

Automatic enrollment significantly boosts employer-based health plan sign-ups

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New and innovative wellness programs make health insurance available to more people, yet health plans and employers often have a difficult time enrolling individuals in them.

Many employers use the voluntary enrollment approach, which requires individuals to sign up. Yet many people don't do so for a variety of reasons, such as a poor understanding of a program or the time commitment that it takes to enroll. Previous research has suggested that the best way around these barriers is to take an opt-out approach, in which employees are automatically enrolled in a program unless they choose not to do so. Yet there is little data comparing which of the two approaches is more effective in enrolling more people, and also in enrolling a sample of people that is more representative of the overall population.

To find out, a group of UCLA researchers analyzed enrollment rates for the two approaches from the Diabetes Health Plan, which was purchased by 11 self-insured employers and covering 5,014 eligible employees. Comparing six employers that offered voluntary enrollment and five that used automatic enrollment, the researchers found that the opt-out approach resulted in significantly higher enrollment rates compared with opting-in. The findings are published in the *American Journal of Managed Care*.

"While many great wellness programs exist for employees of many businesses, they are often not taken advantage of due to the time it takes

to enroll or a lack of understanding of the eligibility requirements," said Lindsay Kimbro, project director in the division of general internal medicine and health services research at the David Geffen School of Medicine at UCLA and the study's first author. "This study shows that an opt-out strategy can take away those roadblocks and make it easier for participants to take advantage of these programs that can greatly benefit them."

Specifically, the researchers found that of the 1,549 people in the voluntary sign-up group, only 35 percent opted into the program. By contrast, 91 percent of the 3,405 people in the opt-out group were enrolled, simply by choosing not to take action to drop out. Among the other findings the researchers noted that those in the voluntary enrollment group who had incomes of more than \$75,000 a year or a bachelor's degree were likelier to enroll than those with lower incomes.

Also, among those automatically enrolled, the subgroups that had the highest percentage of people covered were Hispanics, covered dependents, and persons who had one non-diabetes comorbidity such as hypertension or congestive heart failure.

The researchers note that this study may be limited by the fact that it looks only at large employer groups (companies with at least 1,000 employees), so the findings may not be applicable to smaller companies. Also, with opt-out groups being so close to 100 percent enrollment, it may be difficult to detect significant differences in enrollment rates in the automatic enrollment strategy.

The findings, however, could prove useful in determining ways to increase participation in plans and reduce disparities in [health insurance](#) coverage. "An automatic [enrollment](#) approach may prove critical in overcoming entrance barriers that hinder participation in health promotion programs which may ultimately decrease costs and lead to

better [health](#) outcomes," the researchers conclude.

Provided by University of California, Los Angeles

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