

Nebraska State Planning Grant to Expand Health Insurance Coverage

Final Report

Submitted to

**Health Resources and Services Administration (HRSA)
U. S. Department of Health and Human Services**

February 27, 2007

Executive Summary

In the first State Planning Grant, a survey of households and employers was conducted. The findings from these surveys were then supplemented with extensive focus group interviews to develop several state policy options for reducing the number of uninsured. This project attempted to build on the information and policy options that were developed in the initial grant.

The main goals of this project were:

- I. Reconvene the Nebraska Health Insurance Policy Coalition to preserve continuity and provide oversight for the project.
- II. Collect and analyze quantitative data from small employers, employees, insurance brokers, and health care providers.
- III. Refine and develop policy options that expand insurance coverage in the small group market.
- IV. Generate and submit a final report to the Governor, the State Legislature, and the Secretary of the U. S. Department of Health and Human Services.

Summary of Activities

The Nebraska Health Insurance Policy Coalition was reconvened in the fall of 2005 and continued to meet through February of 2007. The Coalition has met to review the surveys that were sent to small employers and employees who work for small employers. They have also reviewed and discussed the survey results and evaluated various potential policy options for reducing the number of uninsured. These options focused on a variety of public and private strategies aimed at the small employer market.

In this project, a mail survey was sent to a random sample of 600 small employers in both rural and urban areas of the state. Survey information was also collected through telephone interviews from employees who work for small employers. The purpose of the surveys was to determine the types of insurance policies both small employers and their employees would find attractive, and the amount that they are willing to pay for a monthly insurance premium. Based on this information, it was possible to identify the gap between the prices of insurance plans that are currently available and the prices that are perceived to be affordable by small employers and their employees.

Major Conclusions from the Surveys

Based on the survey results, it appears that employers who do not offer insurance, together with their employees, would be willing to pay about \$200 per month per employee. Although there are a few insurance policies on the market with a \$200 monthly premium, a policy with an "acceptable" benefit package is about \$300 per

month per employee. Therefore, it appears that the gap between what small employers and their employees can afford and the cost of an “acceptable” insurance plan is \$50 to \$100 per month per employee.

Another major finding is that it is very unlikely that employees who work for small employers who do not offer coverage will purchase any type of a family policy. The cost of a family insurance plan is at least \$500 per month.

Finally, in making the decision to offer or enroll in an insurance plan, the most important factor, and in some cases the only factor for small employers and their employees, is the premium price. Employers that do not offer health insurance are 3.38 times more likely to offer health insurance coverage if the total monthly premium is \$300 as compared to \$500. Although premium price is by far the most important factor to employees working for small employers when considering whether to enroll in a health insurance plan offered by their employers, they are also responsive to changes in the deductible co-payment, and coinsurance provisions.

Policy Options

The Coalition considered several policy options to reduce the number of uninsured for individuals and families who work for small employers. The options considered were:

- Creating a premium assistance plan where the employer, the employee, and the state Medicaid program pay a portion of the insurance premium.
- Expand SCHIP eligibility above the current income level of 185 percent of the Federal Poverty Level.
- Conduct a study to determine the feasibility of implementing a publicly funded reinsurance program.
- Provide tax subsidies to encourage small employers to offer health insurance coverage and/or low-wage workers to purchase an insurance plan.
- Organize health insurance pools for small employers and self-employed individuals.
- Offer limited benefit plans that provide comprehensive, primary and preventive services.
- Create three share plans at the community levels.
- Create an insurance connector program to assist small employers and self-employed individuals in finding an appropriate insurance plan.

After considering the advantages and disadvantages of each option, the Coalition recommended (1) creating a premium assistance plan, (2) expanding SCHIP eligibility above the current income level, (3) creating three share plans at the community level, (4) developing an insurance connector program, and (5) providing tax subsidies to small employers.

Section 1: Uninsured Individuals and Families

The information contained in the August 2005 Final State Planning Grant Report is still applicable and there is no new information to report at this time.

Section 2: Employer-Based Coverage

A survey of over 9,000 employers was conducted in 2004 by the Nebraska Department of Labor. The results of the survey revealed that small employers were considerably less likely to offer health insurance coverage to their employees. For example, over 98 percent of employers with 100 or more employees offered health insurance as compared to 48 percent of those employers with less than four employees. The average for all employers was 66 percent. The survey also found that when the percentages were compared, there were only minor variations in the number of employers offering health insurance plans by geographic regions. Finally, the survey results showed that about 20 percent of the employers who currently offer coverage may stop offering coverage if the cost of employee coverage continues to increase at current rates.

From the employees perspective, the results of the 2004 Nebraska household survey conducted by the Nebraska Center for Rural Health Research at the University of Nebraska Medical Center indicated that the vast majority of the uninsured are employed and working for a small employer or are self-employed. However, even if insurance coverage is made available, many employees who work for small employers choose not to purchase the coverage. The main reason some employees do not “take up” the offer is because the health insurance policies are perceived as being too costly.

Although valuable information was collected from both the household and employer surveys in the initial State Planning Grant, more complete information is needed to determine the cost and the types of insurance policies small employers may find attractive. For those small employers that do not make health insurance available to their employees, it is essential to learn what their willingness is to do so. In addition, it is important to determine what the employees’ willingness is to participate in employer-sponsored insurance coverage based upon what the employees perceive as acceptable costs and benefits. Given the costs and benefits provided by the current products on the market, the goal is to identify the gap between the prices set by insurance companies and the prices perceived as affordable by small employers and their employees. This price gap information will be useful in the development of feasible health insurance products, which in turn should help to reduce the number of uninsured persons in Nebraska.

Methods – Employer Surveys

The Nebraska Center for Rural Health Research (NCRHR) at the University of Nebraska Medical Center conducted both the employer and the employee surveys. Using data

collected by the Nebraska Department of Labor, a random sample was created of 600 businesses with 50 or fewer employees located within Lancaster, Hall, Adams, Buffalo, and Scotts Bluff Counties in Nebraska. After a review of the literature and previously validated national surveys, two instruments were developed (one for businesses that offer employee health benefits, and the other for businesses that do not offer such benefits), respondents were asked to complete the questionnaire most applicable to their business. Both instruments were estimated to take 10 to 15 minutes to complete. The instrument for businesses that offer health insurance included questions regarding types of coverage, plans, and services offered, types of plans offered, current premium contribution from the employer and their employees, maximum premium affordable for employer and their employees, business impact of offering health insurance, acceptable restrictions on coverage, and likelihood of future change in coverage and offering status. The instrument for businesses that do not offer health insurance included questions regarding preferred coverage type, preferred plan type, maximum premium affordable for employer and their employees, business impact of not offering health insurance, and likelihood of future change in offering status (see Appendices 4 and 5 for copies of the survey instruments). Using the Dillman¹ method developed for survey research, five contacts were made with the businesses in the sample. An advisory panel composed of six representatives from major health insurance companies and brokers in Nebraska was formed to provide guidance for the development of the survey instruments and the interpretation of the survey results.

Study Population

Of the 600 small businesses contacted, 158 small businesses (26 percent) completed and returned surveys.² The response rate for each geographic area was as follows: 74 of 300 businesses (25 percent) responded from Lancaster County, 58 of 150 businesses (39 percent) responded from the tri-city area that included Adams, Hall, and Buffalo Counties, and 26 of 150 businesses (17 percent) responded from Scotts Bluff County. Of the responding businesses, 47 percent were located within Lancaster County, while 53 percent of the responding businesses were located in either Scotts Bluff or the tri-cities area. Thirteen businesses returned documentation of refusal to participate.

Methods – Employee Surveys

To acquire additional information regarding small business employee perceptions about health insurance, a telephone survey was conducted of employees in the same regions targeted by the small employer survey. A random sample of 10,500 households from three geographic areas that included Lancaster, Adams, Buffalo, Hall and Scotts Bluff Counties, was created using data generated by GENESYS Sampling Systems. Each interview took about ten minutes to complete. Each participant was asked up to 25 questions covering the following general topics: employer offering status, employee participation in employer plan, enrolled plan design, contribution and cost-sharing and maximum premium affordable (see Appendix 6 for a copy of the employee telephone

protocol). Professionally trained interviewers conducted the employee interviews. Eligible participants were identified using the following criteria: participants were between the ages of 19 and 64 years, employed for pay by someone other than themselves, and employed at a business that has between three and 500 employees. Although the employer survey focused on businesses with 50 or fewer employees, interviews were conducted with employees of businesses with between three and 500 employees. The assumption was that employees working for businesses within this size range are likely to have similar levels of information about selecting insurance plans and similar reasons for the decisions they make.

Study Population

A total of 373 employee interviews were successfully completed.³ Forty-eight percent of interviewed employees lived in Lancaster County, 29 percent lived in Hall, Adams, or Buffalo Counties, and 21 percent lived in Scotts Bluff County. Seven employees provided incomplete county information. More than 90 percent of interviewed employees reported they were white (94 percent) and/or non-Hispanic (96 percent). Seventy-two percent of employees had at least some college education. Fifty percent of interviewed employees reported an annual household income between \$35,000 and \$75,000. The age distribution among those interviewed was relatively equal within the eligible age range, with a slightly higher percentage between the ages of 46 to 55 years (36 percent) and the lowest percentage between the ages of 56 to 64 (18 percent).

