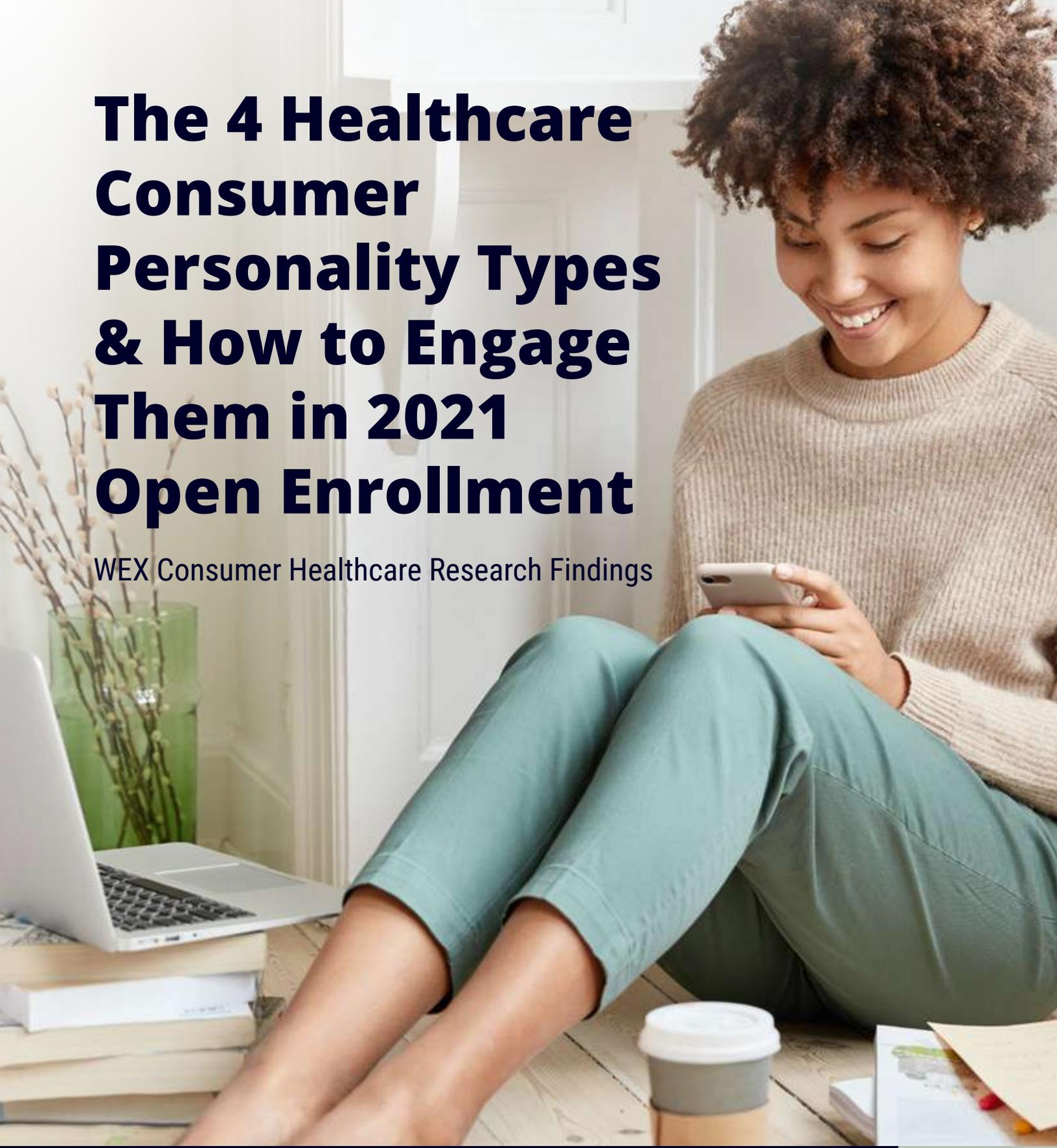


# The 4 Healthcare Consumer Personality Types & How to Engage Them in 2021

## Open Enrollment

WEX Consumer Healthcare Research Findings



**C**oronavirus was a blip on our radars in mid-February when we sent out our annual consumer healthcare survey. Just a few weeks later, a sharp increase in COVID-19 cases brought the country to a halt, which brought many of our hypothetical questions about healthcare risk tolerance and preparedness to the forefront.

To get a fully developed picture of Americans' behaviors and attitudes about their healthcare benefits ahead of 2021 open enrollment, we needed to learn, too, how the global pandemic had changed their thinking. In February through early April, we conducted a survey and follow-up interviews to better understand health benefit decision-making for consumers at different stages of engagement. Then, in June, we performed another survey and learned that the pandemic has prompted a sea change in the value placed on healthcare benefits. Most notable are Americans' improved perceptions of health savings accounts (HSAs), telemedicine and digital health.

