

The Spectrum Health Value Study™: Three Quarters January 2009 – August 2009 October 2009

By Audrey Spolarich

Introduction

According to the Institute of Medicine (IoM), writing in March of 2009, “To address both the costs and the performance of the health care system, greater consensus will be required on what constitutes value in health care, and how to measure and increase that value.”¹

Furthermore, according to the IoM, “A single agreed-upon measure of value is not available.”² The IoM also writes that: “*Value means different things to different stakeholders, so clarity of concepts is key.*” in their discussion of the common themes now being discussed around health care value.³

With the health reform debate, including the writing of legislation, heating up at a brisk pace, these statements are beginning to be echoed around the U.S. and the world as policymakers, researchers, analysts and health care consumers watch the price of health care rise and the quality fall. Suddenly, value and what constitutes value in health care is of great importance. Of equal or greater importance is the ability to measure and increase health care value.

During the election cycle in the fall of 2008, the principals at Spectrum, a DC-based public relations and public affairs firm, began discussing the question of what constitutes value in health care and how it could be measured. Was health care value something that could be equated with health care spending? Probably not, when it is so widely recognized that health care spending is out of control and contains waste and abuse. Furthermore, there may not be a consensus on what exactly constitutes health care expenditures—regardless of the waste and abuse that might be included in that figure.

Value, according to the dictionary means the relative worth, utility or importance of a thing.⁴ The fact that value is relative is critical. Many things are discrete; they have a set meaning or quantification. Value is not one of them. The value of a thing is known as it relates to the value of another thing.

In the medical and health care industry it is possible to define the basic elements of health care—the products, programs and services that make up the health care system. While there may be many ways of approaching this, one way is to look to the standard industry codes used by the U.S. Federal

¹ Institute of Medicine of the National Academies. Roundtable on Evidence Based Medicine. “Value in Health Care; accounting for cost, quality, safety, outcomes and innovations” March 2009. Downloaded on April 15, 2009 from <http://www.iom.edu/?id=64675>.

² Institute of Medicine of the National Academies. Roundtable on Evidence Based Medicine. “Value in Health Care; accounting for cost, quality, safety, outcomes and innovations” March 2009. Downloaded on April 15, 2009 from <http://www.iom.edu/?id=64675>.

³ Institute of Medicine of the National Academies. Roundtable on Evidence Based Medicine. “Value in Health Care; accounting for cost, quality, safety, outcomes and innovations” March 2009. Downloaded on April 15, 2009 from <http://www.iom.edu/?id=64675>.

⁴ Value. (2009). In *Merriam-Webster Online Dictionary*. Retrieved April 21, 2009, from <http://www.merriam-webster.com/dictionary/value>

Government for measuring economic activity in the various sectors of the U.S. economy. These codes, called SIC Codes, provide a list of all goods and services that are produced and measured as part of the U.S. economy, including the health care industry sector. There are 27 programs, products and services designated by the major health care industry SIC codes.

Comparing the relative value of those 27 products, programs and services is one way to quantify their value. The next issue is to determine who should be the respondent to a question that measures those relative values? Should policymakers and others who allocate the funds for health care spending be the individuals answering these relative value questions? One idea is to ask the people who actually pay for the programs, products and services—the U.S. consumers and taxpayers.

It is this consumer-based approach that is adopted in the Spectrum Health Value Study.TM Choosing this approach over, for example, the CEA (cost-effectiveness analysis) approach is not intended to indicate that the CEA approach will not or does not provide equally important information in the valuation of health care. It is only a different approach, intended to open a dialogue much like the dialogue that CEA raises.⁵

Purpose

The purpose of this study is to identify the relative importance of a set of 27 health products, programs and services to Americans over the age of 18.

Research Objectives

Specifically the research objectives were designed to 1) gain a better understanding of consumers' use of and relationship to health products, programs and services, 2) to evaluate the relative value consumers place on different attributes of health products, programs and services, and 3) to identify key segments of health care consumers within the respondents of the study.

Methodology

Each quarter, beginning in January 2009, Spectrum interviews approximately 1,000 respondents for the study. Respondents are matched to the U.S. population by age, gender, region and ethnicity. The first three quarters of data were collected via online interviewing of the E-Rewards panel, made up of 2.9 million panel members. In the future 300 telephone interviews will be added to the total respondents to adjust for online biases.