Survey Findings

- Of the 158 responding small businesses, 39 percent reported offering health insurance to their employees, and 61 percent reported that they do not offer health insurance to their employees.
- Small businesses located in a metropolitan area are more likely to offer employer-sponsored insurance than are their counterparts located in a non-metropolitan area. Non-offering businesses were more likely to have fewer employees, have a lower percentage of full-time employees, have younger and lower-income employees, and have a higher employee turnover rate, as compared with offering businesses.

Affordability and Type of Plan

Of the small businesses that **do not offer** employee health benefits,

- 88 percent reported that the maximum monthly premium they could afford would be less than \$200.
- 62 percent reported that the maximum monthly premium they could afford would be less than \$100.

- 97 percent reported that the maximum monthly premium their employees could afford would be less than \$200.
- 65 percent reported that the maximum monthly premium their employees could afford would be less than \$100.
- 73 percent reported that they are still not likely to offer health benefits in the next two years.

Of the small businesses that **offer** employee health benefits,

- 54 percent are able to afford between \$100 and \$500 per month for their share of the monthly premium.
- 29 percent reported that the maximum amount they would be able to afford is over \$500.
- 57 percent reported that the maximum monthly premium their employees would be able to afford was between \$100 and \$300.
- 15 percent reported that the maximum monthly premium their employees would be able to afford was more than \$300.
- 84 percent reported that they are not likely to discontinue health insurance coverage for their employees in the next year.

Of employees **not offered** employer-sponsored insurance,

- 31 percent reported they are uninsured.
- 78 percent are employed by a business with fewer than 50 employees.
- 61 percent reported they would be willing to contribute less than \$200 per month for health insurance.
- 33 percent reported being willing to contribute less than \$100 per month.
- 68 percent of employees reported they would participate in a plan offered by their employers if offered the opportunity.

Of employees **offered** employer-sponsored insurance,

- 68 percent reported they were eligible and enrolled in a plan offered by their employer.
- 81 percent are enrolled in a PPO plan.
- 53 percent reported they would be willing to contribute a maximum of up to \$200 per month for health insurance.
- 26 percent reported being willing to contribute less than \$100 per month.
- 96 percent were confident their employer will continue to offer health insurance for the next two years.

Decision to Offer and Enroll

- Premium price is the most important factor (the only factor in some cases) to small businesses (especially those currently not offering health insurance) when considering whether to offer health insurance to their employees. Employers that do not offer health insurance are 3.38 times more likely to offer health insurance if the total monthly premium is \$300, as compared to \$500.
- Premium price is the most important factor to employees working for small businesses when considering whether to enroll in the health insurance offered by their employers, although employees are also generally responsive to the change in deductible, co-payment, and coinsurance of an insurance package when making their enrolling decision.
- The magnitude of the premium gap between self-reported affordability and coverage options currently available for small employers and their employees would range from \$50 and up for an employer-only coverage, to \$500 and up for a family coverage, assuming that the small business has a closer-to-average age distribution of employees.

Section 3: Health Care Marketplace

No significant changes have occurred since the submission of the Final Report in August 2005.

Section 4: Options for Expanding Coverage

After carefully reviewing the results of the survey, the Nebraska Health Insurance Policy Coalition began examining policy options for expanding insurance coverage. The first step was for the Coalition and a panel of representatives from insurance companies who are major sellers in the small employer market to assess the feasibility of developing new insurance products that better meet the needs and affordability of small employers and their employees. All of the insurers that were members of the panel felt that a wide range of insurance products that included various benefit packages, cost sharing arrangements, and premium costs were already available on the market. They agreed that with the exception of insurance policies with a very limited benefit package (i.e., bare bones), none of the products seemed to have the benefits that would be acceptable to most small employers and their employees and still meet the \$200 per month per employee cost criterion for an insurance plan. As a result, the Coalition decided that other policy options should be considered to close the \$50 to \$100 gap that appears to exist between what small employers and employees who work for small employers are willing to pay for an "acceptable" insurance plan.

Other Policy Options Considered

In order to close the gap, the Coalition reviewed the expansion options that were approved in the initial State Planning Grant. These options were included in a 2005 report entitled *State Options for Expanding Health Insurance Coverage and Strengthening the Health Care Safety Net*.

The Coalition also reviewed policy options and key strategies that were under consideration or being implemented in other states. A report was prepared that summarized some of the major developments underway. For example, the comprehensive efforts in Massachusetts and Vermont were reviewed as well as single focus initiatives (e.g., children) in Illinois and Pennsylvania. The report also identified the strategies that targeted small employers and individuals with low-incomes such as in Tennessee, Rhode Island, and West Virginia. The final section examined some of the major changes in state Medicaid programs. These changes included premium assistance programs (e.g., Oklahoma), defined contributions (e.g., Florida), tiered benefits (e.g., Kentucky), and limited benefits (e.g., Arkansas).

A total of eight policy options were considered by the Coalition. Under each option, there is a description and rationale, a list of advantages and disadvantages, and a discussion of the potential costs. For all of these options, the target population is small employers (i.e., less than 50 employees) and low-wage workers and their families who work for small employers.

Option 1: Create public-private partnerships between small employers and Medicaid.

Description and Rationale: Some states have expanded coverage by creating premium assistance programs. In these public-private partnership programs the state, the employer, and usually the employee share the cost of the premium. In a proposed Oklahoma plan, for example, the employer would pay 25 percent of the premium, the employee would pay 15 percent, and Medicaid would pay the remainder of the premium. The program is limited to employees and their spouses who have a household income at or below 185 percent of the FPL and work in firms with 25 or fewer workers. Unemployed workers who are seeking work are also eligible.

Of course, there are many variations depending on the state. For example, the share paid by the employer, the employee, or the Medicaid program can be higher or lower. Also, in some states, the program includes employers with 50 or fewer employees and the income levels may be higher or lower.

Advantages: Several states have been successful in expanding coverage with premium assistance programs. Second, in comparison with a direct Medicaid or SCHIP expansion, the state's share of the costs is lower under a premium assistance program

because the employer and employees are paying for part of the cost. In addition, these types of programs have less stigma than programs that are totally subsidized by the government. Finally, these programs reduce “crowd out” (i.e., replacing private health insurance coverage with a public program).

Disadvantages: These programs have high administrative costs for both state government and employers. In addition to higher administrative costs, new state funds are needed for Medicaid expansion. Finally, a waiver is needed from the federal government, and federal outlays must be budget neutral so the state must absorb all of the additional costs.

Cost: Although the costs are shared among employers, employees, and state government, some new state funds are needed. Also, the administrative capacity of the Medicaid program would need to be expanded.

Option 2: Expand SCHIP eligibility above the current income level of 185 percent of the Federal Poverty Level (FPL).

Description and Rationale: Based on the survey results, most employees who work for small employers and do not have insurance coverage are willing to contribute only about \$100 per month for insurance coverage. Given that the premiums for a family health insurance policy are at least \$500 per month, the vast majority of these employees are not likely to purchase a family policy. Therefore, even if insurance coverage is expanded to workers in a small business setting, their children will still not be covered unless their family income is below 185 percent of the Federal Poverty Level.

One of the most direct ways of expanding coverage for children who live in low-income households is to expand income eligibility levels for Kids Connection (the State Children’s Health Insurance Program). Currently, the maximum income eligibility level for the Kids Connection is 185 percent of the FPL. By expanding the income eligibility level to 200 percent or 250 percent of the FPL, it would be possible to cover more children of low-wage workers who work for small employers.

Several states have taken advantage of flexibility in the federal law to implement new coverage options. In order to expand coverage to more low-income populations, states may change the benefit packages and perhaps require cost sharing for “higher” income populations. In most cases, however, a federal waiver is required. In exchange for greater flexibility in the Medicaid program, the waiver application must demonstrate that more people can be covered without increasing the federal share of expenditures. When the waiver requests are budget neutral, the financial burden falls on the state. However, there are other cases where income eligibility levels increase (e.g., expanding income eligibility levels for Kids Connection from 185 percent to 250 percent of the FPL)

where a waiver is not needed and the federal government would pay its normal share of the cost.

Advantages: Expanding income eligibility for Kids Connection is an effective strategy for providing insurance coverage for children who live in low-income families. A second advantage is that the administrative structure is already in place. Finally, there are several expansion options where the federal government will pay at least 60 percent of the cost.

Disadvantages: A major expansion would require an increase in state funds and it does not appear that there is sufficient interest nor support from policymakers to expand Medicaid or the Kids Connection program. In December of 2005, the Nebraska Medicaid Reform Plan was published. The recommendations included in this plan focused mainly on strategies that will moderate the growth of spending to ensure long-term financial stability.

Cost: At this time, no estimates are available about how many children would be covered if the income eligibility levels were expanded to 200 percent or 250 percent of the FPL. Also, depending on whether a waiver is needed, the state must pay up to 40 percent of the expansion costs. If a waiver is required, the amount of federal support does not increase, but there is greater flexibility in the eligibility requirements, covered benefits, and cost sharing options.

Option 3: Conduct a study to determine the feasibility of implementing a publicly funded reinsurance program.

Description and Rationale: A reinsurance program attempts to make insurance premiums more affordable for small employers and self-employed individuals. In such a program, public funds would be used to subsidize the purchase of a reinsurance policy that would cover claims above a certain threshold (e.g., \$25,000) for small employers of a certain size (e.g., under 25 employees). Because the state picks up a portion of the insurer's high cost claims, the premiums are likely to be lower and more stable from year to year. The availability of state-funded reinsurance should be linked to state approved plans that are targeted at low-income, uninsured individuals, and small employers.

