

NGO New Mexico HSD Survey

Executive Summary

Anne Hays Egan, New Ventures Consulting w/ NMCF for NGO NM

Nonprofit agencies completed a survey asking them about health insurance issues, barriers to coverage, and what agencies might pay for coverage. A total of 91 responded. The agencies surveyed represent over 3,200 covered lives, and approximately 5% of the nonprofit sector that file 990 forms (1900-plus agencies). Agencies representing a wide spectrum of fields were represented, with the majority (66) involved in health and human services. A total of 91 agencies responded: 63 that provide health insurance and 28 that do not provide coverage. Agencies of both types, whether they provide coverage or not, had similar concerns about insurance challenges and barriers. And agencies had similar priorities. The primary difference between the “insured” and “uninsured” groups were that those agencies that provide insurance tend to be larger, with more resources, and often provide a broader array of benefits than smaller agencies.

A. What are the most important issues for nonprofits?

1. Nonprofits are most concerned about the cost of insurance to the agency as well as co-payment costs for employees.
2. Agencies are interested in pooling, to create cost savings.
3. Comprehensive insurance is strongly preferred over catastrophic options, although some of the smaller agencies that do not provide coverage indicate interest in catastrophic options.

B. What issues do nonprofits characterize as being less important?

1. Nonprofits are less interested in administrative issues, or options to reduce administrative burdens.
2. Agencies surveyed are less interested in a wide range of options for health care, sliding fee scales or other resources.

C. What do nonprofits now pay for insurance, and what do they say they can afford?

1. One third of nonprofits say that they can afford to pay \$300 per member/per month for insurance; one third say they cannot afford those costs; one third are unsure.
2. Of the agencies that currently provide insurance, the average per member/per month cost is \$303. However, these agencies report that they can afford \$239 for their portion and \$74 for the employee portion.

NGO New Mexico HSD Survey
Report to Insure New Mexico

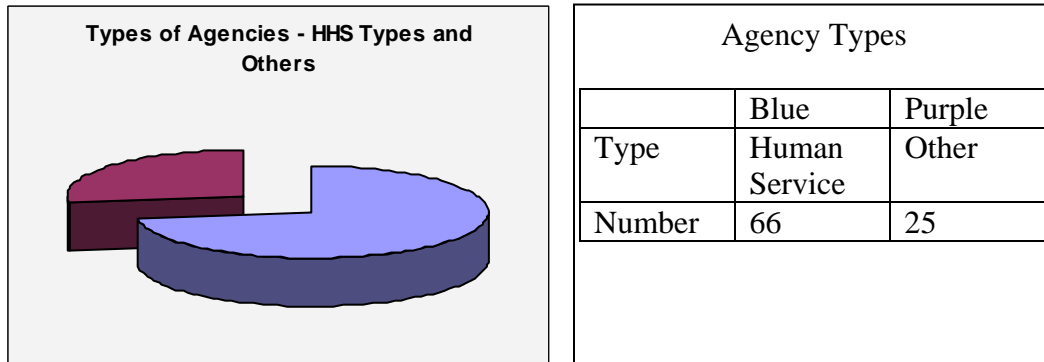
Anne Hays Egan, New Ventures Consulting w/ NMCF for NGO NM

As of December 7th, NGO NM has received 91 surveys from nonprofits throughout the state. Most of the surveys are from health, human service, children/youth and community development organizations. About a third of the surveys are from organizations that currently do not provide health insurance. Agencies had similar responses to most questions regardless of whether or not they provide insurance, their size, or the field represented. This report summarizes survey findings for the entire group, and provides additional analysis of the two agency groups, the “insured” and “uninsured.”