The Respondents

During the first three quarters of 2009, 3,049 respondents were interviewed, 50 percent were women and 50 percent were men. By age, 26 percent were aged 18–34; 41 percent were aged 35–54; and 33 percent were over the age of 55. The mean age was 46.8 and the median age was 48. Sixty-two percent suffered from a health condition in the past year. Forty-nine percent were married. The average household size was 2.6 persons, 31 percent of households had children present. Fifty-one percent were employed and 15 percent were unemployed. The mean household income was \$52,000. Thirteen percent were of Hispanic origin or descent. Fourteen percent were African-American and 74 percent were White.

⁵ Braithwaite, RS, Rosen, AB. "Linking cost sharing to value: An unrivaled yet unrealized public health opportunity. *Annals of Internal Medicine*. 17 April 2007. Vol. 146. No. 8. pp. 602-605.

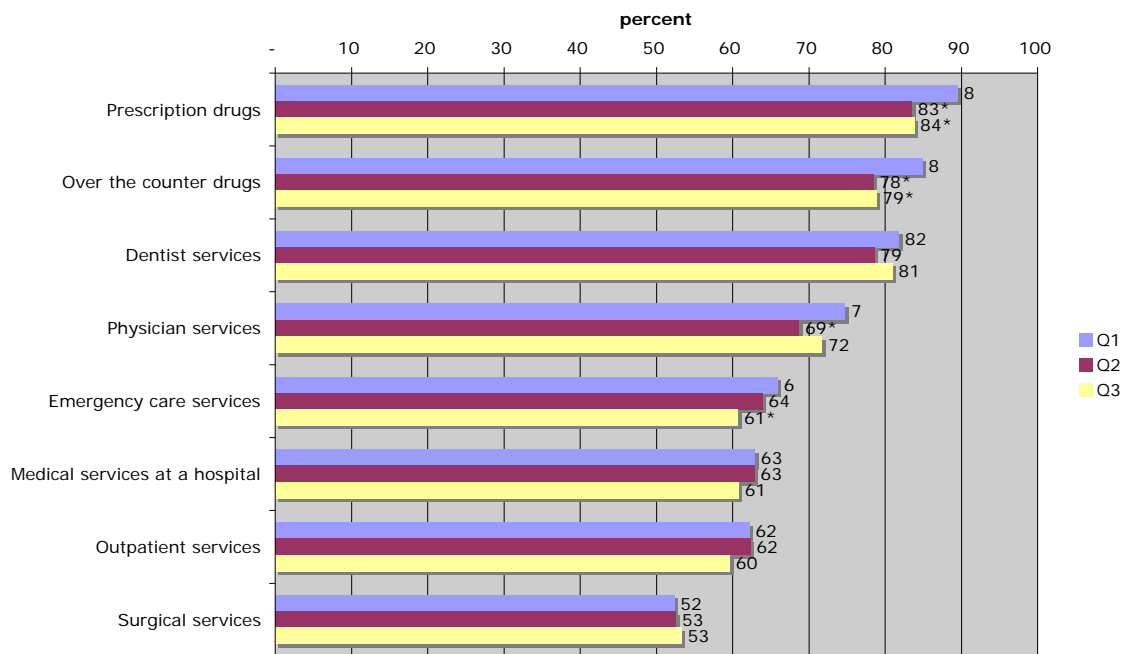


Insurance Coverage. Health insurance coverage has fallen significantly from 82 percent of all adult Americans in January of 2009 to 79 percent in August 2009. The mean age of an insured respondent was 47.5 years, statistically significantly higher than the mean age of an uninsured respondent at 41.6 years. For the third quarter alone, 78 percent of all respondents had insurance coverage. For the most part, people are generally satisfied with their health insurance coverage with 59 percent indicating a high level of satisfaction and 18 percent indicating that they are extremely satisfied (a score of 10) and 33 percent giving their insurance a score of 9 or 10, which also indicates a high level of satisfaction. African-Americans, at 27 percent, were statistically significantly more likely to indicate that they were extremely satisfied (score of 10) with their health insurance than were whites (16 percent).

Health Care Services, Programs and Products Ever Used

The most commonly cited products, programs or services ever used were prescription and over-the-counter drugs. However, over the three quarters the rates of those who cite ever using some of the most commonly used health care products and services has fallen. For prescription drugs the total has fallen statistically significantly from the first quarter, to the third quarter, from 89 percent to 84 percent. The same is true of over-the-counter-drugs with the percentages being 85 percent in the first quarter to 79 percent in the third quarter. Physician services fell significantly between the first and second quarter and emergency room services fell significantly between the first and third quarters.

