
Perspective

Some Thoughts On Choice And Satisfaction

by Gail R. Wilensky

“Choice Matters” provides some interesting insights as to how different socioeconomic groups view their plans, which is not so rare a finding, and how choice is related to satisfaction, which is rarely available. This study is also interesting because it represents one of those relatively infrequent occurrences when the political left and the political right (which I believe are reasonable approximations of the respective positions of Karen Davis and colleagues and myself) come to similar conclusions. Given the highly charged nature of so much of the health care debate, I thought that these areas of agreement should be duly recorded.

First, choice matters: People value choice, and having choice increases satisfaction. While satisfaction was quite high for the entire study population, having choice increased satisfaction, particularly if the only option available restricted choice, as managed care plans do. Although it was unclear why the finding occurred, low-income populations in managed care plans without a choice of plans reported higher dissatisfaction than other groups did.

Second, people need information to make appropriate choices. Even the most conservative economists regard information as critical to a well-functioning market. Whether markets will produce such information or governments may sometimes need

to intervene to ensure that such information is available is another matter.

Third, an employer-based system of insurance produces more change than would occur in an individual-based system, which is likely to have negative consequences in terms of continuity of care and consumer satisfaction. This is particularly true now because of the volatility of coverage offerings and the evolution of new delivery systems, but it will remain true for our mobile society of two-earner families. This makes voucher/refundable tax credit plans more attractive for conservatives and government-sponsored, single-payer plans more attractive to liberals, although both camps rely on more than this point for their justification.

Lest people worry, I have at least two concerns, one small and one less small, about the paper. First, there is the presumption that out-of-plan use signifies dissatisfaction with a plan. To this economist, it may just as well reflect an option of choice being exercised. More importantly, however, the survey is unable to distinguish between managed care plans that allow opt-out provisions and those that do not. Since the one allows choice for those able and willing to pay for exercising the option and the other does not, this limitation greatly detracts from the usefulness of the findings.

Gail Wilensky, senior fellow at Project HOPE, was recently appointed chair of the Physician Payment Review Commission in Washington, D.C. Health Affairs solicited her response to the paper by Karen Davis and colleagues that precedes this Perspective.