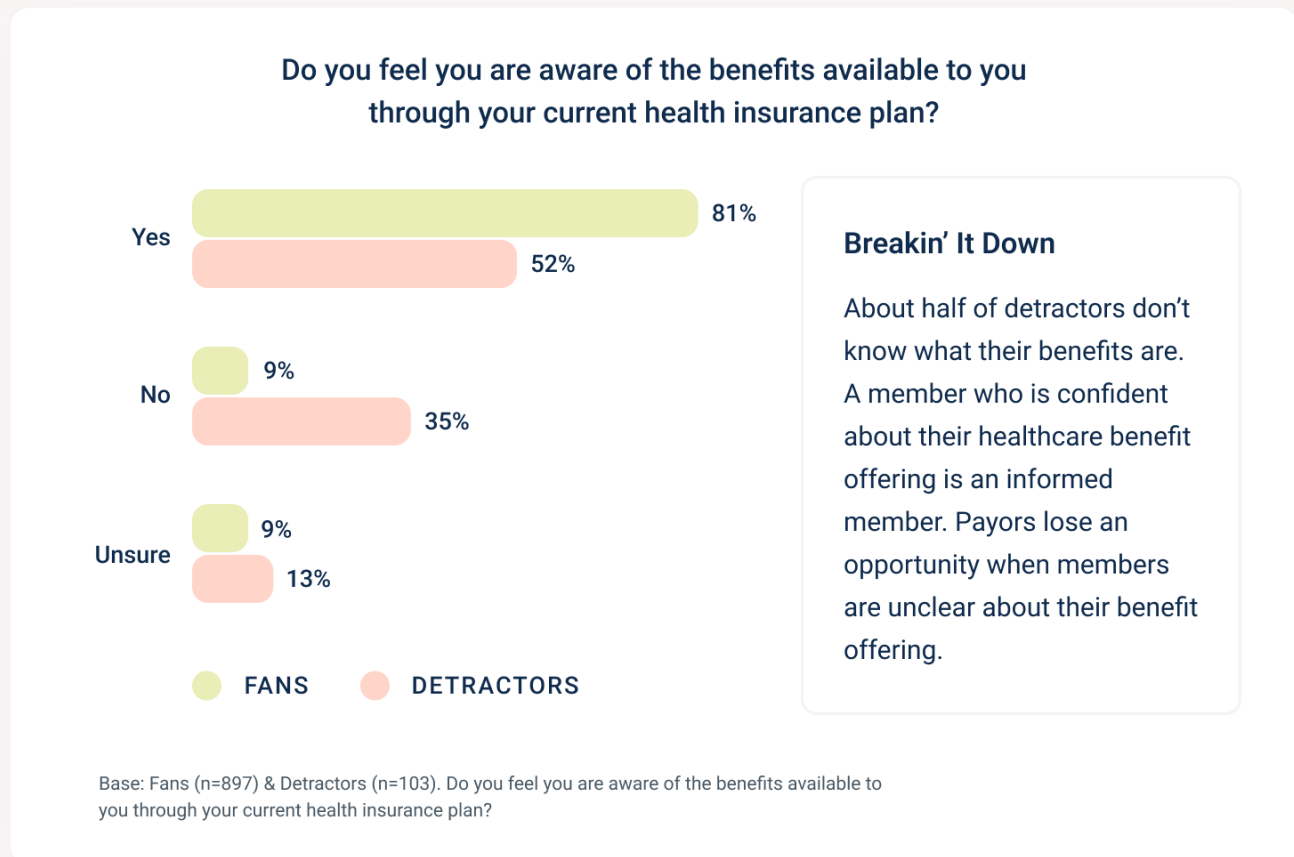
Base: All qualified respondents (n=1,000). In general, how would you describe your overall experience with your current health insurance plan?

## Benefit Awareness: Fans vs. Detractors

With that background in mind, let's examine how health plan fans and detractors answer the question of benefit awareness. As we review the results, let's consider the following questions.

### Questions to Consider

- Do fans and detractors answer the question similarly?
- If they differ, what do those differences tell us?



### Did You Know?

48% of health plan detractors don't know what their healthcare benefits are.



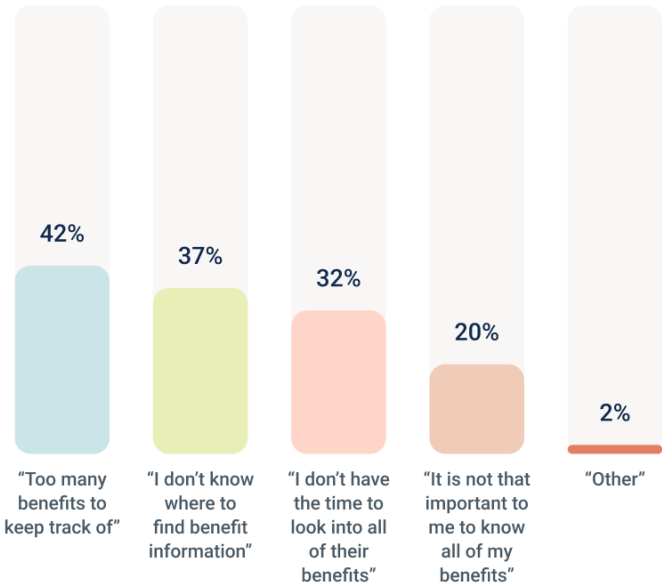
“Plan summaries are hard to read.”