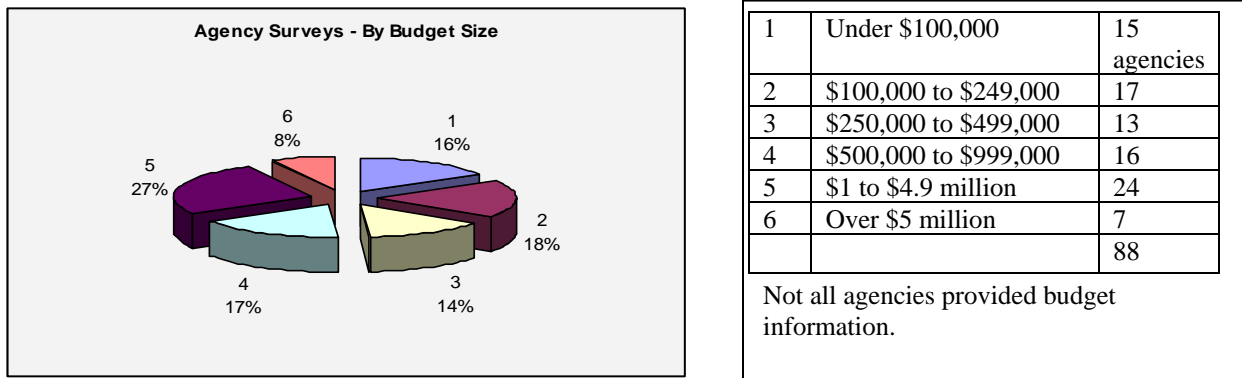
Agency Types: NGO NM agencies that responded to the survey represent a broad spectrum, with most agency types (Q#1) involved in the survey.

| Animal | Art | Children/ Youth | Economic Development | Educ | Environ | Funder | Heath | Housing | Human Service | Legal | Rec | Rel | Other |
|--------|-----|-----------------|----------------------|------|---------|--------|-------|---------|---------------|-------|-----|-----|-------|
| 0 | 9 | 15 | 6 | 5 | 6 | 3 | 10 | 5 | 22 | 3 | 1 | 0 | 6 |

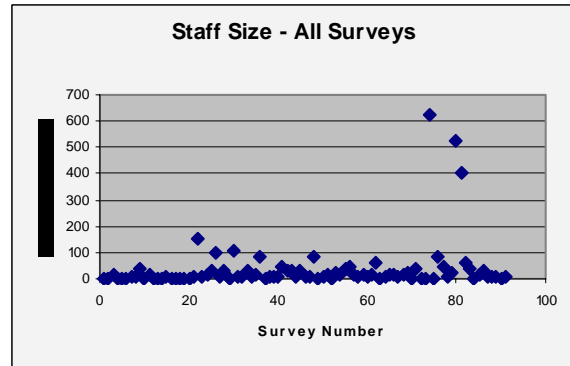
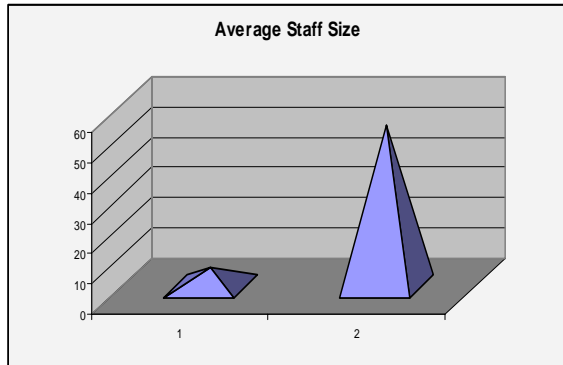
When clustered into human service type agencies and others, approximately two thirds of the respondents fell into the human service category.



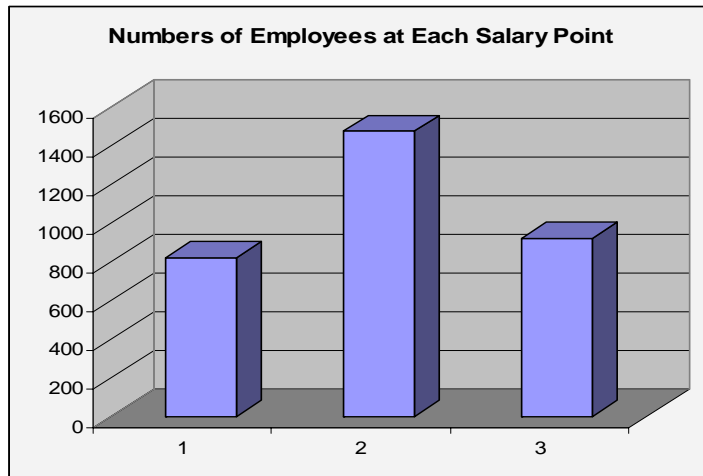
Agency Budget Size: Agencies ranged in size from very small volunteer driven, unstaffed groups with budgets under \$100,000 to large multi-program agencies with budgets over \$5 million, and hundreds of staff. There were a significant number of responses from small, mid-sized and large agencies, with the most coming from rather large, rather small and mid sized agencies. (Q#8)



Agency Staff: Staff size ranged from lows of 0 and 1 to highs in the hundreds, with a few agencies reporting staff size greater than 200. There were many full-time, part-time and contract combinations. The average number of staff is 6 and median is 3 for those that do not provide insurance. Those that do provide insurance have an average staff size of 53, but a median of just 14 (reflecting the skew in staff size for this group by three extremely large organizations). (Q#3)



Nonprofits pay staff relatively well; there were a total of 3219 staff salary positions reported. The following graph shows the breakdown: (Q#5).

