



Covered California | Sentiment Research

An Integrated Quantitative and Qualitative Study on Post-Election Attitudes  
Toward Enrolling in and Renewing Health Insurance Coverage

Topline Report | January 24, 2017





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## Executive Summary

### Background

With Open Enrollment 2016/2017 underway, Covered California conducted consumer research to understand attitudes toward obtaining health insurance, as it has during past Open Enrollments. This year, special emphasis was placed on understanding the impact of recent news about the future of the Affordable Care Act (ACA).

Covered California sought to understand how attitudes toward enrolling in and renewing health insurance coverage may have changed after the 2016 election. To support this goal, Covered California partnered with Greenberg, Inc., a strategic research consultancy, to conduct a study among key constituencies in December 2016.

Quantitative and qualitative research among insured and uninsured Californians was implemented to assess changes in attitudes. An online survey (n=500) primarily focused on sentiment and concerns, while focus groups with uninsured participants also included discussions on barriers. This enabled a statistically-significant assessment of sentiment, while also aiding understanding of the nuances of attitudes and emotions that drive decision-making.

These two sets of research inform an integrated narrative of key insights gained around sentiment toward enrolling in and renewing health insurance coverage in this new environment.

### Current Attitudes Toward Health Insurance

Key findings of this integrated study include the following insights:

1. Concerns about health insurance affordability far outweigh concerns about future changes to health care.
2. The main enrollment barriers remain cost, product issues, and process complexity.
3. The changing discourse about the ACA has amplified existing barriers for those who expressed concerns.
4. The new uncertainty comes on top of deeper problems with the concept of health insurance.
5. Uncertainty among uninsured focus group participants adds to existing concerns. For some, this enhances motivation to enroll; for others, it seems to cause a "wait and see" attitude.
6. Despite uncertainty, trust in the "California brand" seems to be greater, reinforcing opportunities to overcome existing barriers.



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## Section I. Research Overview

### Background

Covered California was the first state health insurance exchange established following the federal health reform legislation enacted in 2010 (Patient Protection and Affordable Care Act). It is an independent part of the state government, the purpose of which is to make the health insurance marketplace work for California's consumers.

### Objectives

With Open Enrollment 2016/2017 underway, recent news about the future of the Affordable Care Act (ACA) may be affecting attitudes toward health insurance. In light of this, Covered California sought to understand whether evolving sentiment is affecting intent to enroll in and renew coverage for 2017.

As part of its ongoing research program, Covered California, together with its advertising agency of record, Campbell Ewald, partnered with Greenberg, Inc., to conduct rapid response research among key constituencies in late December 2016. The specific objectives of this study were to:

- Evaluate whether recent events have affected attitudes toward enrolling in or renewing health insurance coverage
- Establish the primary barriers/motivators to enroll through Covered California, and whether they have changed

### Methodology

Greenberg conducted an integrated – quantitative, then qualitative – study to gain a statistically significant assessment of sentiment, while also understanding the nuances of attitudes and emotions that drive decision-making.

The quantitative research – an online survey among insured and uninsured survey respondents conducted in both English and Spanish (noted in the next section) – secured the data to quantify opinions and reported behaviors to enroll in and renew health insurance, as well as to generalize results from a larger sample population. The results of the survey and analyses helped establish sentiment-related facts and inform the lines of inquiry in the qualitative research.

The qualitative research – in-person focus groups conducted in English and Spanish among uninsured participants – was used to gain a deeper understanding of barriers to obtaining health insurance along the lines of what was learned in the quantitative survey.<sup>1</sup>

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<sup>1</sup> Research findings about insured consumers are drawn from the quantitative survey. Qualitative focus groups included only uninsured participants, as the member renewal period had ended, and since the uninsured are Covered California's priority target.



### Target – Quantitative Research

Greenberg conducted a survey among uninsured and insured Californians between the ages of 26–54 from December 14, 2016 to January 3, 2017. A total of 500 respondents completed the survey with the following breakout:

#### Insurance

Uninsured Subsidy Eligible	<b>114</b>
Uninsured Non-Subsidy Eligible (400%+ FPL)	<b>49</b>
Uninsured Medi-Cal Eligible	<b>62</b>
Insured – Covered California	<b>175</b>
Insured – Independently, Off Exchange*	<b>50</b>
Insured – Medi-Cal	<b>50</b>
Total Respondents	<b>500</b>

\*Insured independently off exchange does not include those with employer-provided health insurance