Brenda C. on Instagram

## Factors that Impact Benefit Awareness

For all who said that they were unsure of their available healthcare benefits, we asked a follow-up question to better understand the factors that might impact their benefit awareness.

Which of the following best describes why you do not know or you are not sure of all of the benefits available to you? Please select all that apply.



### Breakin' It Down

Members unaware of their benefits were most likely to select “too many benefits to keep track of” as the reason they did not know all of their benefits. This is signaling that members want a healthcare experience that works—not necessarily another dense benefit booklet to read.

Base: Not sure of or does not know all of the benefits available to them (n=215). You mentioned you are not aware of or are not sure if you are aware of all of the benefits available to you through your current health insurance plan. Which of the following best describes why you do not know or you are not sure? Please select all that apply.

## Conclusion

Let's recap some important points from this Benefit Awareness section.

- 1 A majority of members like their health plans.
- 2 A majority of members feel that they are aware of all their healthcare benefits.
- 3 About half of members with a negative opinion about their current health plan are unsure or unaware of all their benefits.
- 4 People who don't know their benefit offering are overwhelmed by the number of benefits offered.

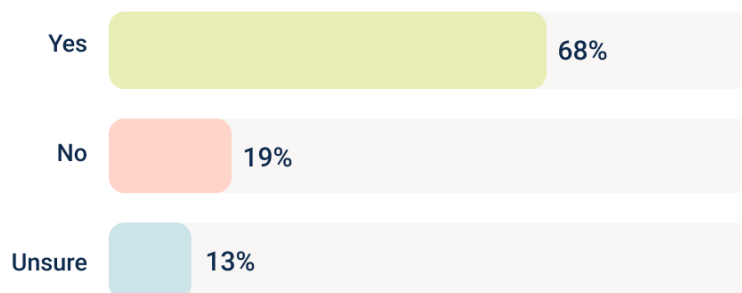
# Benefit Utilization

Next, let's look to see how people use their healthcare benefits. Do they use all of their benefits?

## General Benefit Utilization

We asked members whether they used all of their benefits, and a majority believed that they did.

Do you use all of the benefits available to you through your current health insurance plan?



### Breakin' It Down

A majority of members use all of their benefits.

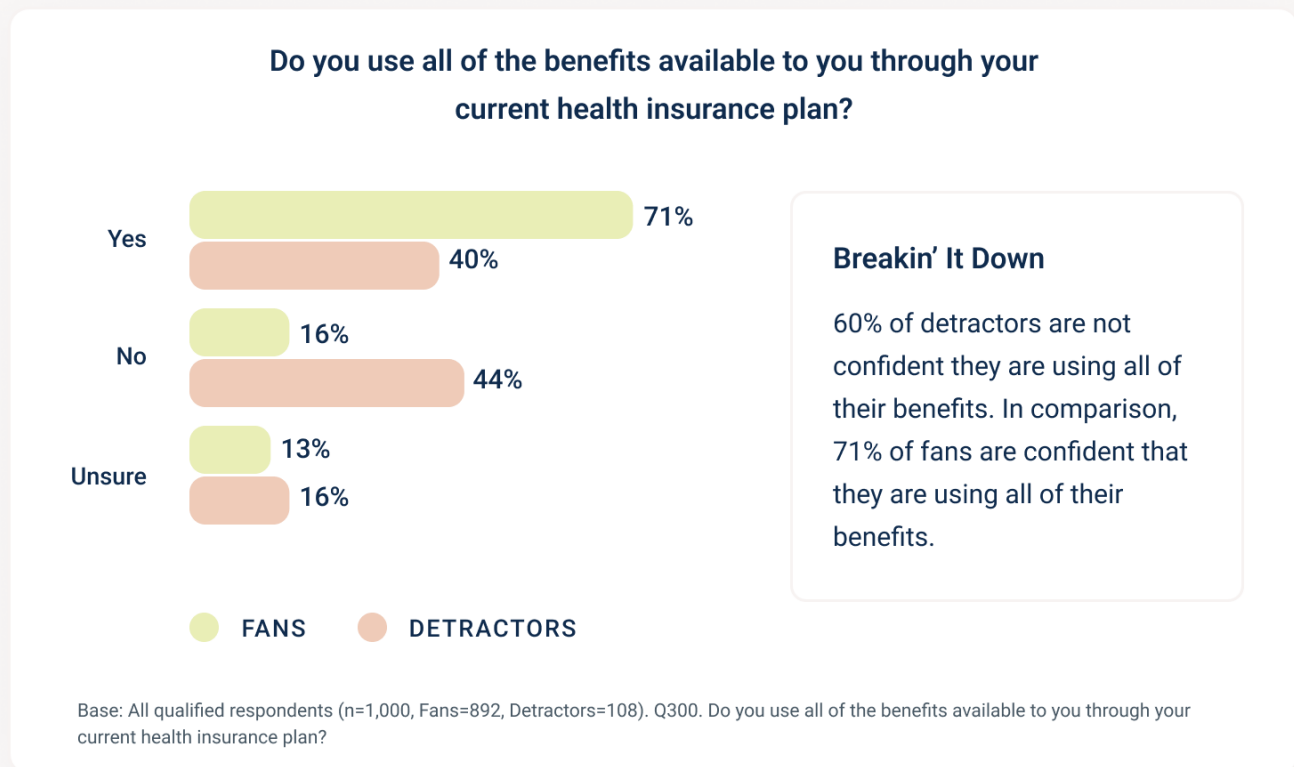
Base: All qualified respondents (n=1,000). Do you use all of the benefits available to you through your current health insurance plan?