**Chart 1: Change in Services Ever Used - 2009
Q1, Q2 & Q3**

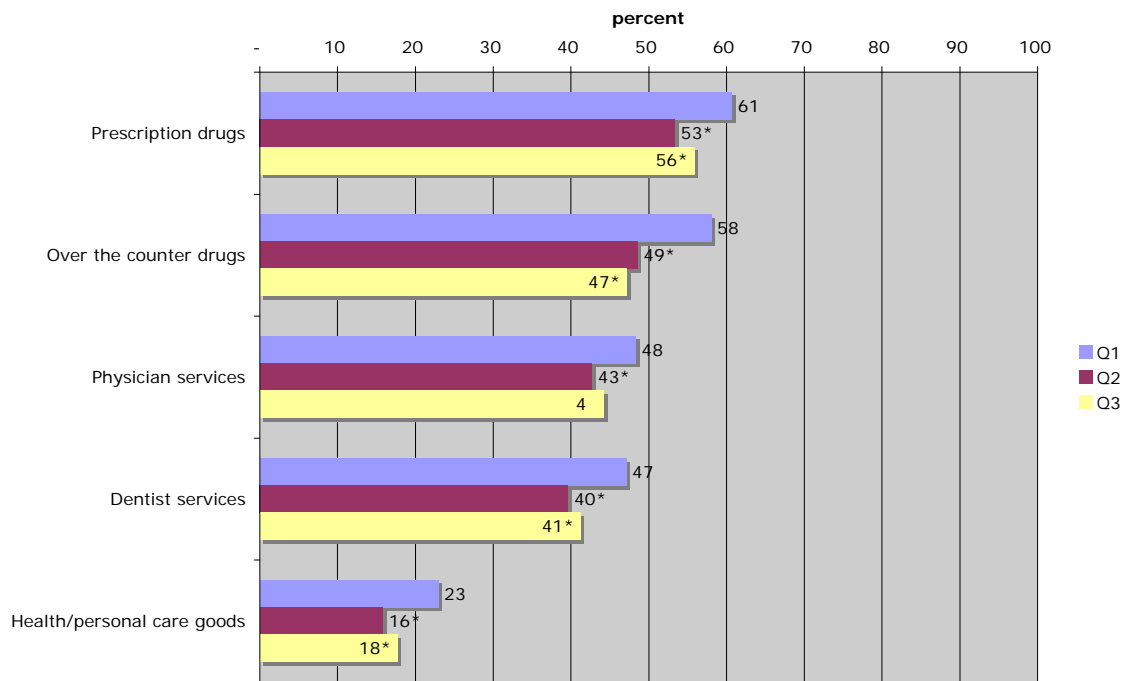


Use of Services on a Regular Basis

The study also asked all respondents if they used these 27 products, programs and services on a regular basis. “Use on a regular basis” is lower across the board. However, most interesting is the change in that 'regular' use over the three quarters of data collected by the study to date.

Five of the most 'regularly' used services are depicted in Chart 2, below. In all cases, usage in the second quarter of 2009 was statistically significantly lower than usage in the first quarter. For prescription drugs, regular usage dropped from 61 percent of the population to only 53 percent of the population. It recovered slightly in the third quarter to 56 percent of the population, but that is still significantly lower than regular usage in the first quarter of the year. All the other items on the chart, with slightly different statistics, follow the same pattern except over-the-counter drugs. While they did drop in the second quarter from the first quarter, they did not make any recovery in the third quarter.

