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Commonwealth Design Challenge: Participatory Workshop Debrief

Plan Selection & Financial Security

Health expenses are the #1 cause of personal bankruptcy in the US. People with annual incomes of less than \$55,000 are particularly vulnerable to the financial challenges caused by unexpected health care costs.

The average annual deductible grew 125% from 2006 to 2015, quickly increasing out-of-pocket health care costs. Part of those rising costs may be attributed to the increase in high deductible health plans (HDHPs). Employers who offer health insurance are increasingly offering HDHPs, which are attractive because they provide short-term cost savings on premiums to both the employer and employee.

Unless HDHPs are well designed, they increase the risk of out-of-pocket health expenses for employees, which can lead to medical debt, delayed medical care, missed work, and loss of productivity in the workplace. Lower-income employees, who do not have access to financial resources such as savings and affordable credit, are particularly at risk.

Commonwealth has partnered with CHXD to develop an innovation challenge to prompt the financial, health, and design community to envision a solution that will help low wage workers balance their health and financial needs at open enrollment – a key moment to affect perception, attitude, and behavior.

Benefits of an Innovation Challenge

Fortify Leadership Position

A CHXD Design Challenge establishes the sponsor as a leader that is committed to finding a solution to an intractable problem.

Obtain Insight & Inspiration

The challenge sponsor will gain diverse insights into the problem space and novel solution concepts that would otherwise be difficult to obtain.

Stimulate Innovation Industrywide

By taking an open approach to innovation, you shine a light on the nuances of an important problem to solve, offer learning opportunities for the larger community, and create momentum in a positive direction.

Proposed Challenge Question

Can you design an innovation to improve the open enrollment experience so that it protects the financially vulnerable from hardship?

Health expenses are the #1 cause of personal bankruptcies in the US. People with annual household incomes of less than \$55,000 are particularly vulnerable to the financial challenges caused by health care costs.

With the rise of High Deductible Health Plans (HDHPs) in the workplace, the level of financial savviness required to not only select the best plan, when they have a choice, but also to optimize the use of benefits such as flexible spending accounts, health savings accounts, and health reimbursement arrangements, has grown. People are struggling to understand how these new plans work and how they impact their physical, mental, and financial health throughout the year.

This design and innovation challenge seeks to deliver innovative solutions that result in people being able to make decisions that work for their finances while not jeopardizing their health.

About Us

Center for Health Experience Design (CHXD)

CHXD is a new community designed to foster connection across the health ecosystem to solve the toughest health challenges.

Commonwealth

Our fundamental purpose is to create a stronger and more prosperous society where everyone has financial opportunity. We aspire to accomplish that by building innovative solutions that make people financially secure. We collaborate with consumers, the financial services industry, policy makers, and mission-driven organizations to discover ideas, pilot solutions, and drive innovations to scale so wealth can become possible for everyone.

Mad*Pow

Mad*Pow is a strategic design consultancy that leverages the psychology of motivation to create innovative experiences and compelling digital solutions that are good for people and good for business. For almost 20 years, our passionate and creative team has thrived on collaborating with our clients to create experiences and programs that are designed to deliver both social impact and financial return.

Challenge Preparation Workshop

Commonwealth has partnered with CHXD to develop an innovation challenge to prompt the financial, healthcare, and design community to envision a solution that will help employees with incomes under \$55,000 balance their health and financial needs at open enrollment.

A participatory workshop helped us refine our framing of the innovation challenge in order to provoke effective and meaningful submissions.

WORKSHOP GOALS



The Goals

1. Gain a deeper understanding of (& build empathy for) the decision-making process of employees with a household income below \$55,000 during open enrollment
2. Identify the most significant pain points and challenges faced by employees in understanding their coverage and benefits, the financial and health implications of their choices, and opportunities to improve the experience through digital experience design
3. Draft the *How Might We...?* question that will drive alignment and focus for the Innovation Challenge

Workshop Agenda

9:00 – 9:10	Introductions & Workshop Overview A brief overview of the workshop goals and planned activities
9:10 – 9:45	Financial Surprises Share stories of financial surprises (good and bad) when it comes to health care. e.g. lack of access, huge co-pays, free lab tests, or covered annual exams.
9:45 – 10:15	Personal Journey Map This activity helps us understand how participants expect to engage at open enrollment and beyond and how they seek information about their coverage and the financial implications.
10:15 – 10:30	Break
10:30 – 11:15	Bucketing Your Money Participants will create each be given \$20 in Monopoly money in \$1 denominations. They will be instructed that this is a fictional amount that can be split between their health care and other financial obligations. They will be asked to allocate a certain amount of money to various obligations, e.g. health premium, HSA/FSA, co-pays, and unpredictable financial responsibilities (e.g. car repair). Participants will share & discuss.
11:15 – 11:55	Magic Object Participants will use a variety of construction materials to design an ideal solution concept that could best serve their needs related to navigating benefits, coverage, and cost information.
11:55 – 12:00	Wrap Up Final discussion

INSIGHTS



INSIGHT

People have a lot of considerations when selecting a health plan, e.g. plan reputation, relationship with their provider, familiarity with current plan, and fear of high deductibles. People tend to stick to their current plan, just because it is easier.

IMPLICATION

Selecting a health plan is an economic and emotional decision.

- “I want to stay with my doctors. If I had switched, I would have needed to change doctors. I have a relationship and I wanted to stay with them.”*
- “I would pay more for a premium than deductible even though deductible costs more, because **deductible is unpredictable**.*
- “A lot of people don’t change their plan because other health plans go up [in price] too. What started cheaper just ends up being what you’re paying. Even doctor’s charges have gone up over the years. I never thought it would be \$100 to go visit a doctor, a specialist. Everything goes up. Something has to be done. It is getting out of hand, I feel bad for people who aren’t covered by insurance.”*

INSIGHT

Open enrollment is a confusing and stressful time. People know they are not making the best financial decision, but health care is too complicated, complex, and expensive to make a truly informed decision.