## Benefit Utilization: Fans vs. Detractors

The early results are positive as a majority of members are using all of their available benefits. Let's now review how health plan fans and health plan detractors answered.

### Questions to Consider

- Do fans and detractors answer the question similarly?
- If they differ, what do those differences tell us?



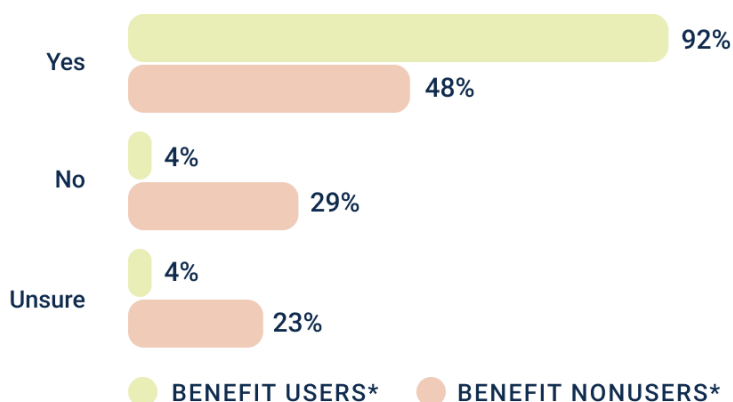
### Did You Know?

60% of health plan detractors are not using all of their benefits.

## Benefit Utilization and Benefit Awareness

Next, let's review to see if there is a relationship between benefit utilization and benefit awareness. Are members who use their benefits more likely to know what their benefits are?

### Do you feel you are aware of the benefits available to you through your current health insurance plan?



#### Breakin' It Down

People who use their benefits are more likely to know their benefit offering (and the inverse is true as well).

Base: All qualified respondents (n=1,000, Benefit Users n=695, Benefit Nonusers n=305). Do you feel you are aware of the benefits available to you through your current health insurance plan?



#### Did You Know?

48% of members who do not use all of their benefits also do not feel they are aware of their available benefits.

## Conclusion

Let's recap some important points from this Benefit Utilization section.

- 1 Benefit utilization impacts member opinions of their health plan.
- 2 Members are more likely to use their benefits if they are aware of their benefit offering.

**"I don't even know what they all are."**

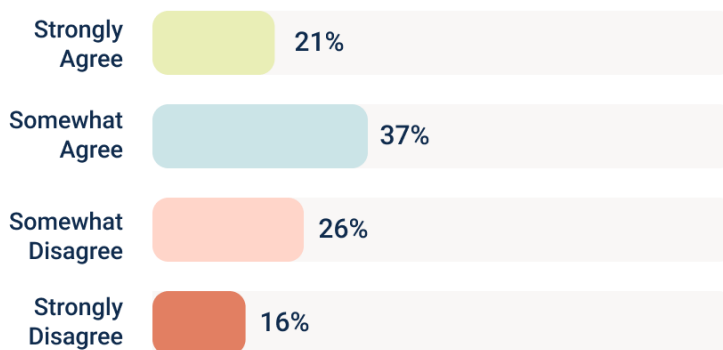
Lisa P. on Instagram

# Benefit Tracking

Before this report, our hypothesis was that ease of tracking benefits would be closely tied to benefit awareness. If a member can easily keep track of their benefits (and the benefits of their family and dependents), that should translate into a higher level of confidence about their benefits and what they do.

In this section, we'll test our hypothesis by reviewing people's ease in tracking their benefits, and how that ease impacted their benefit awareness.