Advantages: Reinsurance programs can leverage employer contributions to cover more people with public funds. These programs have been effective in a few states, and they have reduced insurer costs because they can be less aggressive in underwriting and marketing. Also, because of less risk of paying high-cost claims, insurers are likely to hold less surplus funds, which should reduce the premium costs.

Disadvantages: Publicly funded reinsurance programs require state subsidies and substantial marketing efforts are needed to advertise the program. Finally, a complex

study is needed to determine which employer groups should be eligible, what the threshold levels should be, what policies are needed to limit the problems of adverse selection, how “crowd out” can be eliminated, and how the program will be financed.

Cost: A comprehensive study must be undertaken before the actual costs can be calculated. Based on the experience of other states, the cost of reinsurance programs varies depending on the scope of the program. For example, changing the threshold level from \$25,000 to \$40,000 would result in a lower cost. Also, a narrow definition of the target employer groups could significantly change the cost. However, it appears that substantial subsidies may be needed as an incentive for employers to participate in the program.

Option 4: Provide tax subsidies to encourage small employers to offer health insurance coverage and/or low-wage workers to purchase insurance policies.

Description and Rationale: Tax subsidies can provide an incentive for both small employers and low-wage workers who work for small employers to purchase health insurance coverage. If the tax subsidy is perceived as adequate, it can overcome the high cost of insurance premiums. The major issue is the amount of the subsidy that will be needed to enroll eligible employers in the program. Based on the results of the 2006 employer and employee surveys, it appears that a tax subsidy of about \$100 per month per individual is needed as an incentive to purchase health insurance. Other issues that must be addressed include the size of the employer (e.g., less than 10 workers) and income levels (e.g., below 200 percent of the federal poverty level). Some states such as Utah have placed an enrollment cap (e.g., 5,000 workers) on the number of workers who can receive the subsidies.

Advantages: Depending on the complexity of the program, administrative expenses should be fairly low and could be managed within the existing state infrastructure. Also, if the tax subsidies are considered adequate, it could significantly reduce the number of uninsured.

Disadvantages: The main disadvantage of this approach is the potential cost of the program. Relatively small tax subsidies (e.g., \$50 per month) have not worked in other states. It is also difficult to decide which employers and employees should qualify for the subsidies and to determine whether there should be an enrollment cap.

Cost: The cost of the program will depend on the amount of the subsidy and the number of employers who are eligible. For example, if the subsidy was \$50 per month per employee and the number of employees was capped at 10,000, the total cost is estimated to be \$6 million. Of course, many other configurations are possible which will lower or raise the total amount.

Option 5: Organize health insurance pools for small employers and self-employed individuals.

Description and Rationale: Health insurance pools are relatively large groups of small individual entities (either individuals or employers) whose medical costs (claims) are combined for evaluating financial experience and determining premiums. The size of the pool will vary although current Nebraska laws require a minimum of 25 people in the pool. However, greater benefits are likely to accrue to pools that have several hundred people in them. Larger pools can reduce administrative expenses and the risks can be spread more evenly across the group.

In 1994, the Nebraska Legislature passed the Small Employer Health Insurance Availability Act. Section 51 of the Act revised the group statutes to allow individuals to form Insurance Pooling Groups (IPGs) for the sole purpose of purchasing insurance coverage. In order to establish an Insurance Pooling Group, the legislation requires that an association be formed which has a constitution and bylaws and that they buy a fully-insured health insurance policy. The association must consist solely of Nebraska residents, and must insure at least 25 members. This legislation allows individuals to join together for the sole purpose of buying health insurance and may include self-employed individuals, small businesses, and individuals.

Despite the legal authority to create insurance pools for small employers and individuals, the pools have generally not been successful. Some of the major challenges include organizing employers and individuals into the pool, preserving the continuity of the pool, and maintaining a sufficient choice of plans. Given these challenges, it appears that some type of technical assistance and marketing initiatives will be needed to make insurance pools a viable option.

Advantages: One advantage is that since insurance pools act on behalf of a large number of individual buyers, administrative costs can be reduced by centralizing tasks (e.g., marketing, enrollment, and premium collection and distribution) that would otherwise be performed separately by several insurance organizations. Second, pools have the potential to eliminate or reduce the adverse effects of risk selection. By pooling together a large number of self-employed individuals and small businesses, the risks can be spread more evenly across the group. Also, as the market share of the pooling groups expands, it should be possible to negotiate lower premiums, and obtain better benefit packages as would be the case for very large employers. Finally, in a very large insurance pool the choice of plans that are offered to employees may increase.

Disadvantages: One of the major disadvantages of insurance pools is that it is difficult to organize small employers and self-employed individuals into a pool. Second, even if the pool is organized, some employers will leave the pool if they can find a lower cost plan. As a result, the premium costs to those still in the pool are likely to increase because the pool will contain more unhealthy individuals. Third, since relatively few

insurance companies sell in the small group market, the number of insurers willing to offer plans to pooling groups is likely to be fairly low. If only one insurer offers a plan, it becomes difficult to negotiate lower premiums and offer a choice of plans. Finally, a few states are experimenting with different types of insurance pools, but none of the states has been very successful in using insurance pools to reduce the number of uninsured.

Costs: Unless public funds are used for organizing and marketing insurance pools, the costs are nominal.

Option 6: Offer limited benefit plans that provide comprehensive primary and preventive services.

Description and Rationale: Traditional limited benefit insurance plans have been available for several years. These plans generally provide limited coverage for physician and hospital services, some medications, and emergency care. The plans often exclude maternity benefits, behavioral health services, and any type of long-term care services such as home health. The plans are relatively inexpensive, but very few policies have been sold in Nebraska or across the country. The weak demand for these products reflects very low perceived value from the products.

In order to keep premium costs low, a few states have begun to focus on offering plans that provide comprehensive preventive and primary care services. These plans would include clinical preventive services (e.g., low cost or free immunizations, prenatal care, and cancer screening programs). Some coverage would also be available for behavioral health, basic dental care, and some medications. Some hospitalization coverage is provided, but it is limited.

A few hospitals across the country have supported this concept by providing free preventive care for chronic disease patients rather than absorb the high cost of repeated emergencies. Hospitals in New York, Denver, and Texas are assigning many uninsured patients to community clinics that charge modest or no fees.

Advantages: The major advantage of a limited benefit plan is that individuals and families can have access to primary care services and receive the necessary clinical preventive services. These low-cost plans are also very affordable for many small employers and many of their employees. With good care coordination, the overall health of the uninsured should also be improved.

Disadvantages: The main disadvantage of these plans is that they provide only limited coverage for specialty and hospital care. Because of the limited coverage on the backend, the demand for these plans has been very weak.

Cost: The amount of state funds that are needed to implement this option is minimal.

Option 7: Create three-share plans at the community level.

Description and Rationale: A three-share model can be developed at the community level. In this model, the employer and the employee pay a share of the premium and the third share can be paid by a government entity, a private foundation, or providers. The benefit packages are more limited and the main target is small businesses (usually with less than 25 employees) that have not offered health insurance coverage for six months to a year. Several of these three share plans are now operating in Michigan and Illinois.

Advantages: Three-share insurance plans are usually developed by key stakeholders in the community. The stakeholders determine the eligibility levels (e.g., employer size), the benefit package (e.g., physician office visits, hospital care, medications, mental health care), and the deductibles, copayments, and coinsurance levels. An insurance plan designed at the community level with input from small employers is more likely to be purchased. Another advantage is that these plans have been reasonably successful in both Illinois and Michigan. Finally, if the cost of insurance is spread between the three shares, the burden of the cost is less for both the employer and employee.

Disadvantages: One of the major disadvantages is finding the “third share”. Most communities do not have private foundations nor are local governmental entities willing to pay the third share. Some providers may be willing to take discounts in return for lower uncompensated care costs, but they may not be willing to pay for the full amount of the third share. Another disadvantage is that the benefits contained in the plan will be somewhat limited in order to offer a reasonably priced plan. If the benefit package is perceived to be too limited, the demand for the product will be low, regardless of the price. Finally, a community planning committee must be formed and sustained over a period of time. The committee must have excellent leadership and cohesion during a lengthy period of time.

Cost: The amount of state funds will be minimal. At the local level, some funds will be needed to operate the planning committee and design the plan. Of course, the largest expense is to find options for funding the third share.

Option 8: Create an insurance connector program to assist small employers and self-employed individuals in finding an appropriate plan.

Description and Rationale: The results of the focus group interviews with small employers in 2004 and the 2006 survey of small employers indicated that one of the major barriers to purchasing health insurance is the lack of information and knowledge about the various plans that are available. In order to address this issue, an insurance connector program can be established in the Department of Insurance. The role of the insurance connector is to inform and educate small employers about the range of insurance options that are available and where they can find more information about

the plans. The connector should have information about all of the major plans sold in the small group market including approximate premium costs, benefits, and cost-sharing provisions. The connector should also have a list of insurance brokers who assist small employers in making their decisions. While the connector attempts to link small employers with possible options, he/she should remain unbiased and not attempt to "sell" a particular insurance product.

Advantages: The major advantage of the insurance connector program is to provide accurate, unbiased information about the insurance options available and how the information can be accessed (e.g., web sites, brokers, other contacts). The connector should be a convenient source of valuable, independent information on the health insurance plans offered in the market.

Disadvantages: Other than some cost and the time to collect the necessary information, there is not a major downside to this option. Obviously, it will be essential to develop a marketing strategy to inform small employers about the services of the connector.