#### Spanish-Dominant\*

Uninsured Subsidy Eligible	<b>22</b>
Uninsured Medi-Cal Eligible	<b>21</b>
Insured – Covered California	<b>41</b>
Total Spanish-Dominant	<b>84</b>

\*Spanish-Dominants must be Spanish-preferred and speak, read, and regularly utilize the Spanish language

#### Gender

Male	<b>247</b>
Female	<b>250</b>
Prefer not to say	<b>3</b>

#### Age

26–29	<b>88</b>
30–35	<b>146</b>
36–54	<b>266</b>

#### Race

White/Caucasian	<b>216</b>
Black/African American	<b>26</b>
Asian Pacific Islander/Asian American	<b>71</b>
Hispanic/Latino	<b>162</b>
Native American	<b>5</b>
Mixed Race	<b>15</b>
Other	<b>3</b>
I prefer not to say	<b>2</b>

#### Region

San Francisco	<b>68</b>
Sacramento	<b>47</b>
San Diego	<b>106</b>
Los Angeles	<b>228</b>
Other	<b>51</b>

### Target – Qualitative Research

Greenberg conducted six 90-minute focus groups in Los Angeles on December 28 and 29, 2016 with uninsured Californians between the ages of 26–54. Each focus group included six or seven participants<sup>2</sup>.

Of these groups:

- Three groups were made up of native English-speaking participants
- Two groups included Spanish-speaking participants, with Spanish as their dominant language (“Spanish-Dominant”)
- One group was Latino and/or Hispanic participants, identified as bilingual in Spanish and English
- Participants were screened to be 50%+ Subsidy Eligible (Federal Poverty Level (FPL) of 138% to 400%).

The same moderator conducted the four English and two Spanish-speaking focus groups. The Spanish discussion guide was translated and reviewed by Covered California’s Spanish-language agency, Casanova.

<sup>2</sup> In this report, those who took the survey are referred to as “respondents.” Focus group attendees are referred to as “participants.”



### **The Starting Point**

The working hypothesis for this research was that the results of the November 2016 election may have affected attitudes toward obtaining or renewing health insurance through Covered California. Primary lines of inquiry were focused on understanding the scale, shape, and impact of these attitudes.

The sentiments that survey respondents and focus group participants expressed in this research reflect their knowledge and experiences as of the end of December 2016. These sentiments could change quickly given pending discussions and actions around health care coverage.

### **Bias Mitigation**

Significant effort was made to avoid “biasing the witness.” The nomenclature used in both the quantitative and qualitative research excluded direct references to the political context. For example, the online survey and the qualitative research discussion guide excluded words such as “election,” “President-Elect Trump,” and “politics,” referring only to “recent events,” and used questions such as, “What have you heard about the future of the ACA?”

### **This Document**

Across all research, findings were consistent in establishing a coherent understanding of consumer concerns and barriers to enrollment and renewal evident in the current marketplace. For this reason, we have chosen to present one narrative in this Topline Report, drawn from both the quantitative and qualitative research.



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## Section II. Current Attitudes Toward Health Insurance

### Key Findings

This section highlights the primary *concerns* about the future of health coverage, as well as the top-level *barriers* to enrollment and renewal that emerged from the research. These are two distinct, yet overlapping aspects of the audience mindset, each vitally important in their own right to understanding enrollment dynamics.

Broadly speaking, the quantitative survey focused more on concerns only, while the focus groups addressed both barriers to enrollment and concerns. Six key findings are outlined in this section.

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### 1. Concerns about health insurance affordability far outweigh concerns about future changes to health care.

“Despite whether things will get worse or not, affordability is not something you have to think a lot about. The cost is high, and that is exactly why [health] insurance is something that’s difficult for us.” ~Focus Group Participant, Uninsured

“We don’t know what’s going to happen in January and what new legislation will pass that will repeal Obamacare, who qualifies and who doesn’t, and how we’re going to pay for it.” ~Focus Group Participant, Uninsured

“I hope premiums do not increase and [that] there is an option to obtain affordable health care in the upcoming years.” ~Survey Respondent, Insured through Covered California

#### a. Survey respondents in quantitative research are aware of discussions about the future of health care and the ACA/Covered California, but levels of concern vary.