## "I can't keep track of all of the healthcare benefits I have."



### Breakin' It Down

Fifty-eight percent of members agree they cannot keep track of their healthcare benefits.

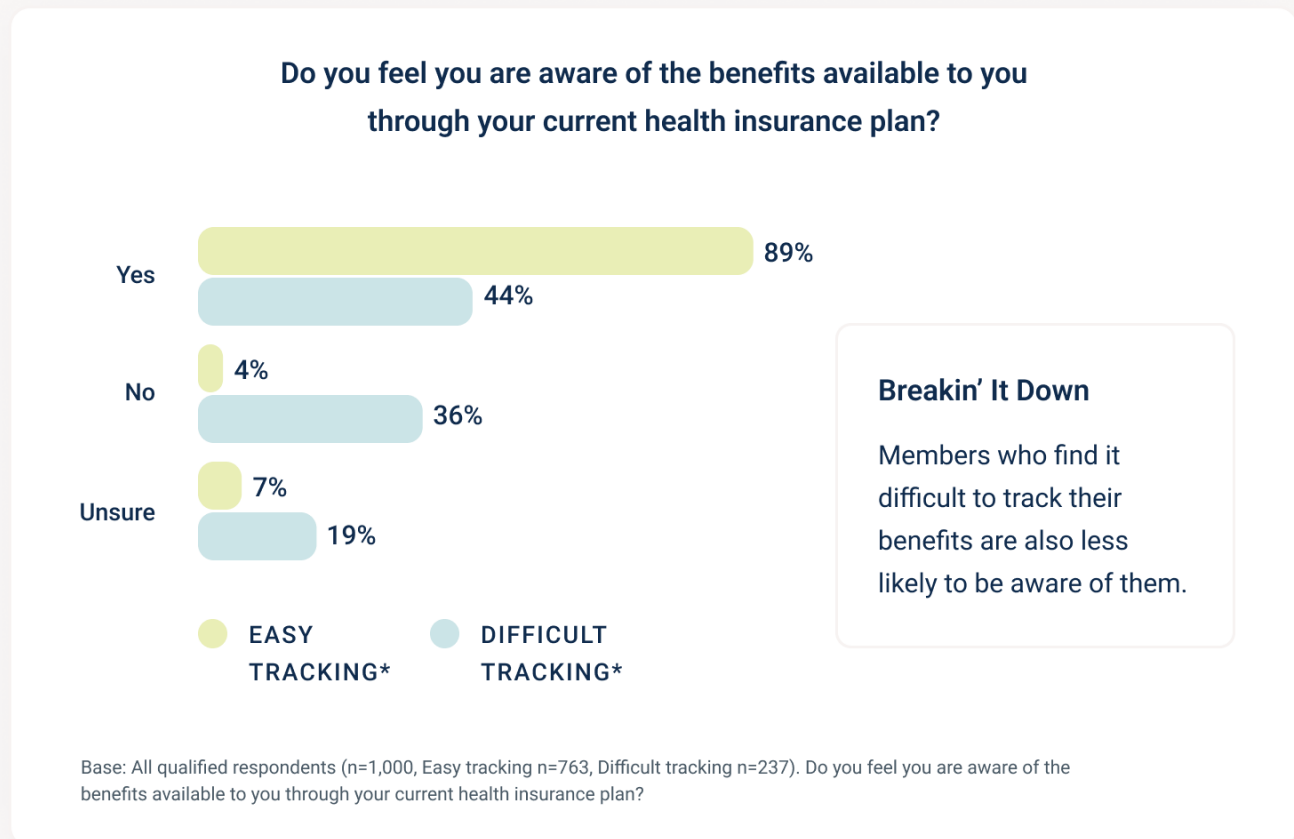
Base: All qualified respondents (n=1,000). How much do you agree or disagree with each of the following statements? 3. I can't keep track of all of the healthcare benefits I have.

## Majority Can't Keep Track

Over half of members cannot keep track of their healthcare benefits—that's a sizable portion!

## Benefit Tracking and Benefit Awareness

Next, let's examine how a member's feelings towards ease of tracking their benefits relates to their awareness of their benefits existing.



Our original hypothesis is validated. Members who found it easy to track their benefits were much more likely to report that they also knew what their benefits are.



Ease in tracking benefits is a key tool to member benefit awareness.

“Information overload and the terminology is confusing.”

Paula N. on Instagram

\*Easy Tracking refers to members who answered "Strongly Agree" or "Somewhat Agree" to "I cannot keep track of all of the healthcare benefits I have."

\*Difficult Tracking refers to members who answered "Somewhat Disagree" or "Strongly Disagree" to "I cannot keep track of all of the healthcare benefits I have."