Cost: Some state funds will be needed to establish this program. An individual will need to be assigned to the program and it is essential to communicate the availability of the program through various media outlets. The estimated total budget is about \$100,000.

Recommendations

After considering each of the policy options, the Coalition made the following recommendations. All of these recommendations will require further study to identify the impact and the estimated costs. The Coalition also recognized that policymakers cannot move forward on all of these recommendations immediately and that a reasonable time period would be one to three years. The recommendations approved by the Coalition in February, 2007, are:

- Creating a premium assistance plan where the employer, the employee, and the state Medicaid program pay a portion of the insurance premium.
- Expand Kids Connection (the State Children's Health Insurance Program) eligibility above the current income level of 185 percent of the Federal Poverty Level.
- Create three-share plans at the community level.
- Create an insurance connector program to assist small employers and self-employed individuals in finding an appropriate insurance plan.
- Provide tax subsidies to encourage small employers to offer health insurance coverage and/or low-wage workers to purchase an insurance plan.

The other three policy options were not selected because of cost, the lack of demonstrated effectiveness, and the limited impact. For example, an expensive study would need to be conducted to determine the feasibility of a reinsurance program. This type of program may also require a considerable investment of state funds to be effective. Purchasing pools have not been effective in Nebraska nor in other states. However, some other states are attempting to implement new models and the results should be closely monitored to determine if they could be effective in Nebraska. Finally, a limited benefit package was not accepted because this option provides only limited coverage and only marginally improves access to health care services. Also, past demand for these policies has been extremely low because of the limited benefits provided.

Section 5: Consensus Building Strategy

The 30-member Nebraska Health Insurance Policy Coalition was responsible for developing the policy options and approving the final recommendations. The members of the Coalition include key state officials, providers, small employers, insurers, and advocacy groups.

The major method of obtaining feedback from the key target groups was surveys of both small employers and employees who work for small employers. Also, five small employer representatives were added to the Coalition so that direct input could be obtained during the Coalition meetings.

Once the final recommendations were developed and approved by the Coalition, they were shared with the Governor and the Legislature and distributed to interested stakeholders and advocacy groups. In addition, the report was placed on the same web site as the other State Planning Grant documents.

This planning effort has provided a solid foundation for future policy changes. Although it is unlikely that all of the recommendations will be implemented immediately, Legislative Bill 85 was introduced in the 2007 session. This bill extends the work of the Coalition until December of 2008. It requires the Coalition to develop recommendations for legislative remedies to address the expansion of health care coverage to employed individuals and children in the state. Staff support will be provided by the Department of Health and Human Services.

This legislative activity reflects a renewed interest in the work of the Coalition and a dramatic change in the policy environment from when this work first began in the fall of 2003. However, it will be difficult to build the support needed to expand the Medicaid or SCHIP because most policymakers are focused on controlling costs to make the program financially stable over the long-term.

Section 6: Lessons Learned and Recommendations to States

Many of the lessons learned were covered in the August 2005 Final Report that was submitted to the U. S. Department of Health and Human Services. The 2005 report documented our progress in the initial State Planning Grant program.

In terms of lessons learned, it is very important to base policy decisions on state and regional data. The surveys conducted in 2006 with small employers and employees who work for small employers provided an opportunity to document the gap that exists between what small employers and their employees are willing and able to pay for an "acceptable" benefit package and the premium costs of existing policies. These data enabled the Coalition to develop policy options that were more focused on the small group market.

Although the surveys provided valuable information about the small group market, they only covered a few counties and about one-third of Nebraska's population. In order to overcome this barrier, the Office of Public Health will continue to work with the Department of Labor to include some of the survey questions in their employer-based surveys.

In developing conclusions about the small group market, it is also difficult to draw specific conclusions across all small employers because of the variation in the types of businesses, the income level of employees, and the geographic location of the employers (e.g., urban, rural, or frontier).

Some additional data activities are needed. For example, it is essential to conduct regular household surveys similar to the 2004 survey. This survey provided the information about various uninsured groups and allowed the Coalition to develop more targeted coverage expansion options. In addition to a regular household survey, more information is still needed on the small employer market. From a policy perspective, it appears that a combination of policies ranging from tax subsidies, better information, and a possible partnership with Medicaid is needed to reduce significantly the number of uninsured in the small group market.

No major structural changes are anticipated in the structure of health care programs at the state level. However, it is critical that a strong working relationship continues to exist between the Nebraska Health and Human Services System, the Department of Labor, and the Department of Insurance.

The Nebraska project provided useful information about the small employer market in selected parts of the state. It was learned that few insurers offer plans in the small group markets. In addition, the plans that are offered tend to cost more and have fewer benefits. As a result, fewer employees purchase the policy and more are underinsured.

There is definitely a gap between what small employers and employees who work for small employers are willing and able to pay and the premium costs of acceptable insurance plans in the market. Although a few new plans have been added in the past year, it is unlikely that several other products will be offered during the next year.

The most important lesson in working effectively with the small employer community is to involve them in the process. Several small employers were members of the Coalition and several focus group interviews with small employers were conducted during the initial State Planning Grant process.

One of the major recommendations for other states is to use qualified local contractors whenever possible. Local contractors are more likely to understand the political environment and they usually have greater credibility with stakeholders. A second recommendation is to find and/or develop champions across the political spectrum. Without strong champions, it is not possible to move comprehensive coverage options forward.

Some other recommendations include:

- Before developing coverage expansion options, it is important to identify a set of guiding principles and the target populations.
- National experts and the experiences of other states can be very helpful.
- In a state where covering the uninsured has not been a high priority for policymakers, it takes time to build a consensus on coverage options.

There were some changes in the state's political and economic environment during the course of the grant. In the political environment, the most significant changes were that Dave Heineman was elected to his first full term as Governor. He previously became Governor in January of 2005 when Governor Johanns became the Secretary of Agriculture. A second major political change occurred this year when 22 out of 49 state senators were elected because of term limits. These changes have made it very difficult to determine the level of interest and support for the policy options.

There have not been any major changes in the economic environment. The state budget outlook appears to be improving. However, rising Medicaid expenditures are a major concern, making a major public expansion unlikely in the next two years.

There were no major changes in the project goals during the grant period. However, it was anticipated that the results of the surveys would lead to more tailored insurance policies offered in the small group market.

In terms of next steps, the proposed coverage expansions are under review by the Governor's Office and the Legislature's Health and Human Services Committee. It is anticipated that there will be strong support for some of the recommendations and project staff will be involved helping to organize the implementation efforts.

It is also possible that Legislative Bill 85 will pass and the work of the Coalition will continue. The bill specifically focuses on finding workable policy options for reducing the number of uninsured for small employers and children.

Section 7: Recommendations to the Federal Government

There are at least two expansion options that may require a Federal waiver. These options include a possible premium assistance plan and expansion of SCHIP. The three coverage expansion options not approved were not affected by Federal laws or regulations.

The Federal government should provide the necessary support to assure that all states have consistent data on the number of uninsured and the characteristics of the uninsured. These surveys should be conducted at least every five years. Current survey data will encourage states to continue to find solutions for expanding health insurance coverage. In addition to survey data, the Federal government, foundations, and other organizations should provide "seed" money to states to develop innovative coverage expansions. In addition, funding is needed to evaluate the effectiveness and the impact of these new programs. The evaluation should identify the reduction in the number of uninsured, the cost-effectiveness of the program, the unique barriers (e.g., political, economic, etc) and the lessons learned that can be applied to other states.

Section 8: Overall Assessments of State Planning Grant Program Activity

The recommendations developed by the Nebraska Health Insurance Policy Coalition are likely to receive serious consideration, particularly if LB 85 is enacted. This bill would continue the work of the Coalition until December of 2008. If the work of the Coalition is continued, it would provide an opportunity to study more completely and refine the recommendations.

There are two major obstacles to moving forward. The first potential obstacle is that 22 out of 49 state senators are in the first year of office due to term limits. As a result, it is difficult to predict the level of interest and support among the new senators. A second obstacle is that the 2005 Nebraska Medicaid Reform Plan did not recommend any expansion in Medicaid or SCHIP. As a result, it will be difficult to move forward on the premium assistance plan or SCHIP expansion in the next two years. However, if several other states move forward and the Federal government provides additional incentives, it may be possible to implement these expansion options in a shorter time frame.

At this time, the most feasible expansion options appear to be implementing a three share model at the community level, developing an insurance connector program, and perhaps providing tax subsidies to small employers. The first two options could be implemented without new legislation. However, the likelihood of implementation may depend on the passage of LB 85 because more interest and support needs to be generated among policymakers. Although the SPG program has generated positive momentum for change, the lack of insurance coverage is still not among the highest priorities for policymakers.

The SPG program did create an impetus for change in the state's Medicaid and SCHIP programs. However, further study is needed to determine the cost of the changes and the impact on the uninsured population.

There are several factors that are likely to influence future insurance expansion activities. First, as previously mentioned, 22 state senators are serving in the first year of their four-year term. At this point, it is difficult to know whether insurance expansion will rank high on their list of priorities. Second, although the number of uninsured continues to increase, the state is still well below the national average. As a result, it has not become a high priority issue among policymakers. Finally, despite strong support from some advocacy groups, the overall support for Medicaid expansion is weak because of the need to control state spending.

All of the data collection activities were very useful. The collection of state and regional data allowed the Coalition to better understand the key target groups and their characteristics. The surveys and the focus group interviews also provided an opportunity to learn more about the factors that influence small employers and

employees who work for small employers in their purchase of health insurance coverage.