- i. 86% of survey respondents have at some point seen, heard, or read something about the future of the ACA/Covered California.<sup>3</sup>
- ii. Overall, 57% do not express concern for the future of the ACA/Covered California, while 43% say they are “concerned.” A third (32%) describe themselves as “confident,” while 25% are neutral.<sup>4</sup>

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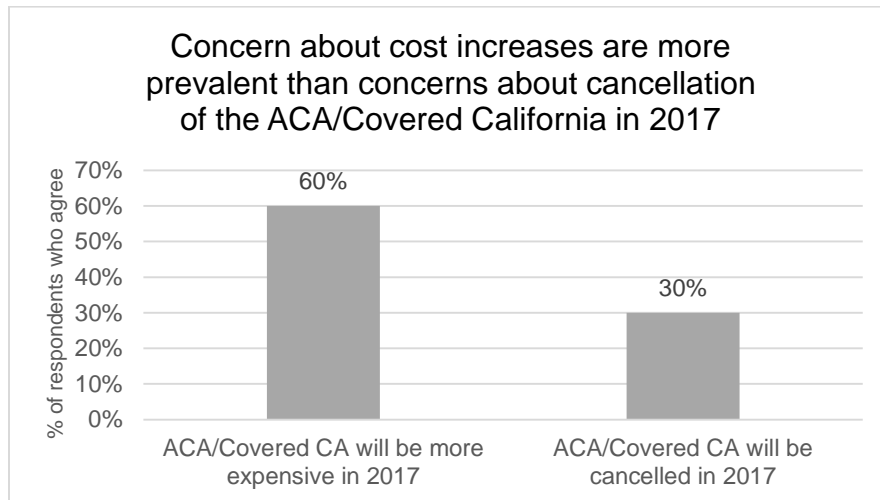
<sup>3</sup> Which of the following have you seen, heard, and/or read about the future of the Affordable Care Act/Covered California?

<sup>4</sup> How do you feel about the future of Covered California and/or the Affordable Care Act?



**b. In both quantitative and qualitative research, concerns about costs rising are far more prevalent than concerns that the ACA/Covered California will be dismantled.**

- i. Looking toward 2017, twice as many survey respondents expect costs to increase (60%) as those who expect the ACA/Covered California to be cancelled (30%).<sup>5</sup>
- ii. Concerns about cost increases in 2018 are more widespread than concerns that the ACA/Covered California will be cancelled that year (60% vs. 42%), although survey respondents are more likely to think the ACA/Covered California will be cancelled in 2018 (42%) than in 2017 (30%).<sup>6</sup>



**c. Focus group participants express that if they could afford health coverage today, they would sign up for it, whether or not there is concern for the future of the ACA/Covered California. While they express significant apprehension that recent developments may affect the future of health care coverage, this is not foremost on their minds.**

“If I have the money, I’ll get it [health insurance].” ~Focus Group Participant, Uninsured

“My employer doesn’t offer health insurance, which is rare. Most companies offer it. If they pay for part of it, I’ll pay for the rest; I can’t afford to do it all myself.” ~Focus Group Participant, Uninsured

- i. Uninsured **focus group** participants speak easily and freely of many other ongoing concerns and barriers they have to accessing health care coverage (see Finding #2).
- ii. It takes some probing to detect more recent concerns (e.g., asking participants what they have heard in the past couple of months).
- iii. Once the topic comes up, it is clear their concerns are heightened by recent events.

<sup>5</sup> What do you think? % of respondents who “strongly” or “somewhat” agree that: Health insurance through Covered California will become more expensive this year (2017) / Covered California/the Affordable Care Act will be cancelled and people will lose their health insurance this year (2017)

<sup>6</sup> What do you think? % of respondents who “strongly” or “somewhat” agree that: Health insurance through Covered California will become more expensive this year (2018) / Health insurance through Covered California will become more expensive this year (2017)





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## 2. The main enrollment barriers remain cost, product issues, and process complexity.

“I realize [health insurance] is important, but it hasn’t seemed accessible, affordable, or an easy process, so the hassle has not been worth it.”