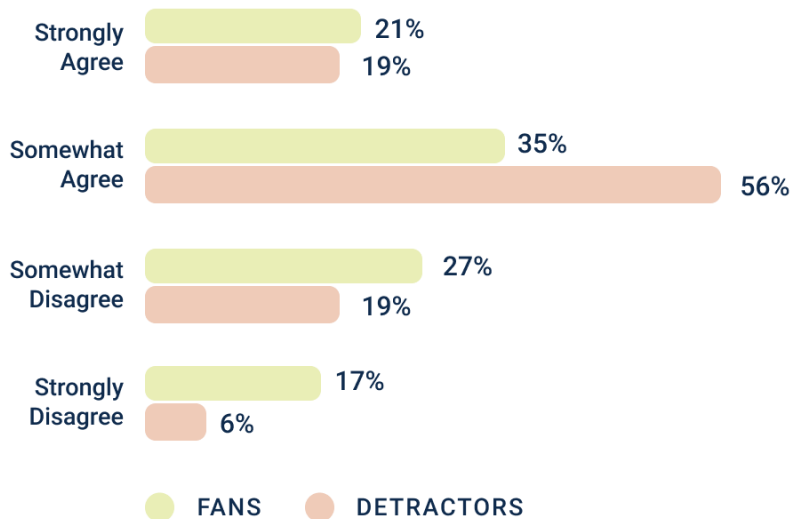
## Benefit Tracking: Fans vs. Detractors

Next, let's review how health insurance plan fans and detractors feel about their ease of tracking benefits.

### Questions to Consider

- Do fans and detractors answer the question similarly?
- If they differ, what do those differences tell us?

#### "I can't keep track of all of the healthcare benefits I have."



#### Breakin' It Down

Members with a negative opinion about their health plan struggle to track their benefits. 3 in 4 detractors strongly or somewhat agree that they cannot keep track of their benefits.

Base: All qualified respondents (n=1,000, Fans=892, Detractors=108) How much do you agree or disagree with each of the following statements? 3. I can't keep track of all of the healthcare benefits I have.



#### Did You Know?

Seventy-five percent of members with a negative opinion about their current health plan cannot keep track of their healthcare benefits.

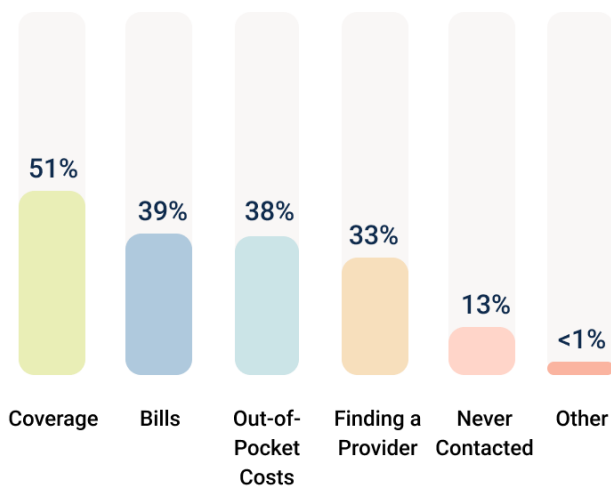
## Conclusion

Giving a member a new benefit is not an automatic win. If the member doesn't understand the benefit or struggles to track a new benefit, the member and health plan risk losing out on any gained advantage.

# Navigating Health Plans

Navigating healthcare benefits can be a complicated web for members to navigate. In this section, we'll review the reasons why members contact their health plans, and how the entire healthcare process makes members feel.

## Thinking about times you have contacted your health insurance plan, which of the following, if any, were the reasons that prompted you to contact them?



Base: All qualified respondents (n=1,000). Thinking about times you have contacted your health insurance plan, which of the following, if any, were the reasons that prompted you to contact them? Please select all that apply.

### Breakin' It Down

When members call their health plan providers to learn more about their plans, they typically ask questions about coverage, bills, and out-of-pocket costs. In other words, they are calling to learn how their benefits work.

Health plans can save money on costs and services if they can make their benefits easier for members to understand, and they'll also have happier members.



