

# 25 percent of Texans say they don't understand basic health insurance terms

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Approximately 25 percent of Texans say they lack confidence in understanding some of the most basic terminology about health insurance plans, according to a new report released today by Rice University's Baker Institute for Public Policy and the Episcopal Health Foundation (EHF). The report found uninsured, low-income and Hispanic Texans were least likely to understand health-plan terms like "premium," "copayment" and "provider network."

The survey asked Texans about their [confidence](#) level in understanding seven terms that describe various features of health insurance plans. While one-quarter of all the respondents lacked confidence in their

understanding of the terminology, there are significant differences among various subgroups.

Researchers found at least half of those who are uninsured said they didn't fully understand five of the seven terms. In fact, the rates of lack of confidence for uninsured Texans were nearly double that of those with health insurance.

"This research shows that understanding the key parts of a [health insurance plan](#) can be tough, especially for the uninsured," said Elena Marks, EHF's president and CEO and a nonresident health policy fellow at the Baker Institute. "These numbers illustrate the continuing need to offer education and outreach targeting the uninsured so they can better understand their health insurance options."

Researchers found other population groups that are more likely to be uninsured also had difficulty understanding health insurance terms. More than 40 percent of Hispanics in Texas expressed a lack of confidence in understanding all of the terms, compared with much smaller percentages for whites and blacks.

"As Hispanics make up an increasingly larger share of the Texas population, it's critical that we consider their needs when developing and implementing policies about health insurance," said Vivian Ho, the chair in health economics at Rice's Baker Institute and director of the institute's Center for Health and Biosciences, a professor of economics at Rice and a professor of medicine at Baylor College of Medicine.

The report also found that low-income Texans were significantly more likely to have less confidence in understanding health insurance terms than those with higher incomes.

Of the five health insurance terms relating to costs, 25 percent of all

adult Texans who were surveyed – both insured and uninsured – said they lacked confidence in understanding the concepts of "premium," "deductible" and "copayment." More than 35 percent of Texans said they didn't understand "maximum out-of-pocket expenses," and 45 percent didn't understand "coinsurance." In addition, 30 percent of Texans said they lacked confidence in understanding the terms "provider network" and "covered services."

"Even among those with insurance, many lacked confidence in aspects of employer-provided insurance that have changed dramatically over the past several years," Marks said. "Workers are paying larger portions of premiums, deductibles and copays. They need to fully understand how these changes can influence their out-of-pocket spending on health care."

The report is the 19th in a series on the implementation of the Affordable Care Act (ACA) in Texas co-authored by Marks and Ho.

The Health Reform Monitoring Survey (HRMS) is a quarterly survey of adults ages 18-64 that began in 2013. This report is a summary of data extracted from the HRMS surveys in Texas administered between September 2013 and September 2015.

The HRMS is designed to provide timely information on implementation issues under the ACA and to document changes in [health-insurance](#) coverage and related health outcomes. The Baker Institute and EHF are partnering to fund and report on key factors about Texans obtained from an expanded, representative sample of Texas residents (HRMS-Texas).

**More information:** Full survey report: [bakerinstitute.org/research/hrms-issue-brief-19](http://bakerinstitute.org/research/hrms-issue-brief-19)

Provided by Rice University

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