~Focus Group Participant, Uninsured

- a. **A majority of survey respondents believe that subsidies will be available and pre-existing conditions will be covered in 2017.**
- Most (62%) think Californians with pre-existing conditions will continue to be covered this year, and 90% think subsidies will continue to be available in 2017.<sup>7</sup>
- b. **For both uninsured and insured survey respondents, the cost of insurance is a higher enrollment barrier than concerns about the future of the ACA/Covered California. Regression analysis<sup>8</sup> of the survey data shows this is a real obstacle:**
- Holding other factors constant – as one would assume, survey respondents who expect costs to rise in 2017 are less likely to enroll in or renew with Covered California.
  - In contrast, the belief that the program will be cancelled is not associated with hesitation to enroll/renew.*
- c. **In both English and Spanish focus groups, the barriers that prevent uninsured participants from enrolling in health insurance through Covered California are largely the same ones as four months ago in previous qualitative research, only heightened by recent events:**
- High premiums and overall affordability
  - The complexity inherent in evaluating insurance options, deductibles, subsidies, and risk
  - The perception that they are not eligible for subsidies
  - The perception (or experience) that enrolling is difficult (e.g., website usability, getting answers, etc.)
- d. **In focus groups, these barriers are compounded for most uninsured, Spanish-Dominant participants:**
- Focus group participants report low awareness of “financial help” (subsidies) available through Covered California.
  - Almost all Spanish-Dominant focus group participants know at least one person whose undocumented legal status and/or concern about privacy or deportation stops them from seeking insurance (even more so than cost).
  - Some understand that undocumented immigrants are not eligible for Covered California.
  - Some believe the cost of Covered California insurance is higher for undocumented immigrants.

“A lot of people are here illegally and are scared they’ll [Covered California] ask for legal documentation, so they don’t get health insurance.” ~Focus Group Participant, Uninsured

- e. **For some uninsured focus group participants, access to “workaround” coverage options and lack of perceived risk decrease the urgency of enrolling through Covered California, with examples including:**
- Accessing care through non-profit community-based organizations (e.g., Planned Parenthood or free clinics, especially for Spanish-Dominant)
    - However, during one focus group discussion, it was quickly realized that those “workarounds” could also be in jeopardy in the future.

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<sup>7</sup> What do you think? % of respondents who “strongly” or “somewhat” agree that: Those with a pre-existing condition will still be able to get health insurance through Covered California this year (2017) / Please fill in the blank with the answer option you think is most likely. Financial help (subsidies) to help pay for health insurance through Covered California will probably \_\_\_\_\_ in 2017. (% that filled in the blank with “be cancelled”)

<sup>8</sup> A regression analysis is used to determine the strength of a relationship between a dependent variable and a series of independent variables. Here, it was used to find significant associations between perceptions of the future of Covered California/ACA and the likelihood to enroll, switch, and/or renew.



- ii. Opting not to purchase insurance for the young and healthy who don't see the point (see Finding #4), or for those who practice holistic medicine "as a form of health insurance"

**f. Finally, gaps in knowledge about health care is another significant ongoing barrier. In focus groups, many were highly conversant in current events, yet lacked key information and knowledge:**

- i. There was a general lack of understanding (including among Spanish-Dominants) of key aspects of how Covered California works, including health care terminology and the enrollment process.
- ii. Some Spanish-Dominants are not aware of subsidies, or assume Covered California enrollment automatically comes with subsidies; alternatively, they see eligibility as a requirement for getting coverage, rather than a subsidy.
- iii. To this end, focus group participants lament "not qualifying" as the primary reason for not being insured (which is ultimately about cost).

"[My partner and I are] both independent contractors, so we pay everything out of pocket. We don't qualify for help." ~Focus Group Participant, Uninsured

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**3. The changing discourse about the ACA has amplified existing barriers.**

A key finding of this study is that, while recent events don't necessarily create a new barrier, they add confusion and thus exacerbate existing impediments to enrollment. Survey respondents and uninsured participants in focus groups (when they think about the changing situation) confirm this amplification effect.

"Will it still be available, and how much will it cost to have it?"  
~Survey Respondent, Insured

"It confuses me more because I don't know what is going to happen, what they're going to do, so [I am] less willing [to enroll]."  
~Focus Group Participant, Uninsured

**a. In both the quantitative and qualitative studies, there are indications of high awareness of the incoming leadership's intention to repeal the ACA, but a lack of a clarity over what will actually change, and how that will affect Covered California.<sup>9</sup> Various participants wonder:**

- i. Whether rules for participation or eligibility criteria will change
- ii. Whether it will be more difficult to qualify
- iii. (For some) whether Covered California will be taken away, or just be modified
- iv. What the distinctions are between the ACA itself and Covered California (in relation to funding, hierarchy, rules, etc.), since many see the ACA as more vulnerable than Covered California

"I'm concerned the ACA will be repealed without a sustainable replacement that will provide coverage to those of us with preexisting health conditions and those needing assistance with paying the premium." ~Survey Respondent, Insured

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<sup>9</sup> What concerns do you have?