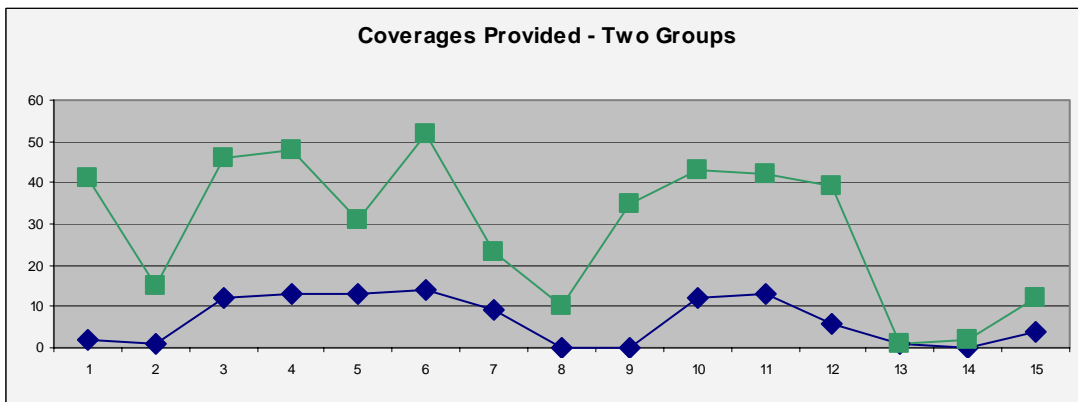
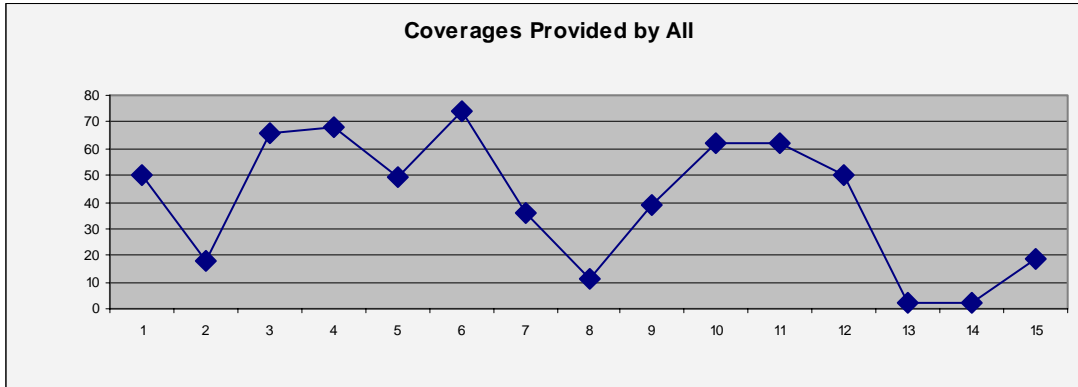


| Under \$8/hr | \$8 to \$15 /hr | Over \$15/hr |
|--------------|-----------------|--------------|
| 821 | 1477 | 921 |

The majority of nonprofit employees earn more than \$8 per hour, with the largest group earning from \$8 to \$15 per hour. These ratios are even more significant with smaller organizations that do not offer insurance; a smaller proportion of their employees are at the lower end; larger proportions at the middle and upper ends. This may indicate that many of the nonprofit uninsured employees may not qualify for other programs; depending upon family size and other family earnings programs

Agency Financial Situation: Only a small number of agencies (15) reported that their budgets had been reduced, many through government cutbacks. The majority of agencies (55) reported that their budgets had increased. Almost all agencies (71) reported that their budgets were tight; and just over one third of the group (32) reported that they have received government cutbacks. (Q#7)

