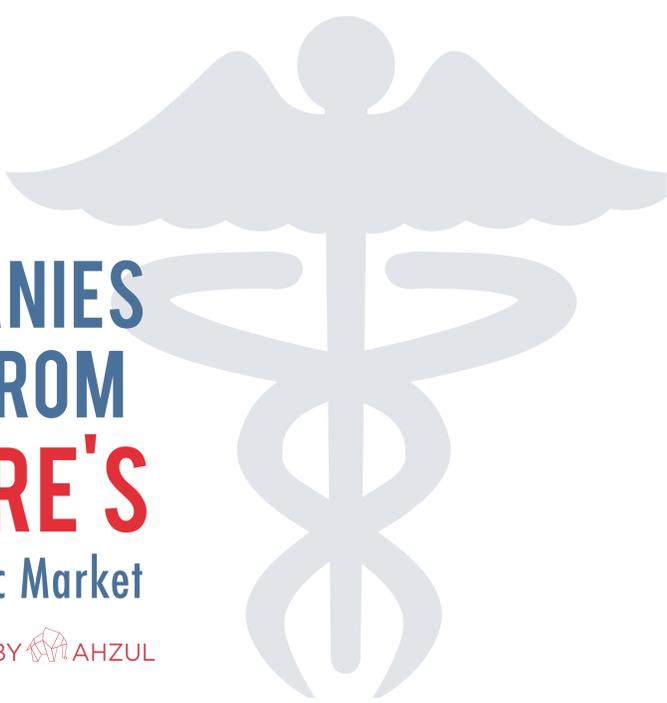


# WHAT COMPANIES CAN LEARN FROM OBAMACARE'S Rollout to the Hispanic Market

A POV BY  AHZUL



The Affordable Care Act (ACA), more popularly known as Obamacare, is a national healthcare program designed to get all Americans insured. The program's premise is that, if everyone is insured, total healthcare costs should go down because the pool of insured people will expand, spreading the risk. **A key factor in this equation is the Hispanic population.** They represent the largest group of uninsured individuals and they are also, on average, younger than the population as a whole. Getting new, younger insureds into the system would help ensure the health of the system as a whole.

And yet, incredibly, the Obamacare rollout, plagued as it was for the entire nation, was significantly worse for Hispanics. The one segment that should have received the most care and attention was actually the least attended to. Consider the case in CA - its Hispanic population is 46%, yet only 20% of those who enrolled in Obamacare identified themselves as Latino. Similar numbers can be found in FL, TX and other states with large Hispanic populations.

Hispanics were said to be key for Obamacare's success. The rollout certainly indicated otherwise.

There is a silver lining, however. As with any well-publicized debacle, there are lessons to be learned and insights to be gained.

While it may seem elementary, it's worth repeating – it is essential to know the customer. Had Obamacare officials truly known the Hispanic consumer, they would have understood that the rollout, as planned, would not be well received by this segment of the population. And this has nothing to do with the technical glitches that received all the media's attention. Even if the rollout had been technically spotless, the Hispanic consumer would still not have embraced the program. Why? Because it's a new, groundbreaking government system that relies on technology for enrollment.

There are a number of factors involved in their reticence. Let's unpack each of them separately.

## FATALISM



**"Latinos have to be educated about the WHY of insurance before they can care about the WHAT and the HOW."**

Hispanics tend to approach life's obstacles as "things that happen" and that they have no control over and therefore can't be planned for. As such, the idea of insurance makes little sense – why approach an accident or an illness as a certainty (meaning something they have to pay for month after month, whether it's used or not) if it's really all up to fate? That, coupled with Hispanics' reliance on their extended circle of friends and family to deal with all important life milestones, good or bad, makes the notion of insurance unwanted and unnecessary for many.

This is where knowledge and understanding come in. We're not referring to knowledge about the plans available, what the deductible, copays and out of pocket maximums are -- which is really all the ACA focused on. Latinos have to be educated about the WHY of insurance before they can care about the WHAT and the HOW.

With a new program such as Obamacare, there are naturally going to be a lot of questions. But even more so for Hispanics, for whom the entire notion of insurance is often foreign and incomprehensible. So, before understanding the ins and outs of a national insurance program, Latinos need to have THE IDEA of insurance explained to them. And for Hispanics who are social and heavily reliant on their circle of influence, the best way to go about creating this awareness is in person. Flyers, commercials, websites – none of this works as well as having someone you know and trust tell you what it's all about (possibly in the language they are most comfortable in, using vernacular that instills confidence).

The ACA did rely on outreach programs for different ethnic groups, but it relied more heavily on this system for Asian Americans than for Hispanics, and these programs did not begin early enough. It takes time to change people's perspectives and generate trust – it can't be done in a month or two, with a deadline looming.

## AWARENESS



**"For Hispanics, who are social and heavily reliant on their circle of influence, in-person awareness building works best."**

## TRUST



**"Latinos are sensitive about revealing their personal information - they need to be reassured about WHY it's being collected and HOW it will be used."**

Hispanics are fearful of government agencies collecting personal information. They fear this information will be shared with immigration services and any undocumented family member could be deported. This sense of mistrust is higher now than ever before due to the large number of deportations that have occurred in the last few years. Understandably, when Latinos are instructed to log on to a government website and enter all their personal information, skepticism and mistrust abound. It was only after the first few months of the ACA rollout that this skepticism was directly and publicly addressed – much too late for many.

It is true that subsidized healthcare applications require a dearth of personal information – the government must verify that the applicant qualifies for said subsidies. But it is also true that for those who are not applying for subsidies, much of that information is no longer required. So once again, explaining the different requirements and the need for such information is key in alleviating the concern many feel when prompted to provide private information.

Study after study shows that Hispanics embrace technology. They own cell phones & smartphones, communicate internationally using innovative technology, love social media & overindex in sharing via social networking... All of this would suggest that a tech-heavy rollout would be a success amongst Hispanics.

So, why wasn't it? Because ACA relied on technology being used differently to how Latinos use it.

Hispanics use their phones to go online, but an application process that can take hours is simply not suitable for a hand held device with a small screen. It is much better suited to a desktop, which is one form of technology that many Latinos do not own.

And once they are able to access the websites, it's important that they be functional. Beyond the well-publicized technical glitches, Hispanics encountered a website that was not available in Spanish until a full 4 months after the official rollout, with numerous localization errors, and an application that was only available in English.

## TECHNOLOGY



**"Hispanics are drawn to technology but it's vital to know WHAT technology they embrace and HOW they use it."**

Any company (large or small), that relies on a specific consumer segment for its success, needs to do its due diligence in learning about its customers, what they want and need, and tailor their outreach accordingly.

Much attention is paid to learning how consumers react to products, but particularly as it relates to complex subjects like insurance, more attention needs to be paid to what consumers know about the category itself and how their culture, language, perceptions and preferences impact how to reach them persuasively and effectively.

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