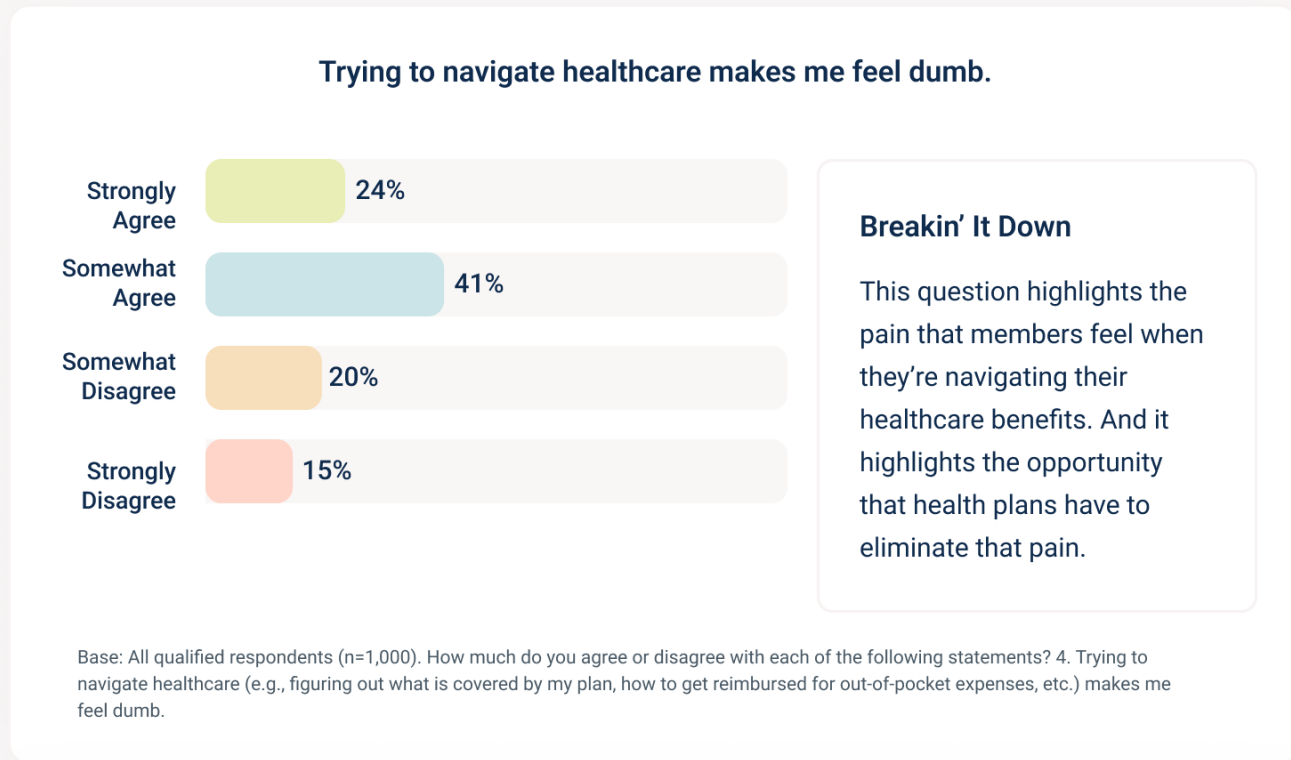
### Did You Know?

The most common reasons members contacted their health insurance plans were related to understanding their benefits.



# How Navigating Healthcare Makes Members Feel

We also wanted to know how this entire process made individuals feel. How do members feel navigating this process?



 **Did You Know?**

Navigating healthcare plans makes 65% of health plan members feel dumb.

## Conclusion

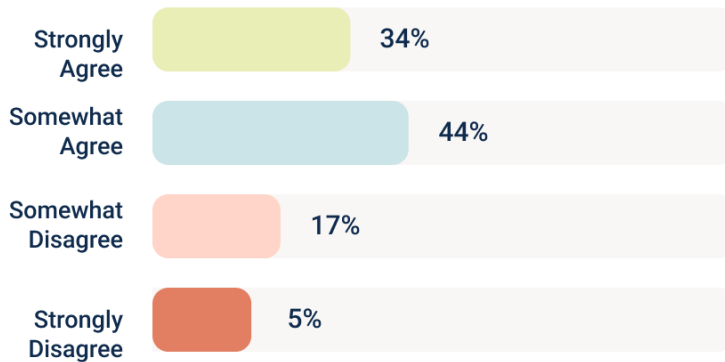
Let's recap some important points from this Navigating Health Plans section.

- 1 The most common reasons that members contact their health insurance is to understand how their benefits work.
- 2 Navigating their health plan makes a majority of members feel dumb.

# “Getting the Most Out of My Plan”

Do members feel like they are getting the most out of their plan? Our hypothesis is that members who feel like they are taking advantage of their plan are more likely to have a favorable opinion about their health plan.