Chart 2: Regular Use of Health Care Services



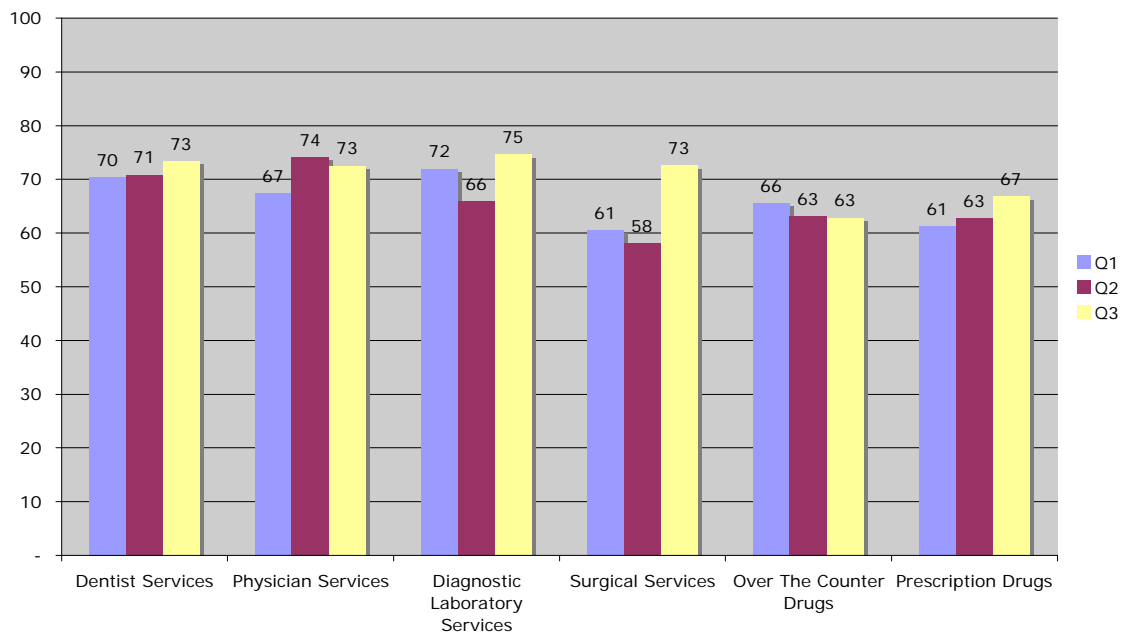
Health Care Service Ratings

Respondents were asked, for the 27 products, programs and services tested, how satisfied or not satisfied they were with these products. The specific question asked respondents “In general terms, how would you rate health care services that are available in the U.S.? For each of the following services please use a scale of 1 to 10, where a 10 means that in general that service is EXCELLENT and a 1 means that in general that services is POOR.”

The ratings for the various health care services, products and programs has tended to increase over the first three quarters of 2009. In Chart 3 some of the services with the highest 'top-three-box' ratings are shown. "Top-three-box" indicates that the respondent felt that this service was between good and excellent—deserving of a high service rating.

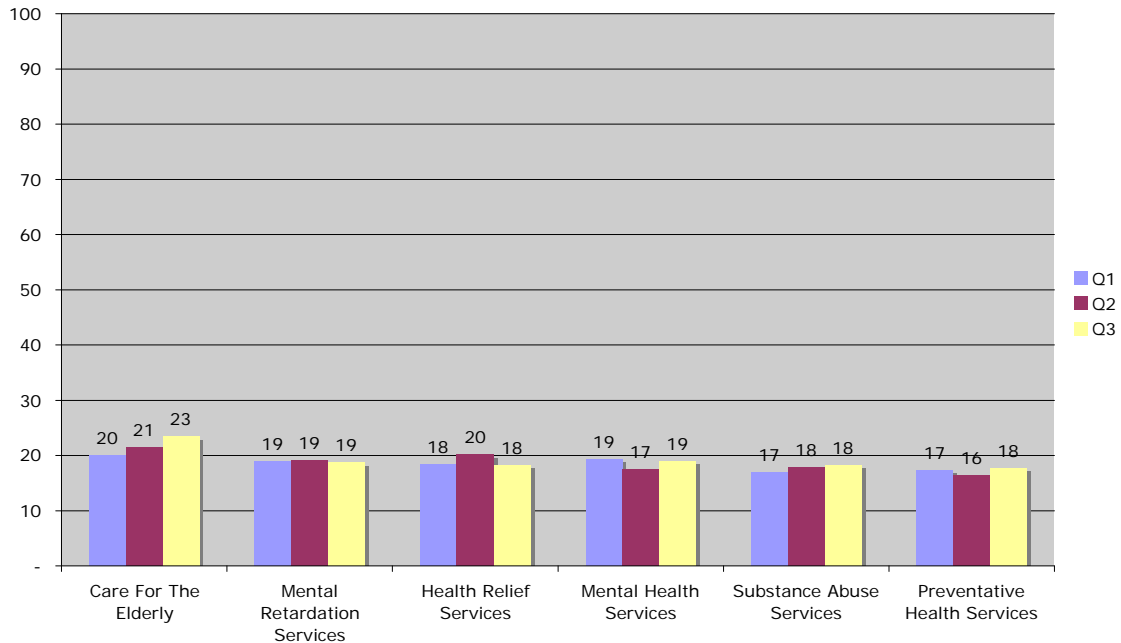
Overall, dental services have averaged the highest services ratings over the three quarters of data collected. The ratings for dental services have not changed significantly over the three quarters, although there is a slight trend toward respondents being more satisfied with dental services. Other services, such as physician services, diagnostic laboratory services and surgical services have seen significant increases in service rating when comparing the third quarter to the first quarter. Only over-the-counter drugs, which are also be used significantly less regularly, have seen a drop overall in service ratings, although the change is not statistically significant.

