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Changes in the Number of Health Plan Members, 1994-2019

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The study was funded with the assistance of the Israel National Institute
for Health Policy Research

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Jerusalem | September 2022

Abstract

Background

Israel's National Health Insurance Law was enacted in 1994. In the years since, there have been significant changes in the number of health plan members and in the market shares of the health plans. The National Insurance Institute publishes annual reports on health plan membership and the impact of population growth, immigration to Israel, and switching between health plans on the changes in the number of health plan members. In addition, from time to time, researchers from academia publish studies that examine the reasons motivating members to switch health plans.

This study is unique in that it explored the market shares of the health plans and the factors influencing health plan membership levels over a period of 25 years, beginning with the enactment of the National Health Insurance Law. The study examined a wide range of factors that influence the choice of one health plan over another and to that end, it reviewed and analyzed a wide range of diverse information sources.

Goals

To examine the changes in the number of health plan members and the market shares of the health plans over the period 1994 to 2019 as well as the factors that led to these changes.

Methods

The study team analyzed the factors that led to the changes in the number of health plan members based on the series of *Health Plan Membership* reports published annually by the National Insurance Institute. Systematic and multi-year analyses were performed according to the main change factors: **births and deaths, immigration to Israel**, and switching between health plans (**leaving** one health plan and **joining** another). In the analysis of birth data, a distinction was made between the impact of the age structure and that of birth rates. In the analysis of death data, a distinction was made between the impact of the age structure and that of standardized death rates. In the analysis of the data regarding switching between health plans, a distinction was made between the impact of leaving and that of joining. The analyses were performed with reference to both changes in the general population and changes in various population groups, classified by age, district of residence, and type of locality.

The analysis regarding the reasons motivating people to choose one health plan over another was performed based on the series of *National Health Insurance Law surveys* conducted by the Myers-JDC-Brookdale Institute to examine public perceptions of the level of service in the health system and the health plans as well as on social media discourse, digital news outlets, the data provided by the Ministry of Health Public Complaints Commission, and the Ministry of Health reports on the financial activities of the health plans.

Key Findings

During the period under review, health plan membership increased by 72%: population growth accounted for an increase of 56%, and immigration to Israel accounted for an increase of 18%. Furthermore, the number of transfers among health plans over the course of the 25 years amounted to 42% of the number of health plan members at the period mid-point. The trends observed over time in the three main change factors varied considerably among health plans, population groups, and time periods. These three factors led to major changes in the market share of the health plans.

Along with the changes in health plan membership and the market shares of the health plans, there were quite a few changes in government policy as well as in the performance of the health plans and in the choices made by the consumers. It appears that consumer choices were influenced by a wide range of factors, whose impact varied among population groups and time periods.

The rate of switching between health plans was relatively high among three population groups, young adults, Arabs, and the ultra-Orthodox – which also have high birth rates compared with the other population groups. Thus, for instance, in 2019, 18% of all instances of switching between health plans in the 18 and over age group were among ultra-Orthodox Jews and 29%, among Arabs, despite the fact that each of those groups comprised just 10% of the total Israeli population aged 18 and over. Hence, the changes in the market share of the health plans due to births were, in part, the result of the switching between health plans by parents in the preceding years.

Conclusions

The health plan membership market is complex and dynamic. There is considerable variance among population groups – in health plan membership patterns and health plan switching patterns, in the nature of the competition for customers, and in the considerations of prospective members who look for the best health plan for themselves and their families. It appears that consumer choices were largely influenced by personal experience, advice by colleagues, and the public image of the health plans. The specific considerations and the weight of each

consideration varied among population groups, depending on several variables (age, district of residence, type of locality, and more). The health plans' systematic performance metrics apparently had only a limited impact on the choices made by undecided prospective members.

Recommendations

It is recommended that the Ministry of Health continue to encourage constructive competition and at the same time, act to limit problematic competition. The comparative information communicated to the public should cover a wider range of issues, and efforts should be made to simplify and focus the comparative information regarding the health plans. To that end, collaboration with the media should be promoted. Comparative information regarding issues of special interest to population groups that tend to switch health plans and/or that are likely to expand their families should be developed and disseminated to the relevant groups. It is also of importance to encourage constructive competition among the health plans for customers in other population groups.