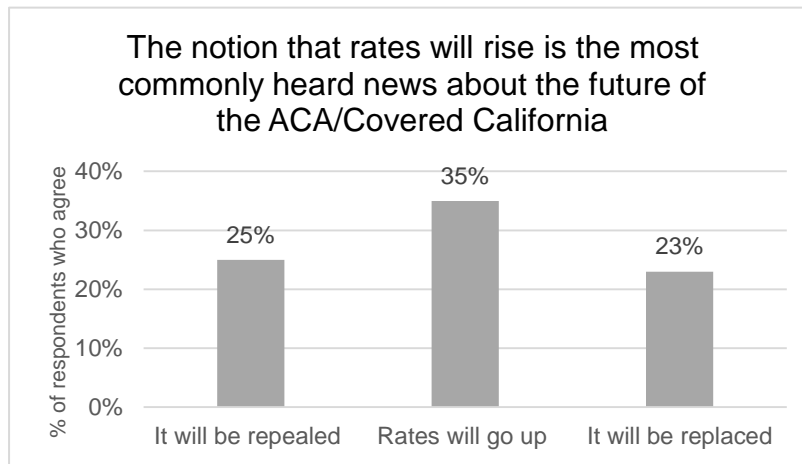
**b. Foremost on people’s minds in both the quantitative and qualitative studies is the cost of insurance coverage, which it is generally assumed will be the first casualty of the new thinking, and now registers even higher as a concern.**

i. Public discussion around recent events adds another layer of uncertainty and confusion. This is shaped by sources like hearsay conversations and exposure to media stories emphasizing unknowns about the future of health care.

“Even though on TV they may talk [a lot] about it, it’s the last thing you want to hear.” ~Focus Group Participant, Uninsured

“I’m a little concerned what kind of national health care we will get under the new president. I hope it’s affordable and the coverage is inclusive.”  
~Survey Respondent, Insured

ii. The notion that rates will rise is the most commonly heard news about the future the ACA/Covered California (35%), beating out repeal (25%) and replacement (23%).<sup>10</sup>



**c. In qualitative responses, the difficulty and complexity of enrolling (already a barrier) is now potentially more daunting, since some additional uncertainty now floats over coverage options.**

**d. In qualitative research, Spanish-Dominant focus group participants also mention immigration-related barriers to coverage when their own discussion raises the topic of changes in Washington (with respect to immigration enforcement policies) by participants.**

“When you don’t have legal papers to be here, you don’t qualify.”  
~Focus Group Participant, Uninsured

**e. For those who have health insurance workarounds (e.g., reliance on Planned Parenthood instead of health insurance for women’s reproductive health care), there is similar anxiety about the “overlapping” impact of the political environment on institutions that supply these services, increasing worry about how they will get care.**

<sup>10</sup> Which of the following have you seen, heard, and/or read about the future of the Affordable Care Act/Covered California?



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#### 4. In qualitative research, future health care policy uncertainty comes on top of deeper problems with the insurance concept.

“Why should I be paying \$300 a month if I am healthy?”

~Focus Group Participant, Uninsured

“That’s the health insurance industry as a whole; it’s backwards in a lot of ways where you’re being penalized for being healthy ... you should be incentivized to be healthy instead of the other way around.”

~Focus Group Participant, Uninsured

- a. **Some, especially the healthy, young, and low-income, fail to see the appeal of paying premiums they cannot afford when they are not currently in need of medical care.**
- b. **For some, the cost-benefit analysis is a simple day-to-day reality check: those who know they don’t have the cash flow to pay premiums see the conversation as a non-starter.**
- c. **Uninsured Californians who have access to “viable alternatives” (e.g., emergency room, community clinics, special-interest free medical resources) have little incentive to tackle the cost and complication of coverage.**
  - i. Those **focus group** participants who mention these alternatives describe sourcing them for short-term health care needs, which speaks to the inability some have to rationalize paying for health insurance when they’re well and don’t “need” it.
- d. **Some generalized cynicism and skepticism are observed in uninsured focus groups, due to hearsay or personal prior disappointments with health insurance or Covered California. Some doubt that “full coverage” actually means comprehensive coverage.**

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#### 5. Uncertainty among uninsured focus group participants adds to existing concerns. For some, it enhances motivation to enroll now, for others it seems to cause a “wait and see” attitude.

Among uninsured Californians who already have concerns about the ACA/Covered California, confusion related to recent events provides added justification to delay enrolling.

“... because of everything we’ve heard, we’re waiting for next year [2017] to ... see the reaction, how the new president is going to start, what changes he may do, what he’s going to decide, basically about everything.”