The data enabled the Coalition to develop key expansion options and to encourage a statewide discussion of these options. Without state and regional data, it would have been difficult to develop a consensus on the policy options.

At a minimum, a household survey should be conducted in each state at least every five years and preferably every three years. Data collection activities allow state officials to study the trends and identify new target groups. As expansion coverage options are implemented, the data can be used to evaluate what policy options are working most effectively.

In terms of changing the data collecting activities, it would have been helpful to expand the surveys to include more small employers and employees who work for small employers across the state. The surveys in the second planning grant were limited to three geographic areas of the state.

The stakeholder committee remained essentially the same for over three years although five small business representatives were added during the second planning grant cycle. Interest in serving on the steering committee was maintained because of three factors:

1. The interest in the issue.
2. The opportunity to examine new data on the issue.
3. The opportunity to make meaningful policy recommendations to the Governor and Legislature.

As the SPG ends, some activities will be discontinued. Unless LB 85 is enacted, the Nebraska Health Insurance Policy Coalition will no longer meet. If the Coalition ceases to exist, considerable momentum will be lost and communication will become more difficult among the key stakeholders.

Staff will continue to provide some research activities, but the level of staff support will probably decline. Without grant support, it is unlikely that staff will be able to attend national meetings to learn about the implementation activities in other states.

The technical assistance provided by staff from AcademyHealth and SHADAC were exceptional. We really appreciated their help and support throughout the two planning grants. Also, HRSA SPG grantee meetings were extremely helpful in learning about the coverage options and implementation strategies in other states. Of course, the meetings provided a great opportunity to network with other state officials and federal partners. Finally, the MEPS-IC survey data was not useful for our SPG project because of its small sample size.

The SPG project in Nebraska is likely to have a positive long-term effect on future expansion efforts. This project has provided a solid foundation for building the interest and support in moving forward on a state strategy. This foundation includes baseline data from the household survey, the various employer and employee surveys, and the focus group interviews. The project also produced several reports which analyzed the data and provided policy recommendations. In addition, the Coalition developed several useful expansion coverage recommendations. While some of these recommendations will need further study, they provide the direction for moving forward. Finally, the Coalition provided an opportunity to bring the key stakeholders together and reach a consensus on the coverage expansion options.

Perhaps the most significant benefit of the project was the opportunity to educate the public and policymakers about the problem of the uninsured and the potential solutions. Although the level of understanding must continue, considerable progress was made during the course of the project.

ENDNOTES

¹Dillman, D.A. (2000). *Mail and Internet Surveys: The Tailored Design Method*. New York: John Wiley & Sons.

²Approved by the Institutional Review Board, May 2006. IRB # 192-06-EX.

³Approved by the Institutional Review Board, May 2006. IRB # 192-06-EX.

APPENDIX I

Baseline Information

Population:

2001 - 1,711,263

Source: U. S. Census Bureau

Number and Percentage of Uninsured (Current and Trend):

2001	162,570	9.5%
------	---------	------

2002	164,281	9.6%
------	---------	------

2003	177,971	10.4%
------	---------	-------

Source: U. S. Census Bureau, Current Population Survey

Average Age of Population:

35.3

Source: U. S. Census Bureau

Percent of Population Living in Poverty (<100% FPL):

2003	9.9%
------	------

Source: U. S. Census Bureau

Primary Industries:

Manufacturing, Trade, Services, and Agriculture

Source: Nebraska Department of Labor

Number and Percent of Employers Offering Coverage:

2004	66%
------	-----

Source: Nebraska Department of Labor, Survey of Employers, 2004

Number and Percent of Self-Insured Firms:

Number of firms - 14,014; Percent - 28.3%

Source: MEPS-IC, 2002

Payer Mix:

Employer	58.5%
----------	-------

Public	25.0%
--------	-------

Self-Insured	8.0%
--------------	------

Individual	8.5%
------------	------

Source: Nebraska State Planning Grant Survey, Nebraska Center for Rural Health Research, 2004

Provider Competition:

Limited managed care plans are available in Nebraska. Currently, there are only three HMO companies that are licensed in Nebraska and there is only one company that provides a managed care option to Medicare beneficiaries. The estimated enrollment is less than ten percent of the total population.

Source: Nebraska Department of Insurance

Insurance Market Reforms:

- Creation of the Nebraska Comprehensive Health Insurance Pool (CHIP) in 1985.
- Enactment of small employer insurance reforms in 1994. These reforms were designed to spread adverse risks among all carriers writing small group policies in Nebraska. The law also required insurers to sell and renew insurance for employers that have between three and twenty-five employees, as long as the premium is paid. Insurers must offer both a standard and a basic plan for small employers without riders or endorsements that limit coverage. Another provision required that group policies be sold on a "guaranteed issue" basis. If a person applies for coverage, he or she cannot be turned down. Finally, the law set limits on premium increases for small employer plans and waiting periods for coverage of pre-existing conditions for people who move from one small employer to another are waived.
- Amendments to the anti-group statutes in 1994 allowed voluntary insurance buying groups. This amendment enables a group of individuals as small as 25 persons to purchase health insurance at group rates through purchasing pools.

Eligibility of Existing Coverage Programs (Medicaid/SCHIP/Other):

Medicaid

- Children under age six are eligible if income is less than 133 percent of the Federal Poverty Level (FPL).
- Children under age one are eligible if income is less than 150 percent of the FPL and pregnant women are covered up to 185 percent of the FPL.
- Children between the ages of six and 18 are eligible if income is less than 100 percent of the FPL.
- Individuals and families receiving cash assistance through ADC are automatically eligible.
- Disabled adults with net incomes of less than 250 percent of the FPL can "buy in" to the program.

State Children's Health Insurance Program

Nebraska covers children aged 18 and under whose family income is at or below 175 percent of the FPL. SCHIP is an expansion of the Medicaid program so the benefit package is the same.

Use of Federal Waivers:

Nebraska received a 1915(b) waiver to create a Medicaid managed care program in 1997.

APPENDIX II

Links to Research Findings and Methodologies

<http://www.hhss.ne.gov/puh/oph/grant.htm>

APPENDIX III

State Planning Grant Summary of Policy Options

The policy options under consideration from Nebraska's two state planning grants are listed below along with the target population. At this point, no policy options have been implemented so some parts of the chart have not been completed.

Nebraska Policy Options

Option Considered	Target Population	Status of Approval	Status of Implementation	Number of People Served
1. Expand the number of community health centers	Low-income children and adults	Approved by the Nebraska Health Insurance Policy Coalition (NHIPC) in 2005	Several planning meetings have occurred in eligible communities	
2. Expand the 340B drug discount program to all eligible providers	Low-income children and adults	Approved by the NHIPC in 2005	All but one hospital is using the program	
3. Improve marketing and outreach efforts to enroll more children and adults who are eligible in the Medicaid and SCHIP Programs	Low-income children and adults	Approved by the NHIPC in 2005	No new major efforts underway at this time	
4. Develop Disease Management Programs for Medicaid	Low-income children and adults with chronic conditions	Approved by the NHIPC and State Medicaid Council in 2005	Considering various options	
5. Join a multi-state purchasing pool to reduce Medicaid prescription drug costs	Low-income children and adults	Approved by the NHIPC and State Medicaid Council in 2005	Investigating potential options	
6. Expand SCHIP income eligibility levels	Low-income children	Approved by the NHIPC in 2005 and 2007		
7. Create a Premium Assistance Program	Low-income children and adults and employers with low wage earners	Approved by the NHIPC in 2005 and 2007		

Nebraska Policy Options

Option Considered	Target Population	Status of Approval	Status of Implementation	Number of People Served
8. Create three share health plans at the community level	Small employers and self-employed individuals	Approved by the NHICP in 2007		
9. Develop an insurance connector program	Small employers and self-employed individuals	Approved by the NHIPC in 2007		
10. Provide tax subsidies to small employers	Small employers	Approved by the NHIPC in 2007		

APPENDIX 4

Small Business Survey of Employee Health Benefits

Complete this packet if your business DOES OFFER health benefits to your full-time employees.

Health Benefits – Employer Survey, 2006

Instructions: Please answer the following questions about your business. If your business is a franchise business or a division of a larger corporation, answer the following questions as they pertain to the location/sites under your direct ownership or management.

BUSINESS DEMOGRAPHICS

1. How many years has your business been operating?

_____ years

2. Including workers at all locations and sites, how many people are currently employed full- or part-time by your business?

_____ employees

2a. How many of your employees are employed **full-time**, 30 hours or more per week, by your business?

_____ full-time employees

3. How many of your employees are female?

_____ female employees

4. Approximately what percentage of your full-time employees are within the following age ranges:

Below 19 years old _____%

19 to 30 years old _____%

31 to 40 years old _____%

41 to 50 years old _____%

50 to 65 years old _____%

Over 65 years old _____%

Total: 100%

Don't know

5. Approximately what percentage of your full-time employees have the following levels of education:

Did not complete high school _____%

High school diploma/GED _____%

Some college, no degree _____%

College graduate _____%

Total: 100%

Don't know

6. Approximately what percentage of your full-time employees receive the following annual salary/wage:

Less than \$15,000 _____%

\$15,000 to less than \$30,000 _____%

\$30,000 to less than \$50,000 _____%

\$50,000 to less than \$75,000 _____%

Over \$75,000 _____%

Total: 100%

Don't know

7. Which of the following best describes full-time employee turnover in your business?

- High turnover – most employees only stay a few months
- High turnover with a stable core – many leave quickly but a core stay with the business
- Moderate turnover – most employees stay a few years
- Low turnover – employees rarely leave
- Don't know

8. Is your business a franchise or division of a larger corporation that has more than 50 full-time employees?

- Yes No Don't know

8a. If YES, which of the following statements applies to your business? Please check only ONE answer.

