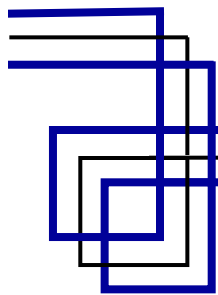


Results from Focus Groups with Small Business Owners and the Working Uninsured

Prepared for the Pennsylvania Governor's
Office of Health Care Reform
Advisory Panel Meetings

December 13-14, 2005

EP&P Consulting, Inc.



Presentation Overview

- Where we went
- Who we talked to
- What we heard



Where We Went

Total of 15 focus groups:

- 8 with the working uninsured
- 7 with small business owners

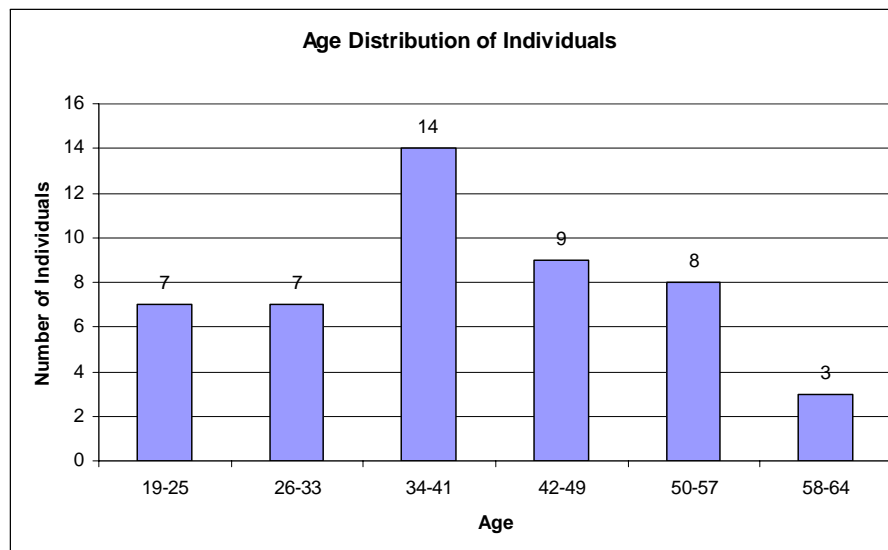
Locations:

- Chambersburg
- Erie (individuals only)
- Lock Haven
- Philadelphia
- Pittsburgh
- Tyrone
- Wilkes-Barre
- Williamsport

Who We Talked To

The Working Uninsured:

- ❑ Total of 49 individuals; one-third male and two-thirds female
- ❑ Age Distribution





Who We Talked To

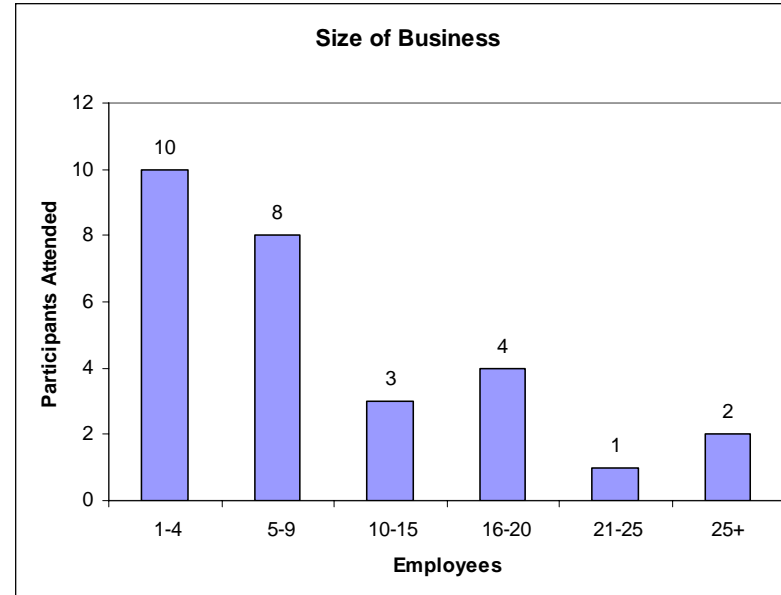
The Working Uninsured:

- ❑ Marital status: 20 married; 28 single; 1 did not specify
- ❑ 32 have children, of which 30 are insured
 - 7 Medicaid
 - 10 CHIP
 - 4 Access
 - 4 Private Insurance
 - 3 Other
- ❑ Employment
 - 5 unemployed; 44 employed
 - 11 had access to employer-sponsored insurance

