
Editorial Column

Consumer Preferences: Path to Improvement?

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Two articles in this issue address different aspects of consumers' choices of health plans. In addition to what might be considered a uniquely American fascination with choices in all domains of life, the underlying premise of a competitive market-driven healthcare system is that informed consumers will make decisions based on a variety of criteria, and that health plans will ultimately compete on both cost and quality. An essential, albeit underemphasized, corollary is that consumers' judgments of plan performance can inform others and identify critical opportunities for improvements. These laudable goals should inspire researchers and policymakers to ask: How are we doing?

Studies of the ways in which consumers select plans date back at least 25 years to the advent of policy interest in HMOs (Scanlon, Chernew, and Lave 1997). Policy interest in encouraging promising models of healthcare delivery to constrain growth in health expenditures without minimizing the quality of care stimulated studies of consumers' plan choices and identification of the phenomenon of selection bias. All else being equal, healthier patients were more likely to enroll in HMOs, a clear threat to the premise of a competitive market. In 1999, these same issues challenge researchers, but the available options and new tools to assess quality of care now present a more complex picture. Individuals and/or their agents (typically employers) now select both a financing arrangement and a delivery system. Embedded in that decision, then, are expectations about coverage and quality of care, access to a range of providers, and affordability.

CHOOSING QUALITY?

When asked directly what influences their choice of plan, consumers reported that their most important concern is a plan that provides high quality

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(Robinson and Brody 1997). In addition, 70 percent of these same consumers preferred a high-cost plan that offered a wide range of benefits over a less expensive plan with restricted benefits. Today's consumers who have the luxury of making choices of health plans can now consult a growing array of information on health plan quality and report cards. Recent research, however, provides a mixed picture of the extent to which consumers actually use available information, and most studies of consumers' actual decisions indicate that price dominates all other considerations (Scanlon, Chernew, and Lave 1997). Further, some studies have found that consumers do not find available information about quality to be relevant to their own needs; moreover, often it is confusing (Hibbard and Jewett 1997). Does the apparent conflict between consumers' stated preferences and their actual decision-making process represent a fatal flaw in the central tenet of a market-driven system?

The article by Booske and colleagues provides some new insights into this important dilemma. Their study enrolled 200 randomly selected Wisconsin state employees close to the annual "open season" period. In contrast to other studies in which consumers are asked to rate the importance of criteria from a predetermined list, this study elicited consumers' preference structures (attributes and importance weights) at different points in time and examined if and how their preferences changed. Participants viewed alternative hypothetical health plan choices designed to reflect realistic available options and were provided first summary and then more detailed information about the plans. The study-linked computer program also allowed individuals to conduct searches by either (hypothetical) plan or specific attributes. Individuals were then invited to make a change either to the number of features important to them, a change to the importance weights, or both. At the end, investigators then provided participants with a list of prompted preferences, similar to the lists of predetermined criteria used in other studies. Subjects' responses here were then compared with the process of allowing each individual to state and revise his or her own preference structure.

At all points in this study, issues of cost and coverage dominated individuals' stated preferences. However, when individuals were invited to add attributes, the category with the largest number of subjects adding attributes was quality. After reviewing information including consumer satisfaction ratings and other indicators, the number of subjects citing quality as an important feature increased by almost 40 percent. When provided with a predetermined list of criteria, these subjects assigned the highest weights to quality of care, closely followed by coverage, consistent with prior studies.

These findings support a “glass half full” view of consumers’ use of information about quality to inform their choices of health plans. Optimists can now argue more persuasively that increased exposure to and understanding of health plan assessments based on clinical quality measures and consumers’ ratings of plans are likely to play a more important role in consumers’ choices in the future. Skeptics may be more cautious and agree with the authors’ caveats that this was a highly educated group, all of whom had prior experience with “open season” as well as the use of personal computers. Further, despite thoughtfully selected participants, the observations reflect hypothetical rather than actual choices.