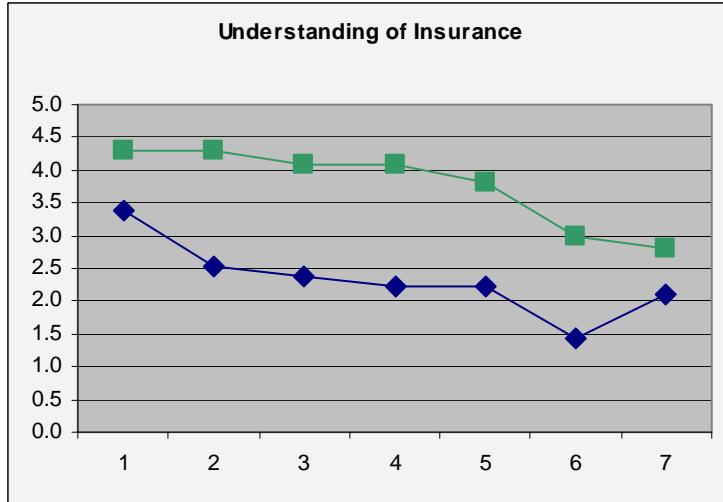
Benefits & Coverages: The benefits other than health insurance that are most often provided by all agencies include: annual leave, sick leave, flex time, holidays, and different types of other insurance (directors & officers, property & casualty and professional liability). (Check-box options in Q#9) The entire group shared similar strong and weak areas, regardless of the organization’s size or whether the organization provided health insurance. See below (raw numbers, not averages reported):



| | | | | | | | | | | | | | | | |
|--------|----|----|----|----|----|----|----|----|----|----|----|----|---|---|----|
| No Ins | 2 | 1 | 12 | 13 | 13 | 14 | 9 | 0 | 0 | 12 | 13 | 6 | 1 | 0 | 4 |
| Ins | 41 | 15 | 46 | 48 | 31 | 52 | 23 | 10 | 35 | 43 | 42 | 39 | 1 | 2 | 12 |

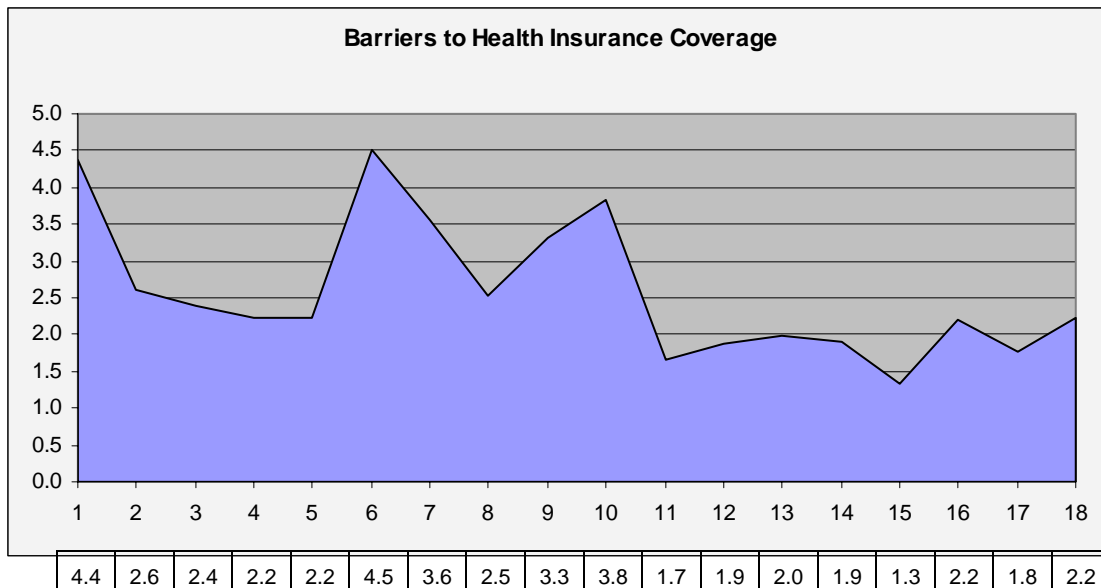
Even when taking into account for the different number of surveys completed by each group, there are some important differences between the benefits offered by those that provide health insurance (green) and those that do not (blue). Larger agencies that provide health insurance tend to have a broader range of other insurance coverages for employees and the agency. Neither group provides much catastrophic coverage, or lump sum benefits for employees to use as they wish. There are few that report they used to provide health insurance and no longer offer it. One would think that we would find the least difference between agencies with respect to those benefits easiest to provide (sick leave, compensatory time, annual leave and holidays). Agencies that do not provide health insurance do provide more of these types of benefits, but not as much as one might expect.