Who We Talked To

Small Business Owners

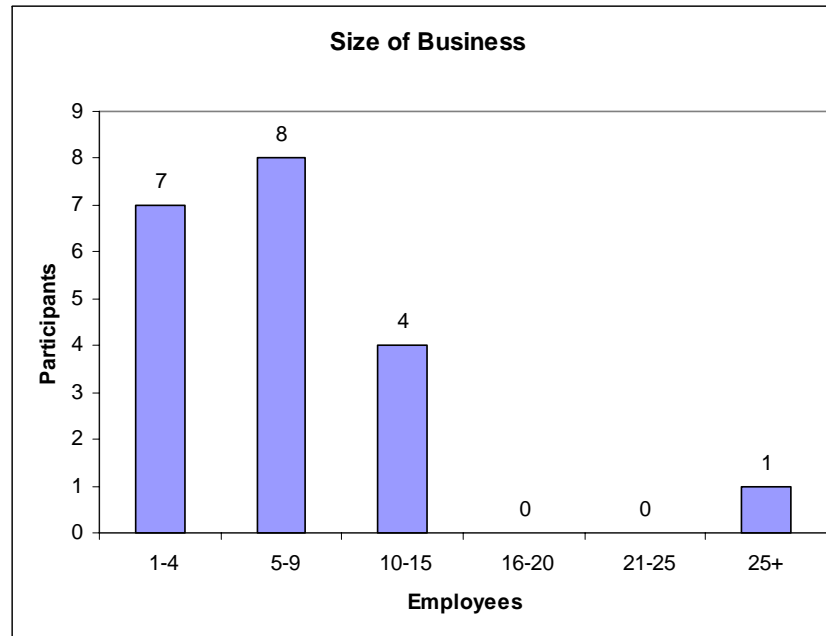
- 28 employers attended focus group meetings



Who We Talked To

Small Business Owners

- 21 employers participated in phone survey





What We Heard

The findings for the working uninsured are grouped into five general areas:

- Overall viewpoints on health care insurance
- People's responses to insurance costs
- What people want from insurance, and how their patterns of care would change
- Thoughts on stigma and related issues
- Key messages from the working uninsured



Overall Viewpoints on Insurance

Not having an accessible health insurance plan leads to insecurity

- Fear of undetected medical problems
- Fear that even if they have health coverage, it may not cover what is needed
- Lack of confidence in health insurance programs



Overall Viewpoints (continued)

People will go to great lengths to avoid visiting the doctor.

- Most people use free health clinics as the first line of defense
- Other sources include: using home remedies; “living with it”; obtaining unused antibiotics; finding cures on the Internet; using over-the-counter medication; and using free samples



Overall Viewpoints

Existing health insurance programs give the wrong incentives

- “People are covered if they are on welfare and poor and covered if they are wealthy. If you are working, married, and don’t have a baby, you are out.”

Participants expressed frustration that adultBasic premiums were either \$32 or \$300

- “I understand the importance of health insurance and am willing to budget for it. I just wish the State of Pennsylvania would provide us with more options.”



Responses to Health Insurance Costs

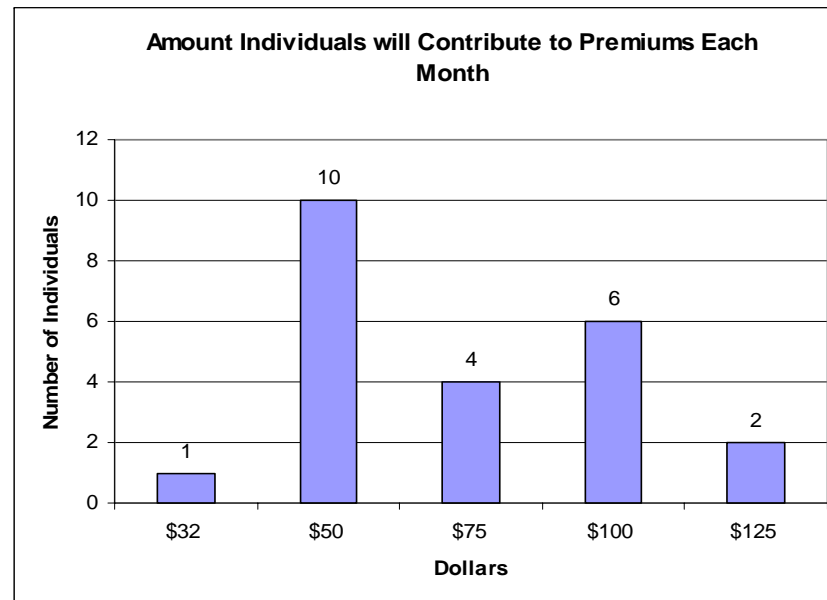
Health Insurance is Unaffordable

- People make choices between insurance and other necessities – rent, electricity, food, education – and insurance is the first thing to go
- A person working full-time at minimum wage makes a gross income of \$823 a month. A health insurance plan for a single individual who purchases adultBasic at full cost is \$300.16 per person per month (37% of his or her monthly income)

Responses to Health Insurance Costs

What is affordable?