- This business offers an employee health benefits plan that is **negotiated and managed through the parent corporation.**
- This business offers an employee health benefits plan that is **negotiated and managed through this local office** and independent from the parent corporation.
- This business offers **both plan types indicated above** (through the corporate office, and through the local office).
- Don't know

HEALTH BENEFITS

9. Does your business also offer a health insurance program as a benefit to your part-time (work less than 30 hours per week) employees?

- Yes No Don't know

10. How many of the last five years has your business offered some type of employee health insurance coverage?

- 1 year
- 2 years
- 3 years
- 4 years
- 5 years
- Don't know

11. Which of the following types of health insurance coverage does your business currently offer? Check all that apply.

- Employee only coverage
- Single + spouse coverage
- Single + children coverage
- Family coverage

11a. For each type of coverage, what is the amount **your business** contributes PER MONTH for ONE of your full-time employees?

Employee only coverage \$ _____

Single + spouse \$ _____

Single + children \$ _____

Family coverage \$ _____

11b. For each type of coverage, what is the amount **your typical full-time employee** pays PER MONTH?

Employee only coverage \$ _____

Single + spouse \$ _____

Single + children \$ _____

Family coverage \$ _____

12. Indicate which of the following types of health plans are offered by your business to your full-time employees:

	<u>Yes</u>	<u>No</u>	<u>Don't know</u>
Traditional indemnity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Maintenance Organization (HMO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Preferred Provider Organization (PPO) / Point-of-Service (POS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Savings Account (HSA) with a high deductible medical plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Reimbursement Account (HRA) with a high deductible medical plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: _____	<input type="checkbox"/>		

12a. How many of your full-time employees are eligible for any of these health plans?

_____ eligible employees

12b. How many eligible full-time employees participate in the health plan/s offered by your business?

_____ participating employees

12c. How many of your eligible full-time employees do not participate in the health plans offered by your business, but have health insurance coverage through other sources?

_____ employees with other source of health insurance coverage

13. In which type of health plan are the **majority** of your full-time employees enrolled? Select only ONE.

- Traditional indemnity
- Health Maintenance Organization (HMO)
- Preferred Provider Organization (PPO) / Point-of-Service (POS)
- Health Savings Account (HSA) with a high deductible medical plan
- Health Reimbursement Account (HRA) with a high deductible medical plan
- Other: _____

13a. What is the annual deductible for full-time employees with single or family coverage with the plan indicated in question #13?

Single: \$ _____ Family: \$ _____

13b. What is the maximum out-of-pocket liability, including the deductible, in one year for full-time employees with single or family coverage with the plan indicated in question #13?

Single: \$ _____ Family: \$ _____

13c. Are your full-time employees who participate in the plan indicated in question #13 required to see a primary care practitioner before seeing a specialist?

- Yes
- No
- Don't know

13d. Answer the following questions for the health plan offered by your business with the greatest full-time employee enrollment as indicated in question #13. (Note: If the plan is a **PPO**, please answer the following cost-sharing questions with respect to the use of preferred providers)

Types of services covered		Cost sharing		
Physician Office Visit	<input type="checkbox"/> Yes → <input type="checkbox"/> No	Co-payment* Primary Care	<input type="checkbox"/> Yes → <input type="checkbox"/> No	\$_____ per visit
		Co-payment* Specialty Care	<input type="checkbox"/> Yes → <input type="checkbox"/> No	\$_____ per visit
		Coinsurance** Primary Care	<input type="checkbox"/> Yes → <input type="checkbox"/> No	_____ % for the insured employee
		Coinsurance** Specialty Care	<input type="checkbox"/> Yes → <input type="checkbox"/> No	_____ % for the insured employee
Emergency Room Visit	<input type="checkbox"/> Yes → <input type="checkbox"/> No	Co-payment*	<input type="checkbox"/> Yes → <input type="checkbox"/> No	\$_____ per visit
		Coinsurance**	<input type="checkbox"/> Yes → <input type="checkbox"/> No	_____ % for the insured employee
Hospital Stay	<input type="checkbox"/> Yes → <input type="checkbox"/> No	Deductible	<input type="checkbox"/> Yes → <input type="checkbox"/> No	\$ _____
		Co-payment*	<input type="checkbox"/> Yes → <input type="checkbox"/> No	\$_____ per stay
		Coinsurance**	<input type="checkbox"/> Yes → <input type="checkbox"/> No	_____ % for the insured employee
Prescription Drug	<input type="checkbox"/> Yes → <input type="checkbox"/> No	Deductible	<input type="checkbox"/> Yes → <input type="checkbox"/> No	\$ _____
		Co-payment* Generic	<input type="checkbox"/> Yes → <input type="checkbox"/> No	\$ _____
		Co-payment* Brand on Formulary	<input type="checkbox"/> Yes → <input type="checkbox"/> No	\$ _____
		Co-payment* Brand NOT on Formulary	<input type="checkbox"/> Yes → <input type="checkbox"/> No	\$ _____
		Coinsurance**	<input type="checkbox"/> Yes → <input type="checkbox"/> No	_____ % for the insured employee

*A co-payment is a fixed dollar amount.

**Coinsurance refers to a fixed percentage of the total charge.

14. If the premium of the health insurance coverage that your business currently offers were increased, what is the **maximum** premium amount **your business** would be willing to contribute PER MONTH toward health insurance coverage for ONE of your full-time employees?

\$ _____

14a. What do you think is the **maximum** premium amount **your typical full-time employee** would be willing to pay PER MONTH for health insurance coverage?

\$ _____

Suppose your business DID NOT offer health benefits to your employees. Questions # 15 through # 18 contain four scenarios each with different plan options. Please read each scenario carefully and answer the questions as they pertain to that scenario only.

15. Your business is offered an employee health insurance plan for individuals. The total monthly premium will be shared between your business and the individual employee. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$20** per-visit co-payment for routine office visits
- A **\$500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$500**

15a. How likely are you to add this health insurance plan to your business' employee benefits package?

- Very likely Somewhat likely Not very likely Not at all likely

15b. Which of the following would be the most desirable split of the total monthly premium between your business and your employees?

- 75% business / 25% employee
 50% business / 50% employee
 25% business / 75% employee

16. Your business is offered an employee health insurance plan for individuals. The total monthly premium will be shared between your business and the individual employee. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$40** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **10%** for the insured member
- A total monthly premium of **\$300**

16a. How likely are you to add this health insurance plan to your business' employee benefits package?

- Very likely Somewhat likely Not very likely Not at all likely

16b. Which of the following would be the most desirable split of the total monthly premium between your business and your employees?

- 75% business / 25% employee
- 50% business / 50% employee
- 25% business / 75% employee

17. Your business is offered an employee health insurance plan for individuals. The total monthly premium will be shared between your business and the individual employee. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$40** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **10%** for the insured member
- A total monthly premium of **\$500**

17a. How likely are you to add this health insurance plan to your business' employee benefits package?

- Very likely
- Somewhat likely
- Not very likely
- Not at all likely

17b. Which of the following would be the most desirable split of the total monthly premium between your business and your employees?

- 75% business / 25% employee
- 50% business / 50% employee
- 25% business / 75% employee

18. Your business is offered an employee health insurance plan for individuals. The total monthly premium will be shared between your business and the individual employee. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$20** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$300**

18a. How likely are you to add this health insurance plan to your business' employee benefits package?

- Very likely
- Somewhat likely
- Not very likely
- Not at all likely

18b. Which of the following would be the most desirable split of the total monthly premium between your business and your employees?

- 75% business / 25% employee
- 50% business / 50% employee
- 25% business / 75% employee

19. Do you think offering a health plan to your full-time employees has had a major positive impact, minor positive impact, no impact, or a negative impact on the following:

	<u>Major positive impact</u>	<u>Minor positive impact</u>	<u>No impact</u>	<u>Negative impact</u>
Employee recruitment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employee retention	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employee attitude and performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The health of your employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Absenteeism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The overall success of your business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

20. Within the past 5 years, has your business made any of the following changes to any of your health plans?

	<u>Yes</u>	<u>No</u>	<u>Don't know</u>
Decreased business's premium payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased business's premium payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decreased employee eligibility for coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased employee eligibility for coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decreased benefits coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased benefits coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decreased employee's premium payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased employee's premium payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

21. In the next year, how likely is it that your business will make any of the following changes to any of your health plans?

	<u>Very likely</u>	<u>Somewhat likely</u>	<u>Not very likely</u>	<u>Not at all likely</u>
Decrease business's premium payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase business's premium payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decrease employee eligibility for coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase employee eligibility for coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decrease benefits coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase benefits coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decrease employee's premium payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase employee's premium payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22. In the next year, how likely is it that your business will **discontinue** offering any health insurance to your full-time employees?

- Very likely
 Somewhat likely
 Not very likely
 Not at all likely

ADDITIONAL COMMENTS

23. Please provided any additional comments regarding health insurance coverage issues that have or have not been included in this survey.

Thank you for your participation.