Understanding Health Insurance: In Q#10, most agencies reported a basic level of understanding about insurance, with an average in the high “3’s” to most questions, with the lowest scores related to agency financial capacity and employee financial resources. There is a significant spread between high and low scores, between the two groups, and within each group.



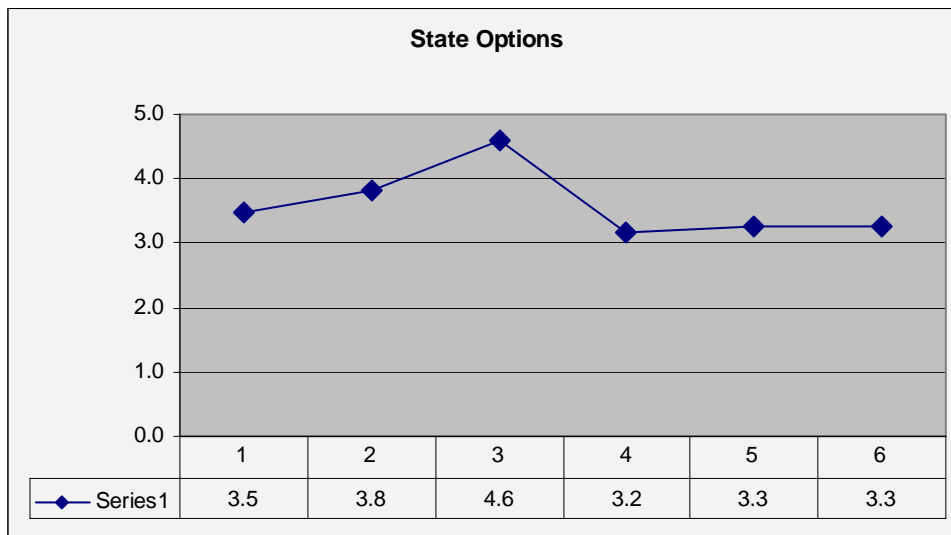
Understanding Insurance
 The chart to the right reflects the averages of “insured” and “uninsured” groups. Those providing insurance (green) report a higher level of understanding in all areas than those that do not provide insurance.

Health Insurance Coverage: With Q#11, the most important issues for all agencies are the current cost of insurance for the agency, the prospect of future cost increases, and cost of co-pays for employees. These issues are rated from just below “4” to the mid “4’s”. The least important issues include administrative and staffing issues, the last eight items in Q#11. Agencies that do not provide insurance report generally higher levels of concern in many areas, however all agencies identify cost as the greatest barrier. They dispel ideas that employees may be covered through spouses, that employees are not concerned about insurance, and other items covered as the last series of check-boxes in Q#11.



Health Insurance Resources: By and large, nonprofits are only somewhat familiar with health insurance resources, which might relate to the need to develop more outreach and education. There is a low average to each of the items in Q#12.

