Section 2: Focus Group Participant Questionnaire and Discussion Responses Concerning Wyo-Care Accounts

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The Wyoming Health Care Commission (WHCC) is considering a proposal from the sub-committee on Affordable Healthcare Coverage to create individual health care accounts (called Wyo-Care) to serve the body of uninsured, but employed, individuals (and their dependents) in Wyoming. The accounts are intended to serve as a vehicle through which individuals would pay premium and deductible expenses for individual or family health insurance policies. Wyo-Care accounts would, in part, be funded through employer contributions. Research & Planning (R&P) was contracted by the WHCC to conduct, among other projects, focus group research (Templeton, 1994) to ascertain opinion regarding employer willingness to contribute to proposed Wyo-Care accounts.

Methods

R&P conducted six separate focus groups occurring in Casper (2), Cheyenne (1), Wheatland (1), Jackson (1), and Gillette (1). Responses also include eligible employers (governmental entities were excluded) who heard the Wyo-Care proposal from Health Care Commissioner, George Bryce, while attending a seminar on Reducing Health Insurance Costs for Small Businesses at the Governor's Summit on Workforce Development (Jackson, Wyoming June 3-4, 2004).

Recruiters utilized by R&P to obtain employer participants included an economic developer (Steve Elledge, Director of Field Operations, East Central Region, Wyoming Business Council), a chamber of commerce executive (Chris Holden, Executive Director, Casper Area Chamber of Commerce), a business association representative (Lynn Birleffi, President, Wyoming Lodging and Restaurant Association), and a workforce development specialist (Elaine Roth, Regional Manager, Wyoming Department of Workforce Services).

Recruiters were instructed to solicit employers (most often owners) who employ part-time employees without health insurance coverage. Focus groups were conducted in 90 minute sessions. Panel members were asked to discuss their reaction to the Wyo-Care proposal. The discussion between panel members and moderator (Dr. Mark Harris) was taped.

Additionally, a second research analyst attended focus group meetings to provide clarification to questions posed by panel members and to offer a second opinion on primary themes raised during focus group sessions. Doug Leonard, Research Analyst, R&P; Tom Gallagher, Manager, R&P; and Sara Saulcy, Economist, R&P all served as research observers at various meetings during the six focus group sessions. Paper and pencil questionnaires were also administered during the focus groups. A total of 74 employers were administered a questionnaire during the focus groups and the Governor's Summit seminar. Seventy-one employers returned usable questionnaires (three employers asked for additional time but did not return questionnaires to R&P).

Results From the Paper and Pencil Questionnaire

Responses to seven questions related to the Wyo-Care proposal are shown in Figures 2.1 through 2.7 on pages 145-151. Answers considered as affirmative to potential participation in Wyo-Care accounts (found in Figures 2.1 and 2.2) include Yes and Maybe. When asked, "Is your firm willing to contribute additional funds above your current monthly payroll for your uncovered employees?" 49 percent of employers answered positively (see Figure 2.1) and 43 percent answered No. The remaining eight percent chose Not Applicable, Don't Know, or did not answer the question.

Positive responses increased to 62 percent in response to the question, "Is your firm willing to contribute additional funds above your current monthly payroll for your uncovered employees if you could reduce administrative costs?" The percentage of employers responding Maybe remained about the same as in Figure 2.1, but the number of employers indicating Yes increased from 38 to 52 percent. The number of firms responding No dropped from 43 to 30 percent.

Responses to the remaining five questions are restricted to the 44 employers who gave a potential affirmative response (e.g., Maybe or Yes) to the question "Is your firm willing to contribute additional funds above your current monthly payroll for your uncovered employees if you could reduce administrative costs?" The majority of employers responded Maybe or Yes (91%) to using a secure electronic system to make contributions to individual health benefits accounts (see Figure 2.3). Employers are less interested (55% responding positively) in making contributions for some or all of their seasonal or temporary employers (see Figure 2.4), with 27 percent indicating they would not make contributions for seasonal or temporary employees and 11 percent indicating this question did not apply to them (i.e., they do not employ seasonal or temporary employees). Over 80 percent of employers indicated they would approve of an electronic system housed in the Wyoming Department of Employment (see Figure 2.5). Many (72%) responded they would

consider contributions that would benefit all Wyo-Care pool members and not just their specific employees (see Figure 2.6). Lastly, 68 percent indicated they would contribute a percentage of payroll for uncovered employees comparable to that for covered employees (see Figure 2.7).

