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TO: Senator Leah Vukmir, Chairperson and Members of the Senate Committee on Health and Human Services
FROM: Gina Dennik-Champion, MSN, RN, MSHA
Executive Director, Wisconsin Nurses Association
DATE: May 20, 2015
RE: WNA Support of SB 138

Thank you Chairperson Vukmir and Members of the Senate Committee on Health and Human Services for scheduling this public hearing on SB 138 which requires health insurers to provide information about their products to consumers using the American health benefit exchange.

My name is Gina Dennik-Champion. I am a registered nurse (RN) and the Executive Director of the Wisconsin Nurses Association (WNA). WNA is the professional association for registered nurses with membership available to any RN. In 2010, the WNA membership passed a position statement, *Addressing Health Literacy through Patient Literacy*, which referred to WNA's 2009 document, *The Wisconsin Nursing Community Agenda for Healthcare Reform*. Our healthcare reform document emphasized health literacy because it improves health outcomes. It also stated that healthcare providers need to:

- *“Provide individuals with information and support to better negotiate complex health care systems and use knowledge to effectively enhance their health,*
- *Deliver services that are culturally sensitive and appropriate,*
- *Disseminate reliable and user-friendly information that is transparent about quality and cost,*
- *Assure health care providers have the tools, skills and systems that support consumer health literacy, and*
- *Empower individuals to make health choices.”*

For WNA, these expectations we have for ourselves as health care providers should be applied to the health insurance industry.

What is health insurance literacy? According to a 2012 report by Lynn Quincy of the Consumers Union, University of Maryland College Park and the American Institutes for Research, Washington, D.C., “Health insurance literacy has been defined as “the degree to which



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individuals have the knowledge, ability, and confidence to find and evaluate information about health plans, select the best plan for their own—or their families—financial and health circumstances, and use the plan once enrolled.”

Health insurance is among the most complicated and costly products that consumers buy. Lacking health insurance related knowledge and skills—or health insurance literacy—puts people at risk of choosing an insurance product that may be too costly or may fail to provide needed benefits. Getting past industry jargon and understanding the intricacies of health insurance is no simple matter and little is known about what consumers actually understand. Yet it is critical to communicate insurance concepts and benefit language in a way consumers can apply to their own situations.

WNA supports and appreciates the major efforts made in the development of the online marketplace. According to Issue Brief from the American Institute for Research, 2014, the Affordable Care Act took steps to reduce the complexity of shopping for health insurance, including requiring plans to use plain language to describe benefits and coverage—known as the uniform summary of benefits and coverage (SBC). The law also provided funding for “navigators” to assist consumers when applying for coverage and choosing a health plan in the marketplaces.

However, we are aware that knowledge gaps remain for the consumer. WNA views SB 138 as an important step in increasing consumer knowledge and providing greater ease in accessing and processing information. Greater transparency supports better decision-making which contributes to improved health and financial outcomes.

Thank you Senator Vukmir for sponsoring SB 138. We ask that the members of the Committee support the passage of this legislation.

Quincy, Lynn, Measuring Health Insurance Literacy: A Call to Action, Consumers Union, University of Maryland College Park and the American Institutes for Research, Washington, D.C. (February 2012); and American Institutes for Research, Developing a Measure of Health Insurance Literacy: Understanding Consumers’ Ability to Choose and Use Insurance, Washington, D.C. (Feb. 19, 2013).