Chart 3: Health Service Ratings
Top-Three-Box (those who regularly use services);
Q1, Q2, & Q3



The services with the worst ratings are also of interest. Nearly one-quarter (23 percent) of the total adult population believes that the services provided in the care of our elderly are poor. Despite the fact that respondents value these services fairly highly (see Max-Diff value discussion below), they do not have confidence in the quality of the care being provided to the elderly. They also give low marks to mental retardation services, mental health services and substance abuse services, but as seen in the discussion below, they don't particularly value these services either—low service marks may just be an indication that they do not believe these services are worthwhile or have value. Finally, however, both prevention services and health relief services in the event of a national emergency are also fairly well valued, and yet receive low marks. More will be written about these findings in the discussion below.

Chart 4: Health Service Ratings
Bottom-Three-Box (all respondents); Q1, Q2, & Q3



Maximum Difference (Max-Diff) Analysis

The heart of the Spectrum Health Value Study is the analysis of the relative value that respondents place on the 27 tested products, services and programs. We asked each respondent the following question several times, each time showing them a set of four different services, products and programs randomly selected from the 27 being tested. Each time they chose which were ‘most important’ to them and their family, per the question, and each time they were asked which was ‘least important.’ The actual question is as follows:

“Recognizing that health care costs vary depending on your level of insurance coverage and other health benefits that you either purchase or receive through an employer or other sources, and thinking about the actual dollars that are spent, listed below are four health care services with costs that you and other individuals ultimately pay for either directly or indirectly. Of these four, which is the most important and which is the least important for you and your family as you spend *your* health care dollars?”

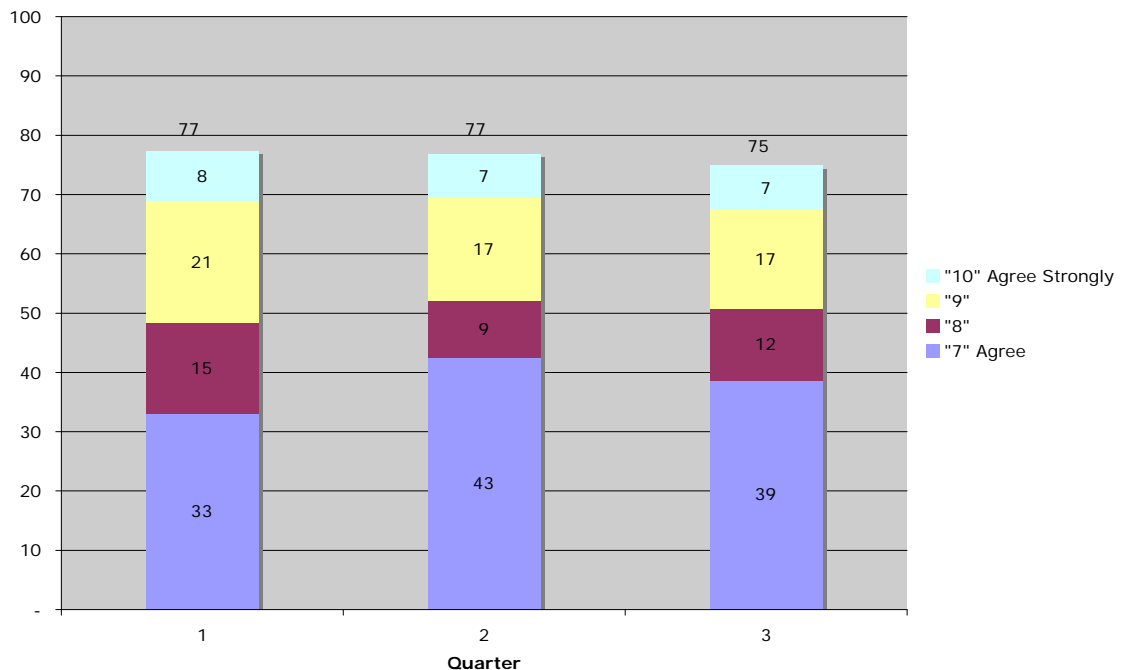
Before proceeding with the results, it is important to note that the Spectrum Health Value Study does not want to assume that respondents will necessarily agree with the premise of this statement. Because such an assumption would make the results very difficult to interpret, it was important to gauge respondents’ overall level of agreement with this premise. Therefore, following the administration of the Maximum Difference questions, the respondents were shown the following statement and follow up question:

Statement: “The cost of health care benefits and services for Americans is – one way or the other—ultimately paid for by individuals who contribute in various ways. These various types of payments include insurance policy premiums that people pay, income and sales taxes people pay, employer deductions from employees’ paychecks, an individual’s out-of-pocket expenses or co-pays, as well as payments or personal charitable contributions to health providers. In summary, whatever the combination or method of funding for health care, the ultimate payer is the individual.”

Question: “How much do you agree or disagree with this statement? Please choose a number from 1 to 10, where a 10 means that you **STRONGLY AGREE** and a 1 means that you **STRONGLY DISAGREE.**”

Over the three quarters for which data has been collected there has been no significant change in respondents' agreement with this statement. The majority of people agree. Very few people disagree—about 6 percent. Most people who do not agree, simply don't know how they feel about the statement and neither agree or disagree. For the most part, however, it can be stated that people believe that, one way or the other, they are paying for their health care services, programs and products.

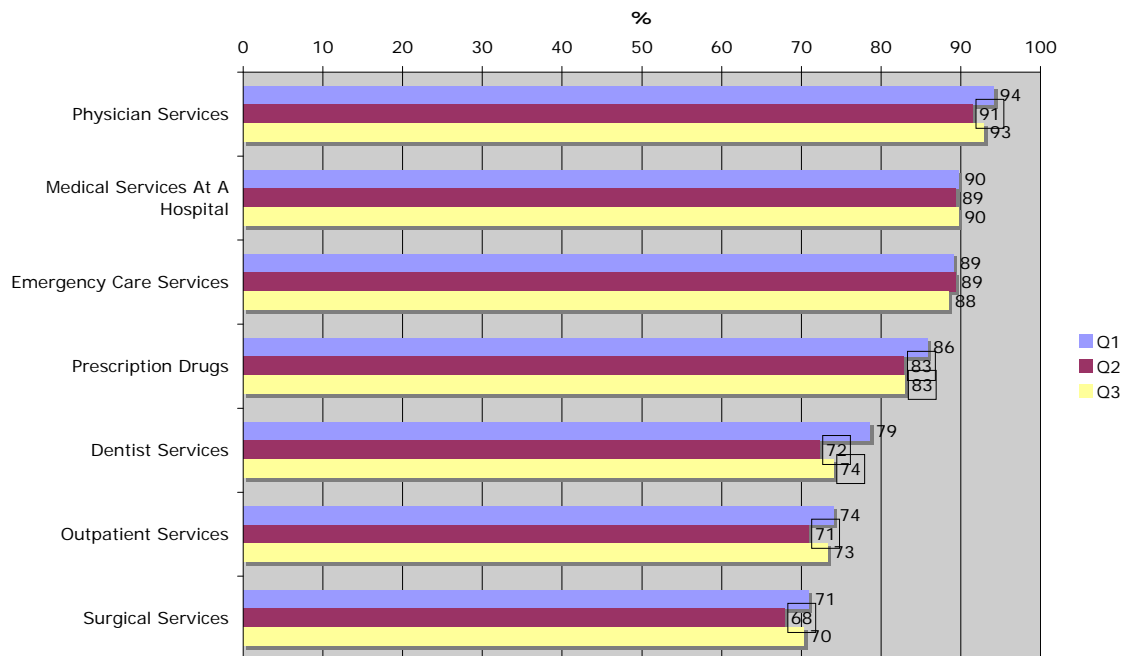
Chart 5: Agreement with Concept



People who suffer from a health condition were statistically more likely to answer with a 10 (40 percent) than were people who do not have a health condition (35 percent). People with health insurance coverage are statistically more likely to agree with the statement than people who do not have coverage. A summary of the results of this question comparing the answers by quarters is provided in Chart 5 above.

