

Special Topic Solicitation

Use of Consumer Information

The Robert Wood Johnson Foundation, through its Changes in Health Care Financing and Organization (HCFO) initiative, is issuing a special topic solicitation on the use of consumer information. The HCFO program funds investigator-initiated research on issues of health care financing and health care organization that have implications for public policy.

Framework for Projects

As the health care system becomes more complex, beneficiaries have more choices, but not necessarily the tools and information to make those choices. Comparative information on quality performance for hospitals, nursing homes, and home health agencies has recently been made publicly available. This performance information could enable beneficiaries to make choices among multiple providers if they understand how best to use the information and are willing to do so. Additionally, patients face treatment choices, such as whether a surgical or medical treatment option is better for them when both may be medically appropriate. When making treatment choices, especially if the treatment options have different costs and potential outcomes, patients must prioritize their values to determine what outcomes and costs they are willing to incur. Whereas the traditional mode has been to follow doctors' orders, savvy patients that pursue their own health information are beginning to ask questions that make choices less clear cut. Finally, under the new paradigm of consumer-directed health care (CDHC), consumers are expected to understand and utilize cost and quality data made available to them through a more transparent health care system to assist in making their own health care decisions.

A key component of the CDHC movement is the development of educational tools designed to “empower” and “engage” consumers and assist beneficiaries in making sound and cost-efficient health care choices. However, little attention has been paid to the guiding principles behind consumers' health care choices in CDHC models and the development of these educational tools for this audience. Additionally, public policy has yet to address the underlying framework of beneficiary education and decision-making in CDHC programs. Underlying the CDHC model is the assumption that CDHC will encourage consumers to become more educated, proactive, and cost-conscious. The CDHC models are intended to promote cost-efficient health care choices, but it is unclear how much costs weigh in health decisions, in both CDHC and other insurance models. Though important, the prior research on consumer use of information does not adequately address beneficiary information in the new paradigm of CDHC. Nor does it necessarily address a policy response to these findings. As of yet, many basic questions surrounding consumer education and decision-making are still unanswered.

The private sector is responding to the new trend of CDHC with the development of online tools designed to assist consumers in their health care choices. However, they are limited by the lack of an underlying base of research on health care decision-making. Little is known about whether the consumer decision process for health care is similar

to or different from the decision process guiding the purchase of other consumer services. For example, are the informational needs and the decision process similar for health care choices and for consumer services, such as choosing a plumber or auto mechanic? Or are consumer decisions in health care, particularly the decision to join a CDHP plan, similar to financial decisions such as choice of retirement plans? In addition, little is known about the differences in the decision process used by consumers who are well and those who have an underlying health care condition, or about the decision processes consumers use when determining when to seek care and when to comply with medical treatment recommendations. To the extent that educational tools have been developed for health care choices, they have focused on providing information on only cost or quality. However, it has not been demonstrated that cost and quality information are the most important factors in health care decision-making. Also, it is possible that individuals make different decisions when theoretically presented with a situational health care decision and when they are actually in that situation. In addition, it is likely that informational needs vary for different subgroups of consumers (e.g., chronically ill, elderly, illiterate).

Public and private policymakers need to better understand what kinds of information to provide to meet the new consumer demands that CDHC will generate, and how to provide that information in a way that enables consumers to make appropriate, timely decisions. Recognizing that not all consumers have the same intellectual and cultural resources and cognitive abilities, it is also important for policymakers to understand how to tailor information to specific subgroups, such as non-English speaking persons, those with functional or cognitive impairments, or those with literacy problems. Therefore, the role of information intermediaries is also an important research area. Prior research, including a number of HCFO-sponsored projects, has begun exploring consumer decision-making. In addition, the Centers for Medicare and Medicaid Services (CMS) and the Agency for Healthcare Research and Quality (AHRQ) have funded considerable research developing tools such as HEDIS and CAHPS, and are assessing their use. However, a number of unanswered questions remain, including:

How people make decisions about health care in different situations

- ◆ What factors are important in making decisions about health plans, choice of hospital or provider, treatment choice, or compliance with a treatment regimen? Are there differences in decision-making by persons who are healthy versus persons who have a chronic or acute illness?
- ◆ Are the most important factors different by subgroup (by age, literacy, socio-economic status, disease status)?
- ◆ Do consumers understand risk? How do they respond to risk?
- ◆ For which types of decisions are there existing decision-support tools? Are these decision tools being used and how?