IMPLICATION

People have lost their sense of agency and are not taking the time really think and plan at open enrollment since they are overwhelmed and feel helpless.

- “**Who’s going to read all this?** You have to read everything, but what’s the difference between insurance. **Then you have to call someone to figure it out.**”
- “A lot of people don’t change their plan because other health plans go up [in price] too. What started cheaper just ends up being what you’re paying. Even doctor’s charges have gone up over the years. I never thought it would be \$100 to go visit a doctor, a specialist. Everything goes up. **Something has to be done. It is getting out of hand, I feel bad for people who aren’t covered by insurance.**”
- “Open enrollment next year **I’m worried costs are going to go up** because it seems like my insurance goes up every single year.”
- “I like my health insurance, but **it goes up every year**. And I pay for family, and it’s expensive”.
- “I don’t want to switch even though it’s more money. **It’s more expensive, but what are you going to do?**”

INSIGHT

People did not understand the mechanics of how to use their FSA/HSA and the difference between the two savings vehicles.

IMPLICATION

Participants did not view their FSA/HSA as a way to insulate costs against their deductible or as a retirement savings vehicle.

- paycheck + pay
co-p
com*
- Annual*
- Take home / OOP*
- Cognitive load is too*
- Autopilot is useful*
- Walmart "Eren" ins*
- 6/3
of
Walther*
- No
Health
Expense*
- No choice*
- “ How do you take money out of an HSA? I don’t even know...I never had to know how it worked. It used to be everything I needed to get done I got done, and that was it. I think they had the option to do HSA. I always paid the higher premium before. Some people knew about it, but I chose to pay higher premium so everything was covered, but then that went away. I had no idea the bill would be so high.”**
- “ I think for next open enrollment I will put more into HSA. But I didn’t understand...do I have to use it? Or does it roll over?”**
- “ My thing is what if I don’t spend it at the end of the year. Does it go away? How do I know? A good thing and a bad thing. If don’t have any issues, you just lose that money...So the money you have in there, does it have to be medical related? Oh god.”**
- “ I worry also about flex spending and how much I need to set aside.”**

INSIGHT

People spend significant time trying to find answers about how much things will cost since the information is not readily available.

IMPLICATION

Making the "best" (or only) choice at open enrollment does not eliminate the need to continually make smart choices throughout the year.

- “Unless some emergency happens, I won’t get close to \$1500. And then I have to get to that every year?! If I’m not going to make \$1500, I might as well pay less in premiums, since I have to pay out of pocket anyway. **I pay more, but it feels like I’m getting less, and that stinks.**”*
- “It’s like a second part time job at times looking for a clear understanding. It’s not even clear. **It’s an educated guess or probability of what I think is a good idea based on my gut instinct or rolling dice.** But it feels unsettled a lot. And that’s stressful, causes more health problems, like insomnia.”*
- “It’s like **throwing darts** [to find accurate information]].”*
- “After a while, after enough time it settles down but it takes a lot of effort to figure out what is available and what is covered, what is not covered, people tell me what is covered, and then there is the appeals process and levels of appeal and that takes time and **I can’t wait six months to get medication. I need something right now.**”*

INSIGHT

Unpredictable health costs are a major stressor. People found high deductibles particularly stressful because there was little to no insulation from unexpected health expenses. Many people expressed a preference to pay a higher premium to have a lower deductible (peace of mind), though some did not have that option.

IMPLICATION

High deductibles may discourage necessary care.

- “ I would pay more for a premium than deductible even though deductible costs more, because **deductible is unpredictable**.
- “ I’m **assuming in a few years I will know more about it (deductibles)**, but before then I was used to having everything covered...I tend to wait too long to go to the doctors, and then they tell me I need something right away. Once they find one thing wrong, they find something else wrong. I’m just terrified...I don’t even go to the doctor until something is wrong.”
- “ My biggest gripe is prescriptions costs...**I’m still confused and frustrated**. I’m happy if I don’t have to pay a lot.”
- “ But at least they tell you what that costs [retinal photo during eye exam]. You just never know with dental.”
- “ I haven’t gone to the doctor because **the co-pay is so expensive**.”

INSIGHT

People expected doctors to consider costs when recommending tests or procedures, and were dissatisfied if they did not.

IMPLICATION

People may avoid follow up care if they do not know what recommended procedures will cost.

- “Doctors have no idea how much stuff costs. They have an abstract notion but can’t get into the nuances of things.”*
- “Would we have gotten that diagnostic test if we had known how much it would cost? We would rather know more about whether it was necessary.”*

Story

During her annual wellness exam, a vegetarian’s doctor recommended a blood test to see if she was getting all her nutrients and sent her to the lab in building. A few weeks later she got a bill for \$3,600. She was able to negotiate the bill down to \$600 and a payment plan of \$20/month. She feels that the doctor should know better.

INSIGHT

People were frustrated by plan naming conventions, since they didn't carry much meaning and did not make it clear the benefits of the plans. With limited choice of plans, language is key.

IMPLICATION

Even with just a few options to select between, clear naming of plans is essential to communicate features and benefits.

- “ I didn’t realize I had a good plan **until that option was taken away.**”
- “ Open enrollment is the most annoying, frustrating, thing because how they name it is what bothers me. There’s like the economical plan and the mid-high-end plan and then the high end plan. **For me language means a lot.**”
- “ They changed the words. Used to be high/low, now is basic/standard.”