The results of the Maximum Difference evaluation of the 27 products, services and products is somewhat dependent on most people agreeing with this concept, which they do—69 percent agreeing, 38 percent of them agreeing strongly.

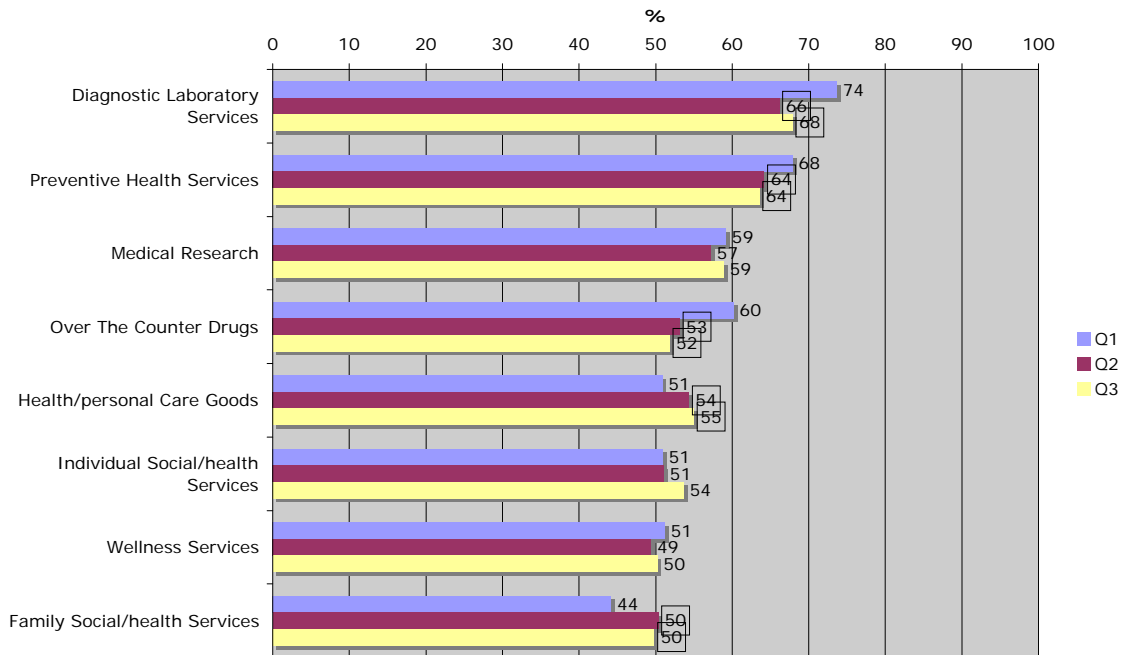
**Chart 6: Max-Diff Analysis;
Highly Valued Services**



In the interpretation of Max-Diff results, any value above 50 indicates that that particular program, product or service was picked as ‘most important’ more often than not. Any value below a 50 indicates that the product, program or services was picked as ‘least important’ more often than not. All Max-Diff scores are relative, therefore it is impossible to say when a score has reached a significant level, however, scores of over 70 indicate, for example, that 70 percent of the time, when shown this product, program or service, the respondents chose it as being most important. Scores in the 90s indicate a very high level of agreement (as shown in Chart 6 above) among all respondents—an indication that respondents believe these products, programs and services are basically ‘essential.’ In our results two of the tested products, programs and services scored above a 90: access to physician services and access to hospital medical services. Access to emergency care services is very close to the 90 percent mark. Each of these services provides the respondent or a member of the respondent’s family with access to services that they or their family can utilize to obtain medical services provided by a health care provider. Other highly valued services are prescription drugs, dentist services, outpatient services and surgical services. Among the top three valued services there has been very little change in the value scores over the three quarter of the study. However, for the other highly valued services, the second quarter saw some lowering of scores—most rebounded in the third quarter.