## “I feel like I am getting the most out of my health plan benefits.”



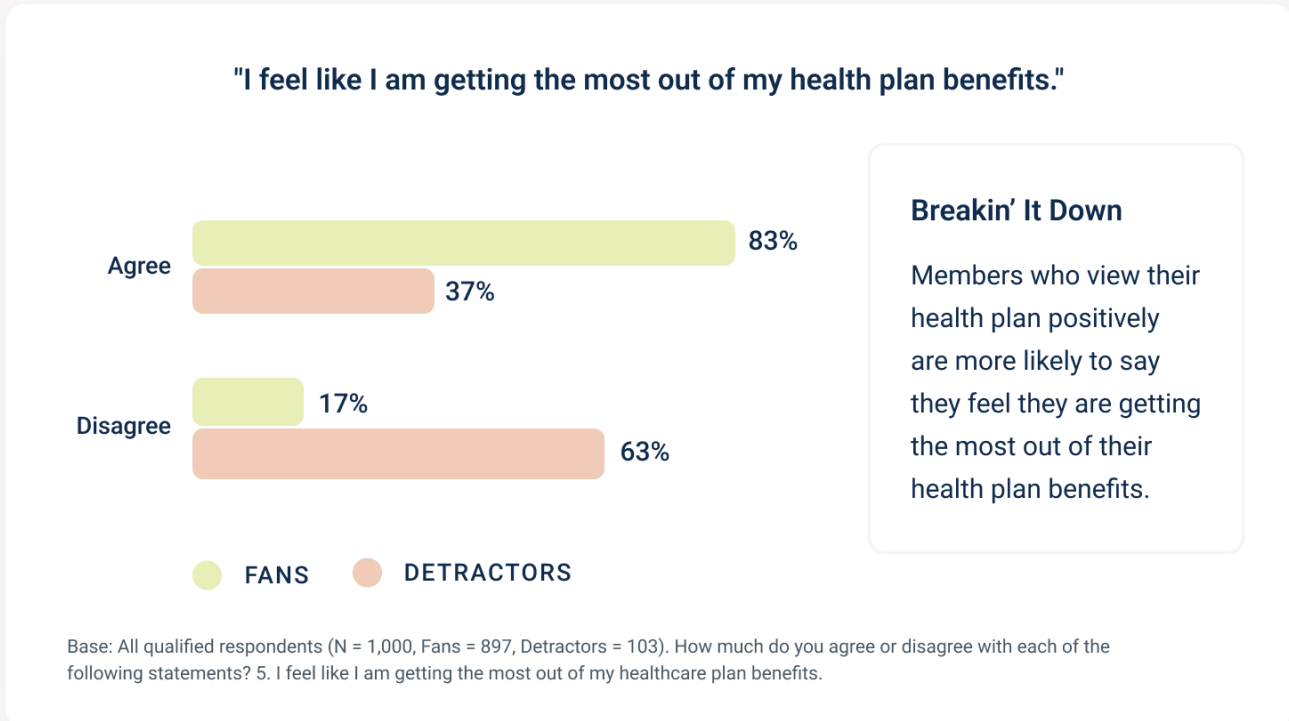
### Breakin' It Down

Seventy-eight percent of members strongly or somewhat agree.

Base: All qualified respondents (N = 1,000). How much do you agree or disagree with each of the following statements? 5. I feel like I am getting the most out of my healthcare plan benefits.

## Getting the Most: Fans vs. Detractors

Let's examine that same question, but look at how the responses vary in the fans vs. detractors segments.



### Big Difference

There's a 46 percentage point difference in how health plan fans and health plan detractors perceive about what they are getting out of their plan. Respondents who have a favorable opinion about their health plan are more likely to feel like they are getting the most out of their plan.

# Health Wallet Solution

Let's recap what we've learned and discuss a potential solution for these member pain points.

## Member Pain Points

### Health plan detractors:

- *Struggle tracking their benefits (75%).*
- *Don't use all of their benefits (60%).*
- *Don't know their benefits (48%).*

Health plans who solve these pain points will have more satisfied members and higher member retention metrics.

## Additional Service and Complexity for Members

To maximize the services of an additional benefit, members need to understand and master each additional benefit. If health plans fail to mitigate this task, they risk members not maximizing the new benefit. Each unused benefit is a missed opportunity for both health plan providers and insured members, resulting in hard-earned money left on the table.

## Small Tasks Add Up

Any barrier that stands between members and their use of benefits must be mitigated as each task piles on top of the other.

- *Which card should I use to pay?*
- *Do you remember the password?*

## Complexity for Plans Too

Our report focused on member pain points, but benefit complexity also impacts health plan providers. Adding new accounts (and their respective vendors) results in uncoordinated administration with multiple vendors managing multiple benefits.

## Compounding Problem

Health plans continue to add new benefits to differentiate their offering, compounding the problem.

## Streamline Payments

Payments are a fundamental facet of how people experience healthcare. Members associate their payment experience with their health plan experience; there's no dividing line.

## Health Wallet Platform

What if health insurance plans had a health wallet platform that enabled them to stack benefits? A health wallet platform with stacked benefits would allow individuals to use a single card, a single login, and a single password for all of their benefits.