There is no one-size-fits-all approach when it comes to engaging people with their healthcare benefits. That's why, through our research, we've identified four healthcare consumer personality types—Evaluators, Activators, Optimizers and Advocates—based on life stages, attitudes and behaviors observed in our two-part study. Within this report, you'll find ways to engage each personality type with their benefits so your messaging sticks.

Together, we can empower more healthcare consumers with the information and tools they need to make the best decisions for themselves and their families during open enrollment. Our goal: Help more Americans truly benefit from their benefits.

## The 4 Healthcare Consumer Personality Types

**Evaluators** tend to be closer to retirement and feel financially secure when they can control risks and returns for their assets. They trust their ability to educate themselves about health savings accounts (HSAs) but often decide to stay with their traditional plan.

**Activators** are generally younger and are just getting started on the path toward financial security. They have minimal knowledge of HSAs and tend not to contribute to them.

**Optimizers** are typically middle-aged and focused on saving money. They often have a 401(k), a financial adviser and invest their HSA account balances.

**Advocates** tend to be younger, more financially savvy and have their eyes on long-term goals. They routinely recommend HSAs when discussing health benefits with others.





## Survey Methodology

WEX conducted an initial two-part study on health benefit decision-making among healthcare consumers who:

- Are 26 to 64 years old
- Have health insurance
- Are involved in selecting and managing their health insurance benefits
- Are familiar with HSAs and either have one or had a choice of one and turned it down

The survey was completed online with 1,228 consumers fielded February 19–28, 2020. Follow-up interviews were conducted with 18 respondents from March 9 to April 3, 2020.

WEX conducted a third study to learn how COVID-19 was affecting usage and attitudes around healthcare and benefits among consumers who:

- Are 26 to 64 years old
- Have health insurance
- Are involved in selecting and managing their health insurance benefits
- Are familiar with COVID-19

This survey was completed online with 2,038 consumers and fielded in June 2020.

## Americans & Their Healthcare Benefits: Key Findings

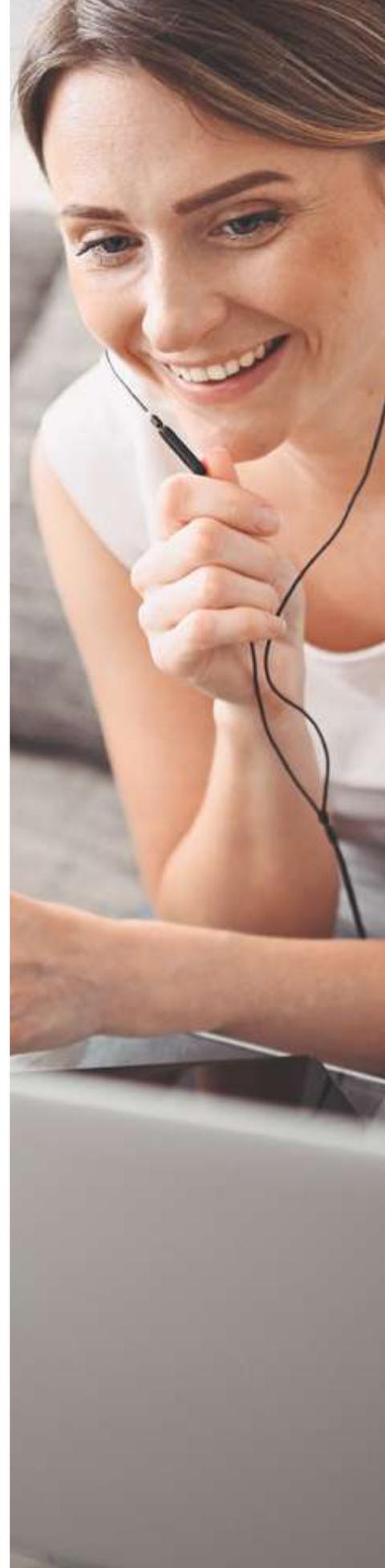
Healthcare benefits are an advantage only to those who know how to best use them. To help consumers get the most out of their benefits, we first need to understand where consumers' priorities lie, what they need help understanding better, how they wish to learn about their benefits, and from whom. Here are some key insights to help you help consumers maximize their benefits at open enrollment this year.

Benefits have become a greater priority. As a result, HSA contributions have increased for many. Forty-one percent of respondents say they appreciate their benefits more now than they did before the pandemic. And roughly a quarter of respondents are now contributing more to their HSAs due to the COVID-19 outbreak.