Please return completed surveys to: The Nebraska Center for Rural Health Research
984350 Nebraska Medical Center
Omaha NE, 68198-4350

APPENDIX 5

Small Business Survey of Employee Health Benefits

Complete this packet if your business DOES NOT OFFER health benefits to your employees.

Health Benefits – Employer Survey, 2006

Instructions: Please answer the following questions about your business. If your business is a franchise business or a division of a larger corporation, answer the following questions as they pertain to the location/sites under your direct ownership or management.

BUSINESS DEMOGRAPHICS

1. How many years has your business been operating?

_____ years

2. Including workers at all locations and sites, how many people are currently employed full- or part-time by your business?

_____ employees

2a. How many of your employees are employed **full-time**, 30 hours or more per week, by your business?

_____ full-time employees

3. How many of your employees are female?

_____ female employees

4. Approximately what percentage of your full-time employees are within the following age ranges:

Below 19 years old _____%

19 to 30 years old _____%

31 to 40 years old _____%

41 to 50 years old _____%

50 to 65 years old _____%

Over 65 years old _____%

Total: 100%

Don't know

5. Approximately what percentage of your full-time employees have the following levels of education:

Did not complete high school _____%

High school diploma/GED _____%

Some college, no degree _____%

College graduate _____%

Total: 100%

Don't know

6. Approximately what percentage of your full-time employees receive the following annual salary/wage:

Less than \$15,000 _____ %
\$15,000 to less than \$30,000 _____ %
\$30,000 to less than \$50,000 _____ %
\$50,000 to less than \$75,000 _____ %
Over \$75,000 _____ %
Total: 100%

Don't know

7. Which of the following best describes full-time employee turnover in your business?

- High turnover – most employees only stay a few months
- High turnover with a stable core – many leave quickly but a core stay with the business
- Moderate turnover – most employees stay a few years
- Low turnover – employees rarely leave
- Don't know

8. Is your business a franchise or division of a larger corporation that has more than 50 full-time employees?

- Yes No Don't know

8a. If YES, does your business have the option of employee health benefits plans available through the corporate office?

- Yes No Don't know

HEALTH BENEFITS

9. Rank your knowledge regarding health insurance terminology, costs, and current plans available for small businesses to offer their employees.

- Very knowledgeable
- Somewhat knowledgeable
- Less than somewhat knowledgeable
- Not knowledgeable at all

10. Indicate which of the following are reasons why your business does NOT offer employee health benefits. Check all that apply.

- Employees prefer wages
- Employees cannot afford their share
- Employees have coverage elsewhere
- Employee turnover is too high
- Large number of part-time employees
- Premiums are too high
- Revenue is too uncertain to commit
- Business cannot afford it
- Apprehension about increases in cost
- Too complicated and time consuming
- Business is too small
- Business is too new
- Not needed to retain good employees
- Presence of seriously ill employee
- Other: _____

11. Have any of your full-time employees had a serious illness, chronic condition, injury, or disability that has required extensive medical care in the last 12 months?

- Yes No Don't know

12. If your business were to offer health insurance, what do you think is the **maximum** premium amount **your business** could afford to contribute PER MONTH toward health insurance coverage for EACH of your full-time employees?

- Less than \$100
- \$100 to \$199
- \$200 to \$299
- \$300 to \$399
- \$400 to \$499
- \$500 to \$599
- \$600 to \$699
- Over \$700

13. If your business were to offer health insurance, what is the **maximum** premium amount you think **your typical full-time employee** could afford to pay PER MONTH?

- Less than \$100
- \$100 to \$199
- \$200 to \$299
- \$300 to \$399
- \$400 to \$499
- Over \$500

14. Based on your business's preference and your full-time employees' needs, if your business were to offer employee health insurance, how likely is your business to choose to offer each of the following types of health plans?

	<u>Very likely</u>	<u>Somewhat likely</u>	<u>Not very likely</u>	<u>Not at all likely</u>
Traditional indemnity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Maintenance Organization (HMO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Preferred Provider Organization (PPO) / Point-of-Service (POS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Savings Account (HSA) with a high deductible plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Reimbursement Account (HRA) with a high deductible plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. What type(s) of coverage would your business be likely to offer your employees?

	<u>Yes</u>	<u>No</u>	<u>Don't know</u>
Employee only coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single + spouse coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single + children coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16. Which cost-sharing option(s) would your business be likely to offer your employees?

- Co-payment
- Deductible + coinsurance
- Both
- Don't know

17. If your business or your employees were unable to afford the premium costs of your desired coverage, what ways would your business consider limiting your employees' benefits options? Check all that apply.

- Limited number of office visits
- Limited hospital stay
- Ceiling on prescription medication
- Higher deductible overall
- Higher co-payments and/or coinsurance

Questions # 18 through # 21 contain four scenarios each with different plan options. Please read each scenario carefully and answer the questions as they pertain to that scenario only.

18. Your business is offered an employee health insurance plan for individuals. The total monthly premium will be shared between your business and the individual employee. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$40** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **10%** for the insured member
- A total monthly premium of **\$300**

18a. How likely are you to add this health insurance plan to your business' employee benefits package?

- Very likely
- Somewhat likely
- Not very likely
- Not at all likely

18b. Which of the following would be the most desirable split of the total monthly premium between your business and your employees?

- 75% business / 25% employee
- 50% business / 50% employee
- 25% business / 75% employee

19. Your business is offered an employee health insurance plan for individuals. The total monthly premium will be shared between your business and the individual employee. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$40** per-visit co-payment for routine office visits
- A **\$500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$300**

19a. How likely are you to add this health insurance plan to your business' employee benefits package?

- Very likely Somewhat likely Not very likely Not at all likely

19b. Which of the following would be the most desirable split of the total monthly premium between your business and your employees?

- 75% business / 25% employee
 50% business / 50% employee
 25% business / 75% employee

20. Your business is offered an employee health insurance plan for individuals. The total monthly premium will be shared between your business and the individual employee. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$20** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$300**

20a. How likely are you to add this health insurance plan to your business' employee benefits package?

- Very likely Somewhat likely Not very likely Not at all likely

20b. Which of the following would be the most desirable split of the total monthly premium between your business and your employees?

- 75% business / 25% employee
 50% business / 50% employee
 25% business / 75% employee

21. Your business is offered an employee health insurance plan for individuals. The total monthly premium will be shared between your business and the individual employee. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$20** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$500**

21a. How likely are you to add this health insurance plan to your business' employee benefits package?

- Very likely Somewhat likely Not very likely Not at all likely

21b. Which of the following would be the most desirable split of the total monthly premium between your business and your employees?

- 75% business / 25% employee
- 50% business / 50% employee
- 25% business / 75% employee

22. Do you think that NOT offering a health plan to your employees has had a major positive impact, minor positive impact, no impact, or a negative impact on the following:

	<u>Major positive impact</u>	<u>Minor positive impact</u>	<u>No impact</u>	<u>Negative impact</u>
Employee recruitment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employee attitude and performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The health of your employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Absenteeism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased employee turnover	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The overall success of your business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

23. How likely is it that your business will start a health plan for full-time employees in the next two years?

- Extremely likely
- Very likely
- Somewhat likely
- Not very likely
- Not at all likely
- Don't know

ADDITIONAL COMMENTS

24. Please provided any additional comments regarding health insurance coverage issues that have or have not been included in this survey.

Thank you for your participation.

Please return completed surveys to: The Nebraska Center for Rural Health Research
984350 Nebraska Medical Center
Omaha NE, 68198-4350

APPENDIX 6

Health Benefits – Employee Telephone Protocol, 2006

Screening Questions

1. Are you between the ages of 19 and 65?

* Not eligible to participate if less than 19 or 65 and over → end call

IF 1st respondent is under 19. Ask if there is there is an adult over 19 present who would be willing to participate in the interview.

2. Are you currently employed FOR PAY by **somebody else**?

Yes → continue to next question

No → end call

2a.. Do you work FOR PAY at more than one job or business?

Yes → prompt from question #3.

No → continue to question #3.

*IF YES, PROMPT: For the following questions, please think about the employer or business that you consider your **MAIN** source of income.*

3. Are you currently employed at a business that has 3 or more employees?

Yes → continue to question 3b.

No → end call

3a. What is the total number of persons who work for this business?

Less than 10,

10 to 25,

26 to 49,

50 to 100,

101 to 500,

501 or more → end call

End of screening questions

3b. What is the name of your employer? _____

3c. Is your employer a franchise or division of a larger corporation?

Yes

No

Don't know

Health Benefits Questions

3. Does your employer currently offer health insurance benefits for employees?

Yes → continue to question #4

No → skip to question #18...(section on DOES NOT OFFER)

For those who are employed by businesses that DO OFFER....

4. Are you eligible for the health benefits offered by your employer?

Yes → continue to question #5

No → continue to question #4a.

Don't know → continue to question #5

4a. Could you provide a reason why you are not eligible for these benefits?*

1. Part-time employee (don't work enough hours)

2. Haven't been with the company long enough

3. Temporary/Seasonal employee

4. Pre-existing health conditions

5. Other: _____

**Skip to question #11a then to scenario questions (#12-15) finally to demographics (#28)*

5. Are you currently enrolled in any of the health insurance plans offered by your employer?

Yes → continue to question #6

No → continue to question #5a

5a. Could you provide a reason why you do not participate in the plan/s offered by your employer?*

1. have coverage elsewhere

2. premium is too high

3. cost-sharing (i.e., co-payment or coinsurance) is too high

4. rather have wages

5. The covered benefits do not meet your and/or your family's health needs

6. limited ability to choose provider

7. limited options

***Skip to question #11b then to scenario questions (#12-15) finally to demographics (#28)*

6. Are there other members of your family or household that are dependent on you for financial support?

Yes → continue to question #6a

No → continue to question # 7

6a. Does your company offer a health insurance plan that covers your dependents?

