



Behavioral Economics and Health Care Decision-Making

What is Behavioral Economics?

Behavioral economics is a branch of economics that focuses on the psychological, social, and emotional factors that influence decision-making. Approaches derived from behavioral economics harness existing and predictable patterns of behavior that often lead individuals to make choices against their best interest, and it aims to reshape decision-making to promote more beneficial outcomes.

Why is this important for health care decision-making?

Research in behavioral economics has shown that individuals do not always make decisions, even important ones about their physical or financial well-being, based on careful calculations of risks and benefits. Instead, behavior is powerfully influenced by emotions, identity, environment, and how options are presented. Individuals often have difficulty making choices regarding their health care because it involves uncertainty, emotion, trade-offs between current and future costs and benefits, and is complex.

How can we use this information to increase advance care planning?

Examining advance care planning (ACP) through the lens of behavioral economics provides information for health care practitioners and other ACP advocates to understand how individuals make decisions and to incorporate that knowledge into outreach and engagement.

The behavioral economics concepts listed below, along with suggestions on how to mitigate those barriers, can help increase ACP conversations, as well as designations of health care agents and ultimately lead to completion of advance care plans.

- **Nudges:** In general, individuals put off planning for the future in favour of pursuing gratification in the present and are more sensitive to losses than to equal gains. Engaging in potentially uncomfortable ACP conversations in the here and now may outweigh future benefits that are intangible and difficult to appreciate. The following are suggestions on how to counteract these barriers:
 - ✓ Use language that fosters how ACP can enhance well-being in the here and now
 - ✓ Avoid medical “lingo,” individuals cannot make choices if they do not fully understand their options
 - ✓ Word choice is key, use terms like “open conversation” and “a good talk” versus “honest conversations”
 - ✓ Highlight preserving quality of life (as identified by an individuals’ values and preferences), and connect with concentrating on choice, control, and benefits for loved ones
 - ✓ Shift the initial focus away from treatment options to talking about what matters to the individual and uncovering their values and preferences

Default bias and social norms are two other concepts under “nudges” that affect behaviour and decisions.

- Default bias: Individuals tend to stick with the default and avoid the cognitively taxing chore of making an active choice to the contrary. Suggestions to counteract default bias:
 - ✓ Hold conversations regularly with patients about their health care values and preferences helps to set ACP as the default, rather than as an anomaly and is a powerful way to guide behaviour without restricting choice
 - ✓ Promote public and provider awareness about ACP not only in medical settings, but also within community-based organizations, as part of HR resources for staff, and in higher education institutions making it a norm

- Social norms: Individuals engage in social comparison and are strongly influenced by others’ behaviour, as well as their environment. Suggestions to counteract this include:
 - ✓ “Socializing” ACP through promotion and public awareness by having information readily available in health care settings, as well as relevant community organizations and community settings
 - ✓ Provide conversation supports to health care providers and encourage open and frequent ACP discussions

- Decision fatigue: Individuals make thousands of decisions every day. To help combat decision fatigue, individuals rely on default bias. Suggestions for counteract default bias include:
 - ✓ Share that ACP is a process and decisions do not need to be made all at once
 - ✓ Break ACP into “bite sized” chunks to allow individuals to make more intentional selections rather than default choices or quitting the process

For more information, please see the resources listed below:

Morgan, B., & Tarbi, E. (2019). Behavioral Economics: Applying Defaults, Social Norms, and Nudges to Supercharge Advance Care Planning Interventions. *Journal of pain and symptom management*, 58(4), e7.

Halpern, S. D. (2012, August). Shaping end-of-life care: behavioral economics and advance directives. In *Seminars in respiratory and critical care medicine* (Vol. 33, No. 04, pp. 393-400). Thieme Medical Publishers.

Spivey, C., Brown, T. L., & Courtney, M. R. (2020). Using behavioral economics to promote advanced directives for end of life care: a national study on message framing. *Health Psychology and Behavioral Medicine*, 8(1), 501-525.

Volpp, K. G., & Asch, D. A. (2017). Make the healthy choice the easy choice: using behavioral economics to advance a culture of health. *QJM: An International Journal of Medicine*, 110(5), 271-275.