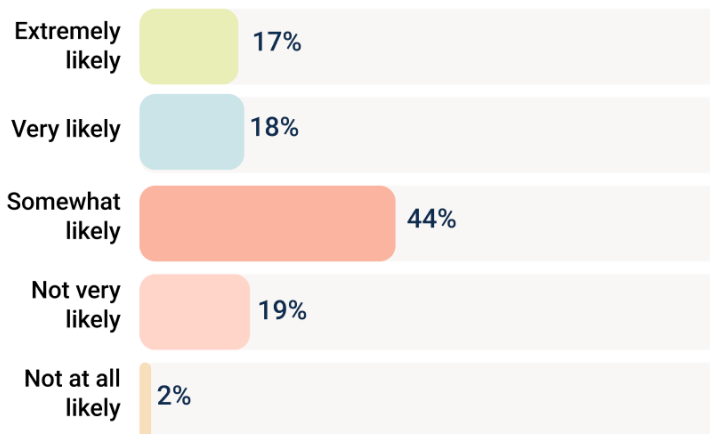
## Single-Card Solution

We proposed a single-card solution to members that streamlined benefits for members. Instead of the member answering the question, “Which card should I use to pay for healthcare services?” the single-card solution would apply the appropriate benefit. This single-card solution would allow health plans to stack their benefits, using one platform to streamline all of their offered benefits.

## Would They Switch?

We asked detractors if they would switch to a health plan that offered the single-card solution.

### How likely would you be to switch to a health insurance plan that does offer their members a single card...



#### Breakin' It Down

Almost four in five (78%) detractors said they would be likely to switch to a plan that offered the single-card solution. And 34% said they would be very or extremely likely to switch to a plan that offered a single card.

Base: All qualified respondents (n=1,000, Detractors n=103). How likely would you be to switch to a health insurance plan that does offer their members a single card that figured out how you should pay for healthcare services (as opposed to deciding between an FSA/HAS card, prescription card, bank card, etc.) if your current health insurance plan does not?



#### Did You Know?

78% of health plan detractors would switch to a plan that offered a single-card solution.

# Research Methodology

First Dollar commissioned The Harris Poll for this white paper. The Harris Poll is an American market research and analytics company that has been tracking the sentiment, behaviors, and motivations of American adults since 1963.

## Survey Participant Details

The Harris Poll conducted an online survey of 1,000 U.S. adults between February 15 - February 17, 2022. To qualify for the survey, respondents met the conditions below.

### Survey Requirements

Have healthcare insurance and

- a Flexible Spending Account
- or*
- a Health Savings Account

## Data Weighting

Data are weighted where necessary by age by gender, household income, region, education, race/ethnicity, size of household and marital status to bring them in line with their actual proportions in the population. A propensity score variable was also included to adjust for respondents' propensity to be online.

## Bayesian Credible Interval

Respondents for this survey were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within +4.2 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest.

## Note on Margin of Error

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including, but not limited to coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments.

# Glossary

## **Benefit Awareness**

A member's understanding and awareness of their current healthcare benefit understanding

## **Benefit Tracking**

A member's ability to track their benefits

## **Benefit Utilization**

A member using their benefits to their full capacity (e.g., a member using all of their FSA funds)

## **Commuter Benefit**

A fringe benefit that employees can use to cover commuting expenses with pre-tax funds

## **Detractor**

For the purposes of this research report, a health plan detractor is defined as someone who answered "Very Negative" or "Somewhat Negative" to the question, "In general, how would you describe your overall experience with your current health insurance plan?"

## **Fan**

For the purposes of this research report, a health plan fan is defined as someone who answered "Very Positive" or "Somewhat Positive" to the question, "In general, how would you describe your overall experience with your current health insurance plan?"

## **Flexible Spending Account (FSA)**

An employer-sponsored healthcare benefit that allows employees to set aside funds annually to cover the cost of qualified medical expenses

## **Health Plan**

Insurance that covers a portion of the cost of a policyholder's medical costs

## **Health Reimbursement Arrangement (HRA)**

An employer-funded plan that reimburses employees for qualified medical expenses; members do not own the funds in an HRA as they do in an HSA (i.e., HRA funds do not travel with the employee to their next job)

## **Health Savings Account (HSA)**

A savings account used in conjunction with a high-deductible health insurance policy that allows users to save money pre-tax against medical expenses; HSA funds do not expire and the member owns the HSA funds

## **Member**

For the purposes of this report, an American adult with health insurance and either a flexible spending account or health savings account.

## **Over-the-Counter (OTC)**

A supplemental benefit that members can use to purchase covered non-prescription health items like allergy medicine, cough drops, sleep aids, etc.

## **Payor**

A company that pays for an administered medical service (e.g., health insurance company)

## **Prescription Drug Benefit**

A supplemental benefit that fully or partially covers members for prescription medication



## About First Dollar

First Dollar is the health wallet for modern, member-driven plans. We power software-defined benefits that people love to use. From HSAs and FSAs to prepaid grocery and Rx programs, our payments infrastructure supports tax-advantaged accounts, supplemental benefits, and whatever you dream up next.

## About Harris Poll

The Harris Poll is an American market research and analytics company that has been tracking the sentiment, behaviors, and motivations of American adults since 1963.

## Endnotes

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