

Evaluating the Impact of Benefit Information Inserts on Health Plan Selection and Utilization among Renewing Members of Covered California

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Background:

The Affordable Care Act (ACA) established health insurance marketplaces (commonly referred to as ACA marketplaces) to provide affordable insurance coverage. In addition to premium subsidies, administered through the form of advanced premium tax credits (APTCs), low-income consumers are eligible for reduced out-of-pocket costs when they enroll in a Silver plan through the ACA marketplaces. These ACA benefits, known as Cost-Sharing Reductions (CSRs), improve the plan generosity (through the form of lower copays and deductibles) while keeping premium costs at the level of a Silver plan. Traditionally, lower out-of-pocket costs are associated with higher premium payments, such as in the Platinum tier, whereas high out-of-pocket costs are paired with lower premiums, as in the Bronze tier. These CSR benefits are available for consumers who enroll in the Silver metal tier and have an income below 250 percent of the Federal Poverty Level (FPL).

California launched its own state-funded Cost-Sharing Reduction (CSR) program in 2024, increasing the benefit levels for those eligible for federally funded CSRs. These plans are referred to as “enhanced CSR plans.” In the 2025 plan year, California expanded eligibility for enhanced CSR plans to all enrollees, regardless of income. This policy change improves affordability and accessibility by offering coverage comparable to Gold plans but with lower monthly premiums for all enrollees. Members already enrolled in Silver plans were automatically upgraded to the enhanced CSR plans, while those in other metal tiers (Bronze, Gold, or Platinum) had to take action to switch during the annual renewal period to benefit from these new plan designs. This study explores how additional communication in the form of an informational flyer insert about the new enhanced CSR plan benefits and their expanded eligibility may have helped overcome inertia, likely due to informational and awareness barriers, for renewing consumers.

Project Objective:

The primary objective of the study is to evaluate whether including an informational flyer insert with renewal notices affects consumer behavior in two key areas:

1. Enrollment in Enhanced CSR Plans: Assess whether members currently enrolled in other metal tiers are more likely to switch to the enhanced CSR plan when informed about the new benefits.
2. Health Care Utilization for Current Silver Plan Enrollees: Determine whether members already enrolled in Silver plans, who were newly eligible for enhanced silver benefits, increased their utilization of health care services after receiving the flyer insert which has information such as ‘\$0 deductible’, ‘Lower monthly premiums’, ‘\$0 for preventative visits’, ‘lower costs for primary and emergency care visits’, ‘lower medication costs’.

This evaluation seeks to understand if targeted communication can effectively inform consumers about the availability of more affordable and generous health coverage options, thereby encouraging a shift towards plans that offer better value and accessibility.

Target Population/Data:

This evaluation will employ Covered California administrative data from around 1.8 million Covered California members (representing about 1.2 million households) who renewed coverage for the 2025 plan year. The study population will exclude those individuals who terminated their plan in 2024, after renewal notices and the flyer were mailed, and were no longer active members in 2025.

The administrative data will include demographic details, eligibility details, and enrollment information. We also intend to use data from Covered California's health care claims database to study utilization of services such as primary care visits, emergency room visits, prescription fills, and out-of-pocket spending.

Intervention and Randomization:

In November 2025, in advance of the Open Enrollment period, Covered California sent notices to households with effectuated coverage at the end of 2024, informing them of their upcoming coverage renewal and encourages consumers to shop for coverage ahead of the next coverage year. The notice was sent to households with one or more individuals who were currently enrolled in a Covered California health plan.

For this study, in addition to the standard notice, we randomly assigned households to receive an informational flyer to provide additional details about plan benefit changes through the enhanced CSR program. This insert, designed as a single-page flyer, was included with the notices sent to renewing households highlighting the general benefits of renewing membership, with an added emphasis on the specific benefits received when visiting a doctor.

The project employs a randomized control trial (RCT) with a block design, segmented into two phases to facilitate random assignment of households to either the control or treatment groups.

Study Phases

- Phase 1 (control phase): Day 1-6, where about 100,000 households are randomly selected daily to receive the notice without the insert.
- Phase 2 (treatment phase): Day 7-12 immediately following phase 1, where a different set of about 100,000 households were randomly selected daily to receive the notice with an insert.