**The pandemic has gotten consumers thinking about enrolling in benefits through which they can proactively build savings for unexpected medical expenses and circumstances.** More than half are somewhat or very likely to start an emergency savings fund or set aside money in an emergency savings fund due to COVID-19. This has prompted heightened awareness of the HSA as a savings vehicle for unexpected healthcare costs.

**Telemedicine innovations and digital healthcare platform enhancements are paying off.** The COVID-19 outbreak has changed 44 percent of respondents' thinking on telemedicine and 35 percent of respondents' thinking on their ability to manage healthcare online. Further, almost 40 percent say they or someone in their household has participated in a medical appointment via their mobile device/phone or computer due to the COVID-19 outbreak.

**Increasing consumer education about HSAs will help them feel more comfortable.** Consumers prefer to stick with their current healthcare plans, with almost half having stayed in their plan for at least three years. Empty nesters and families with more than one child are even more likely than single consumers without children to be in their plan for more than five years.



# The Pandemic's Impact on Americans' Relationship with Their Healthcare Benefits

A survey conducted with American healthcare consumers in June 2020 detected profound shifts in the way they view their healthcare benefits as a result of the pandemic.



**41%**

appreciate their benefits more now.



**56%**

are now somewhat or very likely to start or set aside money in an emergency savings fund.



**23%**

are contributing more to their HSA.



**44%**

have delayed healthcare services, treatments and/or procedures for "fear of catching COVID-19."



**44%**

have changed their thinking on telemedicine.



**35%**

have changed their thinking on their ability to manage healthcare online.



**40%**

say they or someone in their household has participated in a telemedicine appointment during the outbreak.





## **The 4 Healthcare Consumer Personality Types & How to Approach Them with HSA Education, Enrollment & Usage**

Every individual has different needs from their health plan. And since HSAs can meet a variety of healthcare and financial planning needs, the way they're used depends on the accountholder. To understand what drives a move from one engagement phase to the next, we have defined participants by the following four segments: Evaluators, Activators, Optimizers, and Advocates.

### **EVALUATORS**

#### **Who They Are:**

- One-third are 50-plus years old and empty nesters
- Majority have been in a non-HSA-eligible plan for more than five years
- Less likely than other engagement stages to use a financial adviser

#### **What Motivates Them to Become Activators:**

- Compelling, truthful product information about HSAs
- Being debt-free without much exposure to risk
- Free money/employer contributions to the HSA

#### **How They Learn:**

- Evaluators trust their own judgment and look for information online and in printed materials from Human Resources (HR)
- Least likely to take advice from family, friends and colleagues

## **ACTIVATORS**

### **Who They Are:**

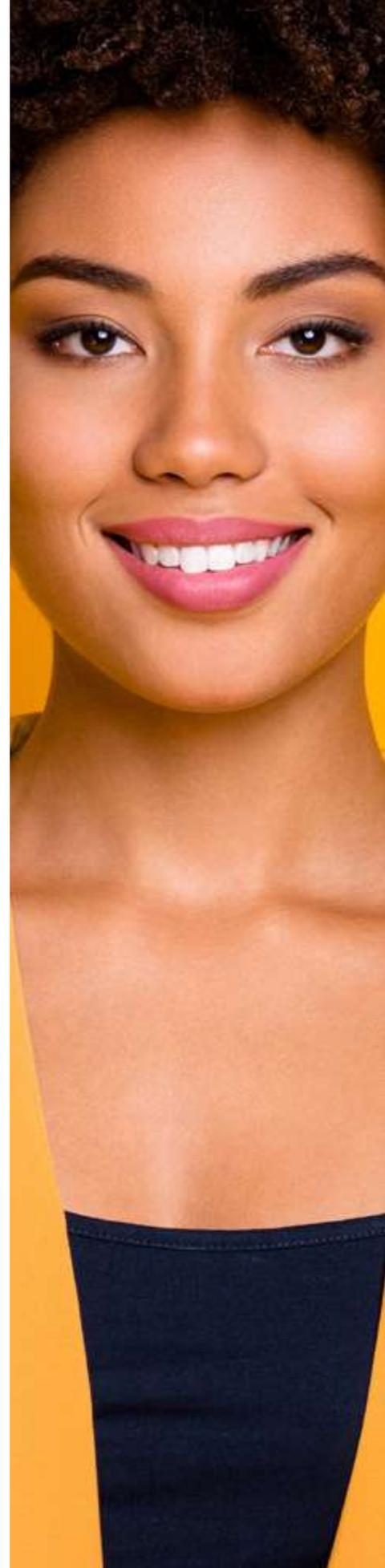
- Majority between 26 and 35 years old
- Lower earners and less educated
- Least financially secure and least understanding of how HSAs work
- Least likely to have a 401(k) or financial adviser