~Focus Group Participant, Uninsured

“People aren’t knowledgeable [about] what exactly his [President-elect] powers are and how fast he can affect it, so [they aren’t sure] if it’s worth getting it now or waiting it out. I don’t want to miss out getting it, in case it’s cancelled.” ~Focus Group Participant, Uninsured

- a. **Qualitatively, among uninsured focus group participants, uncertainty adds scaffolding to existing concerns. This creates a “why bother?” (or, at the very least, a “wait and see”) attitude, since the future of health insurance is unknown (in its current form, at its current cost, or at all). This was especially true among Spanish-Dominants.**



- b. Conversely, with both survey respondents and focus group participants, a smaller “Fear of Missing Out” segment sees this uncertainty as an incentive to enroll sooner, i.e., before it becomes too late, not wanting to be left behind as systemic changes take away coverage options.**
  - i. 21% of survey respondents (and 31% of current Covered California members) say that, if true, the statement “Covered California is likely to go away immediately and not be replaced” would make them more likely to enroll or renew their coverage.<sup>11</sup>
- c. Faced with an information vacuum, some are filling in their own narrative. Some focus group participants actually respond to the uncertainty around the ACA’s future by expressing hope that a new administration could:**
  - i. “Bring order” to health coverage
  - ii. Lower the cost of coverage
  - iii. Remove the requirement to have coverage (and the tax penalty)
  - iv. Simplify the process

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**6. Despite uncertainty, trust in the “California brand” seems to be even greater. This reinforces the strength of assets and opportunities that Covered California has to overcome existing barriers and concerns.**

These perceptual challenges come with some silver linings: a willingness to believe that California will save the day, and openness to and trust in the idea that Covered California will be part of the solution.

“I’m glad we live in the ‘Republic of California’ ... California wants to take care of us.” ~Focus Group Participant, Uninsured

“Right now, I feel California is looking out for us, and we can’t trust what’s going on in D.C.” ~Focus Group Participant, Uninsured

- a. Covered California has a strong brand (independent of the ACA and the national conversation).**
  - i. The “California” label and positive consumer experiences with Covered California help the brand:
    - o When asked in an open-ended question why they are confident about the future of Covered California and the ACA, several “confident” survey respondents brought up their positive impressions of and trust in the Covered California brand (31%) and its quality of service (8%).<sup>12</sup>
    - o Comments from survey respondents like “Just the name ‘California’ in it” and “trust in the product” show that the California component of the brand increases confidence in the future of the program.

“It is a good program for the people who need it. Having health insurance is important. That is what needs to be stressed.”  
~Survey Respondent, Insured

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<sup>11</sup> Setting aside any other factors that may impact your decision to enroll in health insurance through Covered California, how would this information impact your likelihood to [enroll in/renew your] health insurance through Covered California? For the purposes of this question, please think about how you would respond to the information, assuming the statement was true. % saying they would be somewhat/much more likely to enroll/renew their coverage if “Covered California is likely to go away immediately and not be replaced.”

<sup>12</sup> What makes you confident?



- ii. In both the quantitative survey and qualitative focus groups, there is high awareness of Covered California and low awareness of the ACA.
  - o Across survey segments, people are more aware of Covered California than they are of the ACA.<sup>13</sup>
  - o 47% of survey respondents know “a fair amount” about Covered California, compared to only 35% who know “a fair amount” about the ACA.<sup>14</sup>
  - o Among Spanish-Dominants, the familiarity gap is even wider, with twice as many reporting “a fair amount” of knowledge about Covered California (31%) as reporting the same about the ACA (15%).<sup>15</sup>
- iii. In the face of a news barrage on pending changes, both focus group participants and survey respondents express trust that the State of California will prevail in protecting their interests.
  - o Several survey respondents specifically note their faith in California as the reason they are optimistic about Covered California’s future (8%).<sup>16</sup>

“I don't think California will let us down. We moved here for a government that takes care of its people.” ~Survey Respondent, Insured Through Covered California

## Section II: Summary

While the cost of health insurance remains the top concern and barrier to enrollment, other factors play a role in exacerbating this:

- a. Concerns about the impact of recent conversations about changes to the ACA are neither top-of-mind nor existential, yet are real and complex.
- b. These concerns amplify the existing serious barriers to obtaining coverage by adding uncertainty and confusion, leading to inaction.

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<sup>13</sup> How familiar are you with...? The Affordable Care Act (ACA) / Covered California

<sup>14</sup> See footnote 13.

<sup>15</sup> See footnote 13.

<sup>16</sup> See footnote 12