Limitation of study design and quality checks:

Due to the inability of the notice system to administer control and treatment conditions on the same day, we used the existing notice sending system run by California Healthcare Eligibility, Enrollment and retention System (CalHEERS), which sends notices to a random set of cases each day stratified by region. This deviation could introduce some biases or systematic differences between treatment and control groups, as the control groups were sent notices few days before than treatment group. To mitigate potential biases, we will analyze the data considering the time factor. This could involve examining whether the outcomes vary significantly from day to day and if certain external factors related to timing (e.g., day of the week, holidays) might have influenced the results. We will also do quality checks to verify that there are no systematic

differences between the treatment and control groups by assessing balance across various observable covariates (e.g., gender, age, race/ethnicity, language, and income as a percentage of the federal poverty level). This ensures that there are no significant disparities between the treatment arms.

Statistical Analysis Plan:

To analyze the impact of receiving a notice insert on two key outcomes, we will employ specific statistical models tailored to the nature of our hypotheses and the data collected.

A. The uptake of the Enhanced CSR plans by Bronze/Gold/Platinum plan members

We will calculate the rate (proportion of individuals) switching to Silver plans and compare the rate between those who received the notice insert (treatment group) and those who did not receive the notice insert (control group).

Hypothesis testing:

- Null Hypothesis (H0): There will be no significant difference in the rate of Bronze/Gold/Platinum plan members switching to Silver plans between those who receive the insert and those in the control group who receive no insert.
- Alternative Hypothesis (H1): The rate of Bronze/Gold/Platinum plan members switching to Silver plans will be significantly higher for those who receive the insert and those in the control group who receive no insert.

We will perform two-tailed t-test comparing the mean rate of switching p-values ≤ 0.05 to denote statistically significant effects. We will also examine whether the outcomes vary significantly from day to day and if certain external factors related to timing (e.g., day of the week, holidays) might have influenced the results.

Subgroup Analysis: In our study, we plan to explore how plan choice behavior differs among different enrollee characteristics and demographics. Key subgroups for analysis include age groups, gender, written language preference, race/ethnicity, income level, net premium amount, health status, chronic condition, prior utilization, health risk score calculated using prior year utilization data.

Interaction effect: To understand the combined effects of the notice insert, demographics subgroups, and other outreach efforts, we will use a logistic regression model. Given that our outcome of interest is binary (1=switching plan, 0=not-switching plan), a logistic regression model will be used to estimate the probability of a member switching from Bronze/Gold/Platinum plans to Silver plans, as influenced by the receipt of the insert.

$$\ln \left(\frac{p}{1-p} \right) = \beta_0 + \beta_1 X + \beta_2 D1 + \beta_3 D2 + \beta_4 D3 \dots \dots \beta_k Dk$$

Where, p is the probability of switching to a Silver plan, X is a binary independent variable indicating whether the member received the insert (1) or did not receive the insert (0). D1 through Dk represent all the demographic subgroups such as age, gender, race/ethnicity,

income, premium. β_0 is the intercept, β_1 is the coefficient for the effect of receiving the insert, $\beta_2 - \beta_k$ are the coefficient for the effect of demographics/subgroup/other outreach effort.

B. Increase in health care utilization among those transitioning from standard Silver to enhanced CSR plans, and among those who previously had an enhanced CSR plan coverage.

We will examine data on various utilization metrics, including primary care visits, behavioral health visits, specialist visits, emergency room visits, hospital admissions, and pharmacy claims. We anticipate an increase in utilization following exposure to the insert that mentions benefits such as \$0 deductible, \$0 for preventative visits, lower costs for primary and emergency care visits, affordable medications as low as \$5.

- Hypothesis testing: Null Hypothesis (H0): There will be no significant difference in health care utilization among Silver plan members transitioning to enhanced CSR plans and those remaining in standard Silver plans, irrespective of receiving the informational insert.
- Alternative Hypothesis (H1): Health care utilization will significantly increase among Silver plan members who transition to enhanced CSR plans, compared to those in standard Silver plans, particularly following the exposure to the informational insert about enhanced benefit.

We will perform two-tailed t-test comparing healthcare utilization per 1000 individuals with p-values ≤ 0.05 to denote statistically significant effects. We also plan to explore how different groups of people react to the health plan information we provide on plan benefits. Key subgroups for analysis include age groups, gender, written language preference, race/ethnicity, income level, average net premium, and health risk score calculated using prior year utilization data.

Additionally, we will evaluate the metrics previously discussed to determine whether there is an uptick in healthcare utilization among individuals already enrolled in standard silver plans in 2024, aiming to assess whether increased awareness of their benefits influences their healthcare usage.