- ◆ Once a decision is made, how often does change occur? What factors drive change?
- ◆ What is the “teachable moment,” when people are most receptive to information?
- ◆ Do consumers make different decisions in theoretical decision-making situations and in actual decision-making situations?

Creating boundaries and guard rails in health care decision-making

- ◆ What decisions are appropriate for consumers to make with and without financial incentives?
- ◆ In what situations is it appropriate for plans and providers to offer financial incentives?
- ◆ When/how should the provider/patient relationship inform the decision?
- ◆ Should the potential consequences of bad choices influence the extent of decision-making responsibility on the part of the consumer?
- ◆ Should system inefficiencies be considered?
- ◆ What are the market failures and barriers to providing information?

Effectiveness of different communication strategies

- ◆ Which strategies are most effective with specific subgroups?
- ◆ What is the credibility of different information sources?
- ◆ What is the role of proxies or intermediaries?
- ◆ What is the role of the Internet and other communication methods in communicating information?
- ◆ What is the cost-effectiveness of different strategies?

Changes in the delivery system to facilitate better consumerism

- ◆ What kinds of changes in the delivery system appear to be emerging as a result of CDHC?
- ◆ Are there regulatory or other barriers preventing further changes in the delivery system? What regulatory or other changes may be possible and what might be the outcome (intended and unintended) if these changes were made?

The questions listed above are not intended to be a comprehensive list of research questions or stand-alone research projects. Rather, the list identifies a number of questions relevant for policymakers. Undoubtedly there are others.

Application Procedures and Review Process

The Robert Wood Johnson Foundation, through its HCFO initiative, is seeking research proposals to address the complex topic of the use of consumer information in consumer-driven health plans. It is anticipated that projects will start on **December 1, 2005**. Funds available under this solicitation total

approximately \$400,000. Although there is no pre-determined funding amount or grant period, up to three projects may be funded under this solicitation, depending on the scope of the projects proposed and the quality of the applications. Prospective applicants should consider the questions identified above as a starting point for the development of research projects that have policy relevance. Research projects that significantly advance the field are of particular interest. The projects can include quantitative and/or qualitative analyses, and employ a wide variety of research tools and data sources. Program administration and tool development will not be considered.

This is a competitive solicitation. We are interested in proposals of high technical quality and addressing important policy questions.

While this solicitation is open to all qualified applicants, we will require a letter indicating an intention to submit by **Friday, July 22, 2005**. This letter of intent should be no more than two pages, and should include a brief description of the proposed research, an estimated budget and timeframe, and the qualifications of key staff (principal investigator). Please email letters of intent in a Word document to susan.edwards@academyhealth.org. We may contact prospective applicants if we believe the proposed project does not fit within the scope of this special solicitation, but applicants should assume they may submit a full proposal if they are not contacted.

Projects submitted under this solicitation should follow HCFO's online small grant application instructions (<http://www.hcfo.net/applsmallgrant.htm>). Unlike the general HCFO solicitation, this program features a batched application process, and all proposals submitted under this solicitation will be reviewed simultaneously. Full proposals are due on or before **Friday, August 19, 2005**.

Proposals will be evaluated by HCFO and RWJF staff, as well as by external reviewers. Proposals will be evaluated on:

- ◆ The degree to which the project addresses important questions regarding how consumers use information in health care choices, particularly in the CDHC model.
- ◆ The appropriateness and feasibility of the methodology (including access to relevant data).
- ◆ The uniqueness of the project and the potential contribution to our understanding of the ways in which consumers use information in health care choices.
- ◆ The project team experience and qualifications for conducting the proposed project and the time commitment of the project team participants in relation to the proposed tasks.

This is an open solicitation. Researchers should have a demonstrated track record in health services research, social psychology, organizational behavior, political science, financing, or economics. Researchers with experience in high-quality, policy-relevant research, but without substantial experience in consumer information research, are also invited to apply. Junior researchers may apply as the principal investigator, provided they have sufficient senior research oversight and support.

Prospective applicants should direct questions to Sharon Arnold, Ph.D., Senior Research Manager.