- The majority of participants would rather pay a higher premium with lower deductibles than pay a lower premium with higher deductibles.
- Participants were asked to indicate an affordable premium price. Participants responded:





What People Want

What benefits are most important depends both on an individual's health status and on an assessment of risk

- The majority of participants agreed that hospital care, doctor's visits, outpatient procedures, prescription medications and lab and x-ray services should be included in any core plan
- Therapies, mental health, dental care, and vision were voted the least essential benefits



How Patterns Would Change

Most people would change their patterns of care if they had insurance. These changes would include:

- Going to the doctor when ill instead of waiting
- Following doctors' orders, getting prescriptions filled
- Getting check-ups more frequently
- Seeing the same doctor all the time
- Going someplace where there is not a long wait
- Going to a private hospital instead of a charity hospital



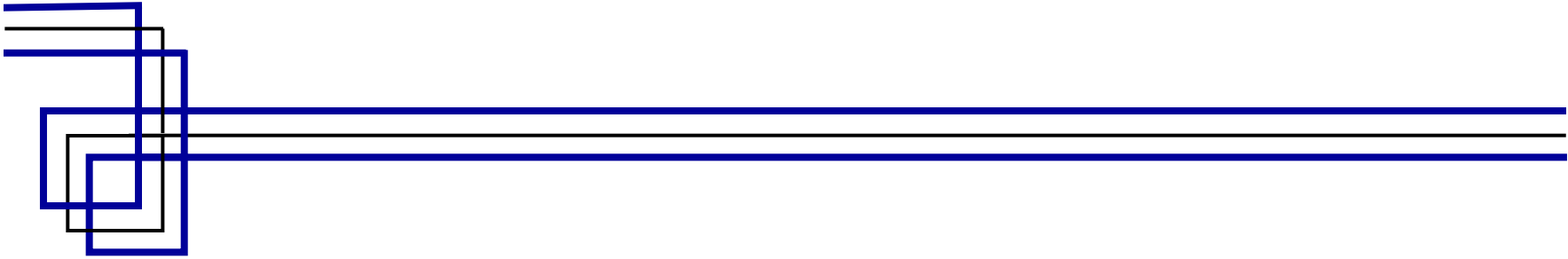
Thoughts on Stigma and Related Issues

- ❑ There was mixed feedback on whether being uninsured carries a stigma
 - Some said there is an obvious stigma
 - Some said they felt they received the same care whether they had insurance or not
- ❑ Most people said they would not care whether the insurance program being proposed would be public or private



Key Messages from the Working Uninsured

- ❑ “As tax paying citizens, we deserve affordable and accessible insurance.”
- ❑ “Give everyone on the adultBasic waitlist a number so they can call in to see where they are on the list. After two years, I just want to know where I am at. If I am at the end, then I will look into alternative options.”
- ❑ “The current system gives the wrong incentives and leaves people with no options.”



Small Business Owners



What We Heard

The findings for small business owners are grouped into four general areas:

- Overall viewpoints on health care insurance
- Small employer's health plan options
- Employer-based benefits packages
- Key messages from small business owners



Overall Viewpoints

Health insurance is unaffordable

- Many fear that rising costs will prohibit them from continuing to offer health benefits
- Many employers offset the rising cost of health insurance either by making their employees pay a higher percentage of the premium or by reducing wages and/or bonus payments
- On average, employers were willing to pay \$134 per employee per month with a minimum of \$50 and a maximum of \$250



Overall Viewpoints

- ❑ The majority of small employers offer insurance
 - Out of 49 participants, 29 offer insurance (59%)
- ❑ Employees do not recognize the high costs of health insurance
 - Employers struggle to compete with businesses that offer higher wages instead of health benefits
- ❑ Employers in urban areas that do not offer health insurance have a hard time retaining employees
 - In rural areas, there are fewer job options so health benefits are not as big a factor for attracting employees



Overall Viewpoints

Health insurance should not be the responsibility of small business owners

- Employers would hire more employees if they did not pay health insurance
- Pre-existing condition clause discriminates against employees with medical conditions
- Administrative burden hurts production



Small Employer's Health Plan Options

Small employers choose different health plans:

- Individual plans
- Pooling (group plans)
- Family insurance plans
- Chamber of Commerce plans

Small employers want more health insurance options

- “Most programs are geared toward larger businesses. There are no options for companies operating with less than 10 people.”



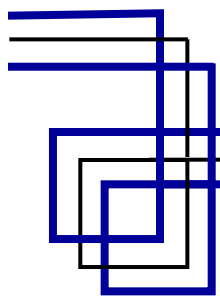
Employer-Based Benefits Packages

- ❑ Employers felt that the majority of insured employees were happy with their benefits.
- ❑ Employers offer the same benefits to everyone; premium payments vary.



Key Messages from Small Business Owners

- ❑ “The government should subsidize payments.”
- ❑ “I need something that is affordable and my employees need something that is accessible.”
- ❑ “Plans need to have some sort of stop-loss so that even people with health insurance don’t lose everything over a health event.”
- ❑ “We need some sort of system: you have a car, you buy car insurance; you live, you should buy health insurance.”



Questions?

Contact Information:

Yvonne Lutz Powell, Corporate Director

Mark Podrazik, Corporate Manager

EP&P Consulting, Inc.

202-628-1134