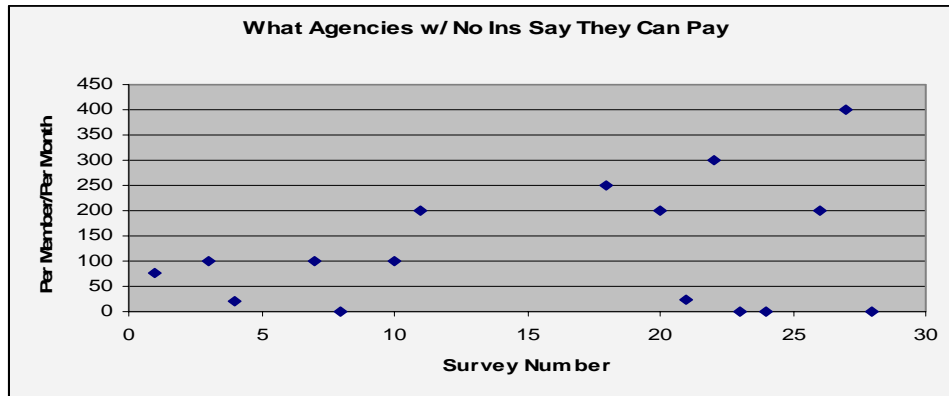
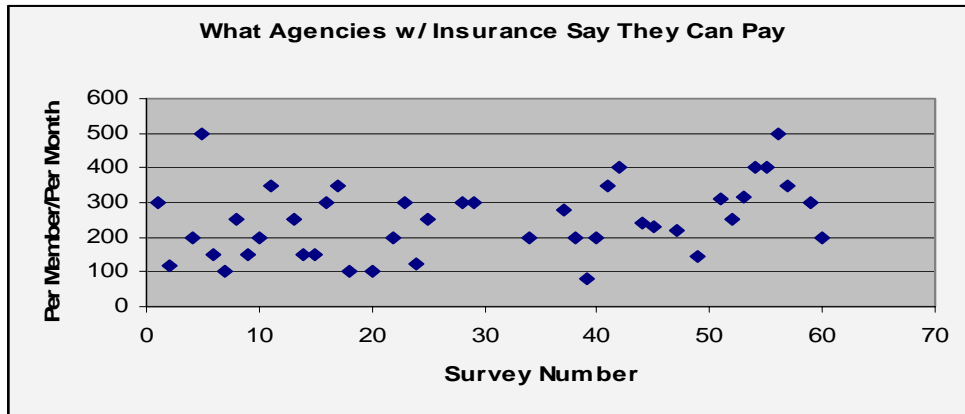
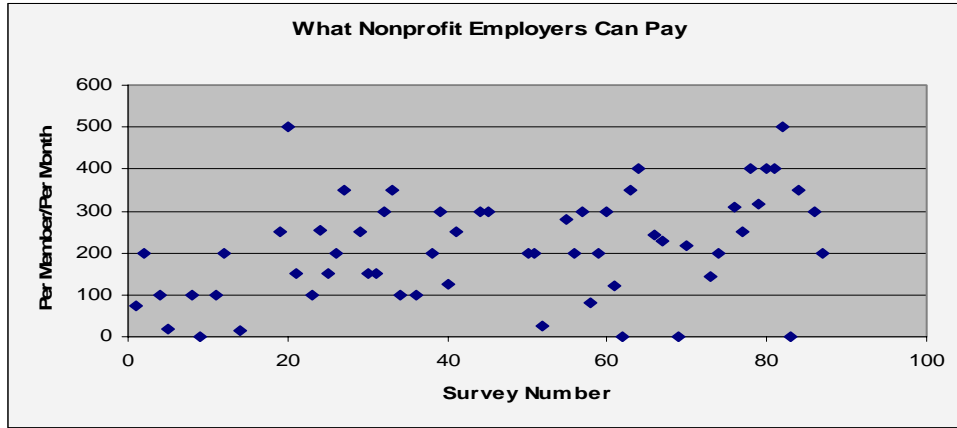
State Options: Agencies are most interested in the option of pooling, which is item #3 on the chart below. Their rating of 4.6 and comments made indicate that agencies are extremely interested in this option, as a top priority. There is no difference between agencies that provide coverage and those that do not. Agencies rate other options as moderately interesting, but pooling is the greatest area of interest. (Q#13) It is important to note that agencies that do not provide insurance are the most interested in different administrative options.



Agency Contributions: The questions about agency and employee maximums (Q#s 14-15) generated a significant diversity of information, including no answers from a number. There were 58 responses to the question about employer contribution; 55 to the question about employee contribution. The average amount agencies are willing to pay is \$228 for the employer portion; \$74 for the employee portion. There is a significant difference between the two groups of respondents when their answers are averaged separately. It may be possible that a number of agencies would be able to pay \$200 to \$250. At the same time, about half of the sample reports they will be unable to pay more than \$150 per month.