Yes → continue to question #6b.

No → continue to question #7

6b. Are you/your dependents current enrolled in this plan?

Yes

No

7. Which types of health insurance plans are currently offered by your employer?*** (use definitions below to develop descriptions of plans)

Preferred Provider Organization (PPO)

Health Maintenance Organization (HMO)

Point-of-Service (POS)

Health Savings Account (HSA)

Traditional indemnity

Other: _____

Don't know

****IF respondent has choice between plans continue to question #7a*

7a. Of these plans, (indicated in #7) in which are you currently enrolled?

Preferred Provider Organization (PPO)

Health Maintenance Organization (HMO)

Point-of-Service (POS)

Health Savings Account (HSA)

Traditional indemnity

Other: _____

Don't know

8. What is the current premium you pay per month for the plan and coverage option indicated in question 7a?

\$ _____

Don't know

9. What is your annual deductible for your current plan and coverage option? (indicated in question #7a)

\$ _____

Don't know

10. What is your maximum out-of-pocket liability, including the deductible, in one year? (for the plan and coverage option indicated in question #7a)

\$ _____

Don't know

11. If the premium of the health insurance coverage that your employer **currently offers** were increased, what is the **maximum** premium amount you would be willing to contribute PER MONTH toward health insurance coverage?

\$ _____ (skip to question #12)

11a. If you were eligible to participate in your employers health insurance plan, what is the **maximum** premium amount you would be willing to contribute PER MONTH toward health insurance coverage?

\$ _____ (skip to question #12)

11b. If you did decide to participate in the health insurance plan offered by your employer, what is the **maximum** premium amount you would be willing to contribute PER MONTH toward health insurance coverage?

\$ _____ (skip to question #12)

Scenarios Questions 12-15

12. Imagine the cost for health insurance increases and your employer is forced to change your current coverage plan to keep the cost down, which of the following plans would you be willing to accept? The total monthly premium will be shared between you and your employer. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$40** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **10%** for the insured member
- A total monthly premium of **\$300**

12a. How likely are you to enroll in this health insurance?

- Very likely
- Somewhat likely
- Not very likely
- Not at all likely

12b. Which of the following would be the most desirable split of the total monthly premium between you and your employer?

- 75% business / 25% employee
- 50% business / 50% employee
- 25% business / 75% employee

13. Imagine the cost for health insurance increases and your employer is forced to change your current coverage plan to keep the cost down, which of the following plans would you be willing to accept? The total monthly premium will be shared between you and your employer. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$40** per-visit co-payment for routine office visits
- A **\$500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$300**

13a. How likely are you to enroll in this health insurance?

- Very likely
- Somewhat likely
- Not very likely
- Not at all likely

13b. Which of the following would be the most desirable split of the total monthly premium between you and your employer?

- 75% business / 25% employee
- 50% business / 50% employee
- 25% business / 75% employee

14. Imagine the cost for health insurance increases and your employer is forced to change your current coverage plan to keep the cost down, which of the following plans would you be willing to accept? The total monthly premium will be shared between you and your employer. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$20** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$300**

14a. How likely are you to enroll in this health insurance?

- Very likely
- Somewhat likely
- Not very likely
- Not at all likely

14b. Which of the following would be the most desirable split of the total monthly premium between you and your employer?

75% business / 25% employee

50% business / 50% employee

25% business / 75% employee

15. Imagine the cost for health insurance increases and your employer is forced to change your current coverage plan to keep the cost down, which of the following plans would you be willing to accept? The total monthly premium will be shared between you and your employer. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$20** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$500**

15a. How likely are you to enroll in this health insurance?

Very likely

Somewhat likely

Not very likely

Not at all likely

15b. Which of the following would be the most desirable split of the total monthly premium between you and your employer?

75% business / 25% employee

50% business / 50% employee

25% business / 75% employee

16. If your employer needed to keep cost for health insurance down, which of the following options would you accept?

Limited number of office visits

Limited hospital stay

Limited choice of providers

Set monthly maximum on prescription payments

Higher deductible overall

Higher co-payments and/or coinsurance

Increased premium

17. How confident are you that the employer providing your health plan will continue to offer health insurance for the next 2 years? Would you say you are very, somewhat, not too, or not at all confident?

Very confident

Somewhat confident

Not too confident

Not at all confident

Don't know/refused

Skip to demographics (#28)

For those who are employed by businesses that DO NOT OFFER....

18. Do you currently have health insurance coverage?

Yes → continue to question #18a

No → skip to question #19

18a. Through what source is your current health insurance coverage?

Medicaid

Medicare

Spouse's employer

Parents

Other: _____

19. If your employer were to offer health insurance, what is the **maximum** premium amount you think **you** could afford to pay PER MONTH?

\$ _____

20. Are there other members of your family or household that are dependent on you for financial support? (*dependent members include: spouse, children, partners...*)

Yes → continue to question #20a

No → continue to question # 21

20a. If your company were to offer health insurance coverage for your dependents would you enroll in that option?

Yes →

No →

Scenarios Questions 21-24

21. Imagine the cost for health insurance increases and your employer is forced to change your current coverage plan to keep the cost down, which of the following plans would you be willing to accept? The total monthly premium will be shared between you and your employer. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$40** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **10%** for the insured member
- A total monthly premium of **\$300**

21a. How likely are you to enroll in this health insurance?

Very likely

Somewhat likely

Not very likely

Not at all likely

21b. Which of the following would be the most desirable split of the total monthly premium between you and your employer?

75% business / 25% employee

50% business / 50% employee

25% business / 75% employee

22. Imagine the cost for health insurance increases and your employer is forced to change your current coverage plan to keep the cost down, which of the following plans would you be willing to accept? The total monthly premium will be shared between you and your employer. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$40** per-visit co-payment for routine office visits
- A **\$500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$300**

22a. How likely are you to enroll in this health insurance?

Very likely

Somewhat likely

Not very likely

Not at all likely

22b. Which of the following would be the most desirable split of the total monthly premium between you and your employer?

75% business / 25% employee

50% business / 50% employee

25% business / 75% employee

23. Imagine the cost for health insurance increases and your employer is forced to change your current coverage plan to keep the cost down, which of the following plans would you be willing to accept? The total monthly premium will be shared between you and your employer. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$20** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$300**

23a. How likely are you to enroll in this health insurance?

Very likely

Somewhat likely

Not very likely

Not at all likely

23b. Which of the following would be the most desirable split of the total monthly premium between you and your employer?

75% business / 25% employee

50% business / 50% employee

25% business / 75% employee

24. Imagine the cost for health insurance increases and your employer is forced to change your current coverage plan to keep the cost down, which of the following plans would you be willing to accept? The total monthly premium will be shared between you and your employer. The insurance package includes:

- Physician, hospital, emergency room, and prescription medication coverage
- A maximum individual annual out-of-pocket liability
- A **\$20** per-visit co-payment for routine office visits
- A **\$1500** annual individual deductible
- A coinsurance level of **30%** for the insured member
- A total monthly premium of **\$500**

24a. How likely are you to enroll in this health insurance?

- Very likely
- Somewhat likely
- Not very likely
- Not at all likely

24b. Which of the following would be the most desirable split of the total monthly premium between you and your employer?

- 75% business / 25% employee
- 50% business / 50% employee
- 25% business / 75% employee

25. If your employer were to offer a health insurance plan but needed to keep cost down, which of the following options would you accept?

- Limited number of office visits
- Limited hospital stay
- Limited choice of providers
- Set monthly maximum on prescription payments
- Higher deductible overall
- Higher co-payments and/or coinsurance
- Increased premium

27. If your employer were to offer health benefits to full-time employees within the next 2 years, how likely would you be to participate?

- Yes
- No
- Don't know

Demographics (all respondents)

28. What county do you live in? _____

29. What is your zip code? 68_____

30. What is the highest level of education you have completed?

- No formal education
- Grade school (1 to 8 years)
- Some high school (9 to 11 years)
- High school graduate or GED (received a high school equivalency diploma)
- Some college/technical or vocational school/training after high school
- College graduate
- Postgraduate degree/study

Now I am going to ask some questions about your or your family's income. This income information is important because it helps the state understand how to make health care more affordable.

31. Which of the following categories best describes your annual household income from all sources?

- 1=Less than \$10,000
- 2=\$10,000 to less than \$15,000
- 3=\$15,000 to less than \$20,000
- 4=\$20,000 to less than \$25,000
- 5=\$25,000 to less than \$35,000
- 6=\$35,000 to less than \$50,000
- 7=\$50,000 to \$75,000
- 8=Over \$75,000
- 77=DK/NS
- 99=Refused

32. Are you Hispanic or Latino?

Variable Name: HISPANC2

- 1=Yes
- 2=No
- 7=DK/NS
- 9=Refused

33. Which one of these groups would you say best represents your race?

- 1=White
- 2=Black or African American
- 3=Asian
- 4=Native Hawaiian or Other Pacific Islander
- 5=American Indian, Alaska Native
- 6=Other: (specify)_____
- 7=DK/NS
- 9=Refused

Thank you for your participation... End call