### **What Motivates Them to Become Optimizers:**

- “Free money” contributed by their employer to the HSA
- Having a sense of control over money and minimizing potential losses

### **How They Learn:**

- Seek out information from HR, friends, family and colleagues
- Simple explanations about their account and details
- Least likely to want guided advice or support to enroll in and use their account





## **OPTIMIZERS**

### **Who They Are:**

- Majority between 31 and 45 years old and with a family.
- Tend to be more educated with higher incomes
- Have a “saver” mentality
- Likely to invest unused funds in their HSA

### **What Motivates Them to Become Advocates:**

- Tools to make saving and investing easy (automatic contribution increases, calculators, mobile deposits, push notifications, etc.)
- Tools and education of all kinds are important to improving their experience with HSAs

### **How They Learn:**

- Consume information from lots of sources
- Simple explanations about their account and details about how to enroll

## **ADVOCATES**

### **Who They Are:**

- Majority between 26 and 35 years old
- Much more likely to be in plan and account for three-plus years
- Likely to use a financial adviser
- Likely to invest unused funds in their HSA

### **What Motivates Them to Promote HSAs to Others:**

- Tools to make saving and investing easy (automatic contribution increases, calculators, mobile deposits, push notifications, etc.)
- A “fun” experience of learning via videos, games, etc.

### **How They Learn:**

- Most likely to use social media to advocate and listen
- Most likely to take advice from family, friends and colleagues, as well as from video explanations





## 2021 Open Enrollment Opportunities for Employers

Because of the COVID-19 pandemic, this year's open enrollment presents an unprecedented moment in time for employers to talk to their employees about HSAs and other benefits options—and to truly land those messages. Although many employees may stick with a traditional health plan that's not eligible for an HSA, the appeal of HSAs may be as high as it has ever been. Here are a few tips to help you build out your open enrollment strategy.

**Determine which of your employees are Evaluators, Activators, Optimizers or Advocates when it comes to their HSA—and tailor your approach accordingly so you can help them move more confidently from one phase to the next.**

### Your HSA messaging should:

- Reinforce the top two reasons HSAs are seen as valuable: (1) immediate tax benefits and (2) the ability to build balances year after year to cover long-term as well as emergency healthcare costs.
- Highlight that by contributing to an HSA, employees can easily spend and invest.
- Provide resources to help employees understand the rules for withdrawing HSA funds, since they tend to want these funds to be liquid. Confusion remains about how easy it is to take money out of an HSA, what medical expenses qualify and how to withdraw invested HSA money for medical concerns.
- Explain that HSA contributions can easily be made by way of an automatic deduction from payroll. Several respondents said they did not set out to specifically grow their HSA balance, but with automatic contributions, the amount grew quickly.
- Encourage investment of HSA funds by making employees more aware of how to check their HSA balance, what their investment threshold is, and how HSAs compare with other investment accounts. They often don't know what their HSA balance is, so investment options aren't top of mind. Once they realize how much they have, they are more likely to think about how they could grow the account balance even more by investing.
- Use fact-based and simple language that promotes understanding.
- Provide relevant and meaningful examples of how the HSA can be maximized at various life stages such as single, family, empty nester.

## Tips to Drive Participation

**Contribute to your employees' HSAs.** Among employees who already have an HSA, nearly half say they chose to open the account because their employer contributes to it. Among those who have a high-deductible health plan (HDHP) but not an HSA, 64 percent say they would contribute to their HSA if their employer did. Further, automatic HSA contribution increases that are tied to salary increases are an effective way to increase contributions.

**Introduce an innovative digital platform to simplify your employees' experience.** Employees have warmed toward digital health and telemedicine as a result of the pandemic, and they have been far more likely to engage with digital health tools and to familiarize themselves with the benefits of telemedicine.

**Diversify and tailor your HSA communications approach.** Employees prefer a variety of methods for education delivery. Some prefer online resources while others say an HR presentation or conversation is most likely to make them take action. Still others are especially motivated by visuals, gamification, and interactive features. It's critical to develop a multi-pronged communications approach.

**Create a monthly touchpoint to keep employees up to date on benefits account activity and offers.** The preferred method for this touchpoint differs among employee groups: Empty nesters want email correspondence, while families with children are more likely to prefer phone contact—either through text messages or an app. All groups except empty nesters also like the idea of a one-on-one phone conversation to answer their questions.

**Challenge employees to contribute a small amount to their HSA each month—i.e., by forgoing their daily coffee money.** Illustrate how that small amount, in combination with the employer contribution, can grow over time. While you're at it, reinforce that the employer contribution is the employee's money forever and ever, and provide them with tools like WEX's HSA Goal Calculator to help them understand how much they should contribute to their HSA to save for current and future healthcare expenses.