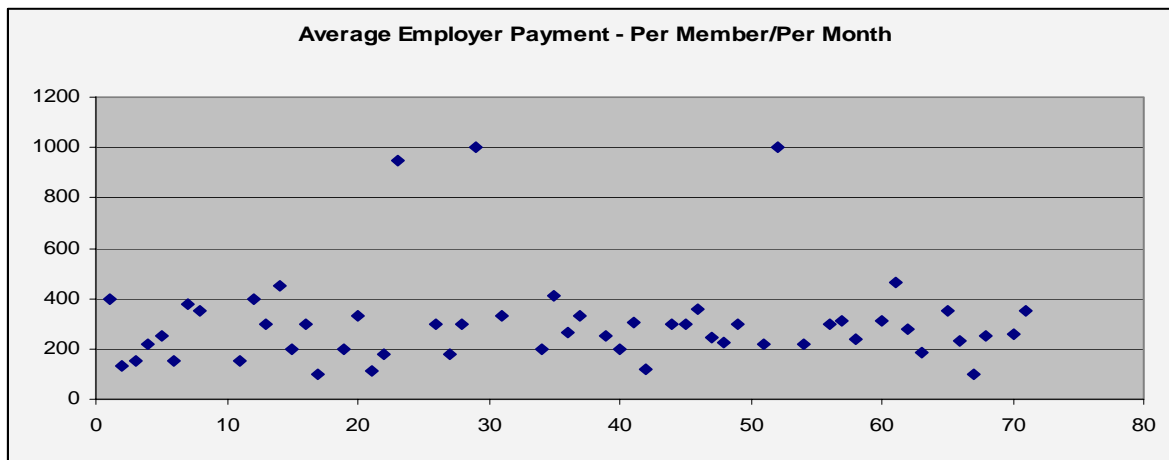
| | Employer Portion | Employee Portion |
|--------------|------------------|------------------|
| Ins | 239 | 74 |
| No Ins | 164 | 120 |
| All Combined | 228 | 86 |

Within the group of agencies, there is a significant variance between the amounts employers indicate they are willing to pay – between the “insured” and “uninsured” groups, as well as within each group. Notice there are clusters at the low end, around \$100 per member/per month, and clusters between \$200 and \$300. About a third of the agencies chose not to answer this question regarding what they could afford to pay.

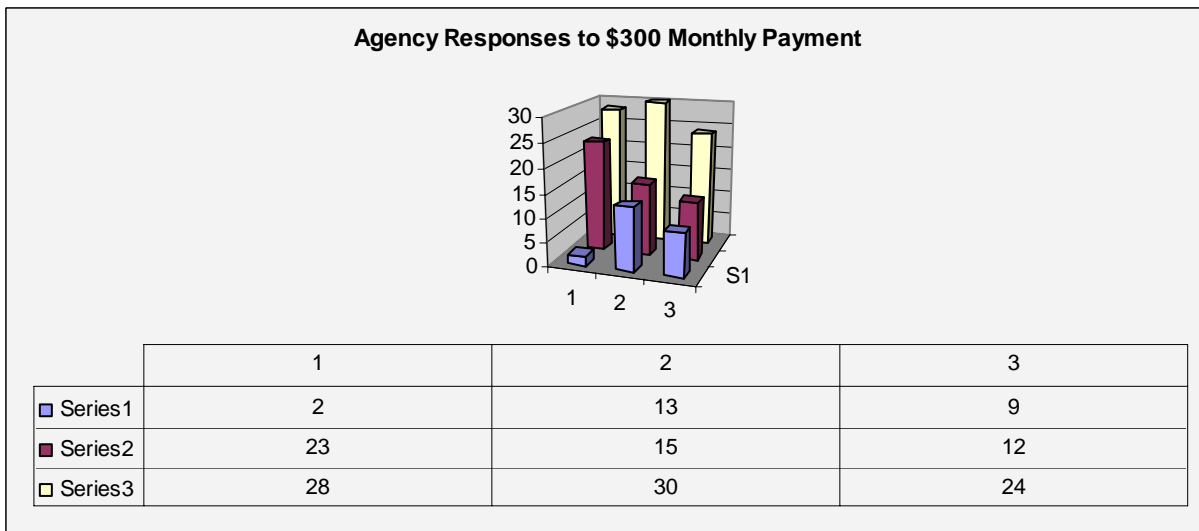


Current Employer & Employee Contributions: In answer to Question 21, agencies that do provide insurance have the following averages for employer contribution: \$303 per member/per month for the employer portion; \$66 per member/per month for the employee contribution. The average deductible is \$767. Since plans, deductibles and co-payments vary greatly, it is important to note that we are not dealing with plans that are specifically comparable. However, this can serve as preliminary information.