The results also confirm findings in the medical decision-making literature that *how* preferences are elicited matters. The challenge for comparatively healthy individuals of trade-offs between certain risks (costs) and uncertain future benefits (will this delivery system I choose provide what I need in the future, even if I don’t know now what I might need?) is not directly addressed. Other important questions beyond the scope of this study include how to increase the salience and relevance of quality information (e.g., by providing information about “people like me,” or about individual providers), how to make the information comprehensible to consumers with widely varying health needs, culture, and educational backgrounds, and how to include specific local market characteristics that are not widely generalizable.

FROM CHOICES TO IMPROVEMENT?

Notwithstanding the obvious policy-relevant focus on the relationship of consumers’ choices to biased selection and the implications for appropriate payment and public policy, it is useful to step back and consider these issues in a larger context of increased consumer involvement in healthcare and health decisions. From one perspective, recognition of consumers’ concerns has increased dramatically. For example, the rapid proliferation of managed care arrangements that offer consumers a wider menu of options, such as point of service models, is a clear example of the market response to concerns about a limited choice of practitioners. A growing literature demonstrates that patient involvement in care is associated with enhanced health outcomes (Kaplan, Greenfield, and Ware 1989). The proliferation of patient-reported outcome measures to assess the success of healthcare interventions is itself a clear manifestation of the consumer’s central role in the healthcare enterprise (Clancy and Eisenberg 1998). Organized consumers (best exemplified

by AIDS activists (have challenged multiple domains of health policy, from approval of drugs to research funding, to be more responsive to consumers' needs and preferences. More recently, the Consumer Assessment of Health Plans Survey (CAHPS) has been developed to assess and report consumers' judgments of plan performance, and is being used by the Health Care Financing Administration, the National Committee for Quality Assurance, the Federal Employees Health Benefits program, state governments, and others for accreditation and to provide comparative information.

We are only beginning to understand and articulate a full spectrum of consumer/patient involvement in care. We have not yet begun to recognize the potential for assessing consumers' preferences and experiences along a continuum of participation in health and healthcare as a stimulus and roadmap for improvements in healthcare policy and delivery (Taylor 1999). In addition to choosing health plans, individual consumers/patients make choices about health behaviors, when to seek information for specific health problems, when and whether to seek care, which provider to see, the extent of involvement with treatment decisions, and whether to comply with treatment recommendations. The interaction of these domains is far more complex than can be captured in assessing choice of health plan, yet it would be hard to argue that some or all of these domains are irrelevant to that choice.

In addition, a focus on health plan choice in isolation of other important domains of consumers' involvement with health and healthcare puts all stakeholders at risk of losing critical information for improvement. Response rates to many consumer surveys are typically much lower than what most researchers would consider valid. Developing more relevant and useful information about quality is critically dependent on consumers' perception that their responses are used for improvements as well as ratings. An important challenge for researchers exploring one or more of these areas will be to establish the relationship between the individual as subject (recipient of information), participant (interacting with information), and evaluator of healthcare (responding to surveys about health plans, providers, or their own health outcomes).

Data to explore the relationships between consumers' assessments, health plan performance on clinical quality measures, and subsequent changes in both over time, will provide fertile territory for the research community to identify which components of consumers' experiences with care are most relevant, and for which consumers. Moving to improvements in healthcare based on consumers' needs and preferences will require the concerted efforts of researchers, health system leaders, and policymakers

to engage consumers as vital participants and stakeholders in healthcare delivery, rather than passive recipients of information or intermittent evaluators. An important component of this effort will be to learn how to translate consumers' reports and preferences into strategies for change.

How are we doing? In describing and understanding the scope of the consumers' central roles in health and healthcare, substantial progress has been made. The important next phase will be using the full power of informed consumers to drive improvements. Whether information about consumers' preferences and judgments will be translated as improvements that close the gap between consumers' preferences and their experiences is the critical question. The ultimate answer will be provided by those the healthcare system is intended to serve.

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