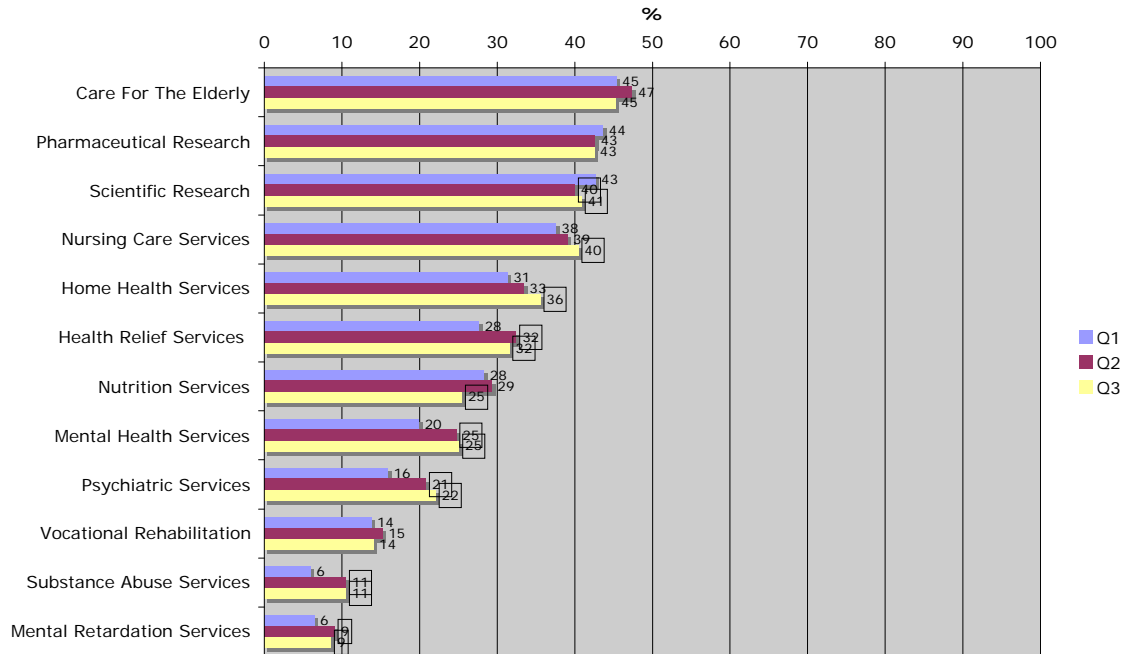
Other services are also valued, receiving scores above 50, but not as high as the one we deemed the highly valued services. They are depicted in Chart 7 below.

**Chart 7: Max Diff Analysis;
Moderately Valued Services**



Interestingly, there was some movement among the value of services, programs and products in this grouping. For example, preventive health services, diagnostic lab services and over the counter drugs seem to have lost some 'value' ground to health/personal care goods, individual social/health services and definitely to family/social/health services where there was a significant increase in the value score from the first quarter of 44 to the second and third quarters of 50.

**Chart 8: Max Diff Analysis;
Lower Valued Services**



Less valued services, programs and products were often services, such as scientific and pharmaceutical research that do not actually deal with an existing medical problem, but are designed to prevent medical problems from arising or to bring new treatments to the market. In this group, with the lowest value scores, we saw some changes over the three quarters with some increase in value applied to mental retardation services and substance abuse services; however, these services still receive the lowest value scores.

Discussion: Over the first three quarters of the Spectrum Health Value Study there have been both significant and interesting findings. Although the study did not strike out to measure the level of coverage, and therefore lack of insurance coverage, among adult Americans, it has discovered that more than 50 million people lack coverage as of August of 2009. This is approximately in line with a statement that President Obama made to a group of nurses on the morning following his historic speech on health care reform on the evening of September 9, 2009.

About the Spectrum Health Value Study™

In 2008, Spectrum leadership observed that the discussion around health care and potential reform efforts was not fully informed in one important aspect. While much had been written and talked about access, insurance, quality and effectiveness, there was no data or information from the American public about what they value when they face spending their own dollars on health care products and services.



SPECTRUM HEALTH VALUE STUDY

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Working with [Russell Research, Inc.](#) of New York, NY, Spectrum designed a national survey to ask consumers what they value when it comes to these products and services—the Spectrum Health Value Study was created. Each quarter, data from 1,000 new respondents is added allowing for finer analyses and eventually for trend studies. The results will also be compiled to form an increasingly robust and informed answer to the question of what consumers value in health services and products, as well as offer a look at how the value changes during these uncertain economic times.

More information on study methodology can be found in the methodology section of this site healthvaluestudy.com.

This information is made available to the public as part of the Spectrum Health Value Study™, and may be used for media, academic and policy analysis purposes with attribution. Suggested citation: "Spectrum Health Value Study (www.healthvaluestudy.com), 2009."