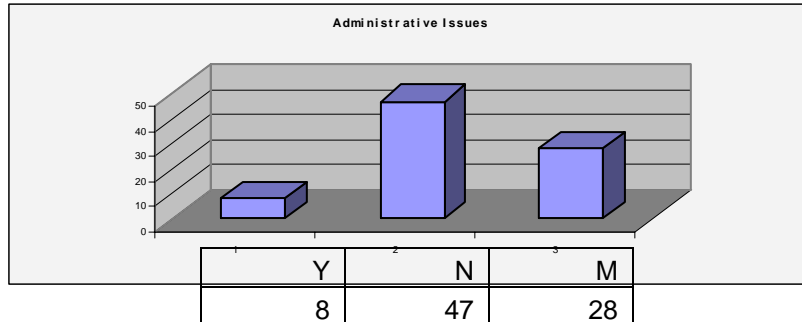
In the following scattergram, note that there is both a significant variance in payment amounts, as well as a clustering of payments between \$200 and \$350 per month. In fact, the average \$303 payment for those that now provide health insurance is almost \$75 a month more than agencies report that are willing to pay. This discrepancy may reflect tight budgets, and difficulty managing current premiums; or something else.



What Can Agencies Afford? When asked if the agency could contribute \$300 a month toward insurance (Q#16), approximately one third of the agencies indicated they could afford that insurance cost; one third reported they could not; one third were unsure. When divided into the two primary subgroups, the “uninsured” responded overwhelmingly that they could not afford that amount; a larger proportion of the “insured” group indicated they could afford that payment level. (Series 3: “uninsured;” Series 2: “insured;” Series 1: all. Column 1 = “yes;” Column 2 = “no;” Column 3 = “maybe.”)

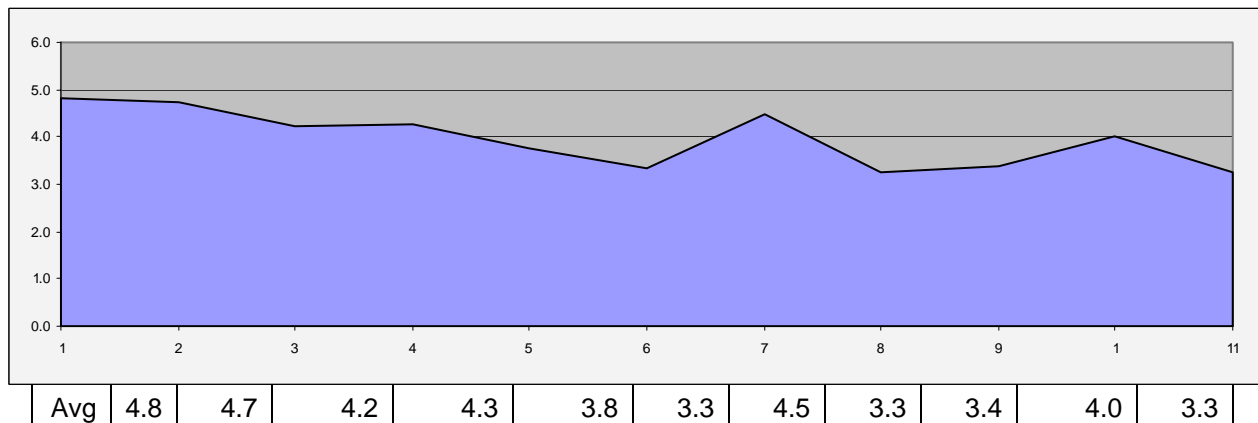


Administrative Burden is not an issue for the agencies (Q#17). Of those that responded to the question, only 8 said they were interested; 47 reported they were not interested. A total of 28 were unsure. Therefore, the administrative issues seem to be of little importance to most nonprofits, especially when compared to other issues, like cost.



Limited Coverage: When asked if they are interested in limited coverage (Q#18), most people (40) said “maybe;” 23 said “yes” and 22 said “no.”

What Agencies Consider Important: Issues that agencies consider most important in their future planning include: health insurance cost to the agency (4.8), cost to employees (4.7), co-pays for employees (4.2), and comprehensive insurance (4.5). (Q#19) The greatest amount of agreement among agencies is about the cost of insurance, and the need for more cost-effective options.



When asked about supporting either catastrophic or comprehensive, there was overwhelming support for comprehensive options.

Issues that May Impact the Future: Agencies report overwhelmingly that they have had significant increases in their insurance premiums over the past two years, an average of 25%. Some agencies have passed on costs to employees, but most have not. Some agencies have reduced coverage options and levels. (Qs#22-24)