Summation to Paper and Pencil Questionnaire Results

Based upon the results of the paper and pencil questionnaire, nearly 50 percent of focus group employers express interest in participating in Wyo-Care accounts. This percentage increases substantially if firms could realize cost savings from participation. Of firms that are interested in Wyo-Care, a majority are willing to use an electronic system, have that system housed in the Department of Employment, are willing to contribute to seasonal and temporary employees, have money shared in a pool with employees and non-employees, and are willing to contribute a percentage of payroll for uncovered employees comparable to that for covered employees. Even given this expressed willingness via the paper and pencil instrument, there were a number of important recurring issues that may need to be addressed before attempts are made to make the Wyo-Care accounts a reality. The following section addresses these concerns.

Results From Focus Group Conversation

The summations that follow come from researcher observations generated from moderating the focus groups and from reviewing audio tapes of the focus groups. The bullet point listing conveys ideas expressed in the focus group dialogue (as captured on audiotape) from an individual or a group of panel members and are taken directly (but not necessarily transcribed verbatim) from the focus group tapes. These bullet points are intended to summarize key recurring themes in the opinion of the primary research analyst (Dr. Mark Harris). However, they do not necessarily represent the views of any particular panel member.

Willing but With Issues to be Resolved

Many employers expressed an interest in the program. A number want to know or understand how participation will benefit them, with some indicating that their willingness to contribute to Wyo-Care was contingent upon being able to see a tangible business advantage. The following bullet points summarize these themes.

- How will participation in Wyo-Care improve my bottom line?

- Will my Unemployment Insurance or Worker's Compensation taxes be reduced if I participate?

- Will the state be willing to subsidize part or all of my contribution through, for example, the Permanent Wyoming Mineral Trust Fund?

- How long will I have to wait to see insurance premiums for my covered employees drop (this assumes that fewer uninsured workers and their dependents will mean less unreimbursed healthcare in the future)?

- How will participation in Wyo-Care make me competitive in attracting quality employees?

- Will there be COBRA liability for my firm if I contribute to an employee's Wyo-Care account?

- Will my out-of-state employees be able to participate in the program?

- How will employers be encouraged to participate, or will the plan become mandatory like WC and UI?

Scope Limitations

A number of employers believe that the current proposal is too limited in scope and does not address their key issues or concerns.

- The proposal is attractive, but will my currently covered employees be eligible to participate in Wyo-Care?

- I'd like to get out of providing employee health insurance altogether. I'm tired of the hassle of searching for and reworking our health insurance every year. Can this program be extended to all employees?

- The premium increases passed along to our firm over the last several years are staggering. I am seriously worried that in the near future I will no longer be able to offer insurance to my covered core employees. The idea of making a set contribution to a Wyo-Care account and abandoning providing health insurance directly to our currently covered employees is attractive.

The Naysayers

A smaller portion of employers expressed that they would not participate in Wyo-Care in the paper and pencil exercise. The following is a synopsis of the main reasons why employers are unwilling to participate in Wyo-Care.

- I don't get much value out of my part-time employees, why would I want to spend the extra cash on them?

- Part-time employees are often here today and gone tomorrow. Why should I offer health insurance to employees that do not have a long-term commitment to my firm? My policies are specifically established to deny health benefits to these types of individuals.

- My uncovered employees do not want to pay even a small fraction of a health insurance premium. If they wanted health insurance, they would go and get a full-time job that offers insurance.

- Even if I offer to pay the total cost of health insurance, many of my uncovered employees refuse coverage because they fear the associated drug tests.

- Concern over the uninsured is a misplaced priority. Statistics showing the number of uninsured are overblown because they do not factor in the number of uncovered employees who do not want coverage.

- We are already paying a very high percentage of our total compensation to health insurance and can't imagine paying more for our uncovered employees. It would simply be too costly.

- I'm already paying for my uncovered employees. They go and get care anyway and I end up paying for it through higher health insurance premiums. Why would I want to pay for them twice?

Other Issues

The following were unrelated to the specific Wyo-Care proposal, but came up with sufficient frequency to warrant mentioning.

- Several employers mentioned that the problem of providing insurance to part-time uncovered employees could be solved simply by:

  1) Altering ratio requirements for setting up a group plan (e.g., 75% of eligible employees must participate). Some employers reported that having as few as one person discontinue participation would mean they would no longer qualify for their group plan. Several panel members suggested that allowing small employers to group or pool together could help to solve the ratio problem.

  2) Altering or relaxing the hours-per-week work requirements. Several mentioned that 30 hours per week were required before their insurance company would allow part-time employees to join the group plan. Reducing the hours-per-week requirement may bring in a number of uncovered part-time employees into existing employer provided group plans.

- If we are going to maintain competitiveness as employers, we need to provide health insurance because it has become an expectation or entitlement among employees. Because of the difficult situation of having few insurance carriers in Wyoming and ever increasing premium costs, we are concerned that in the near future we will no longer be able to provide health insurance to our currently covered employees.

- A handful of companies with ownership outside of Wyoming indicated that their ability or willingness to participate in Wyo-Care would have to be determined by the corporate office. At least one of the representatives of an out-of-state firm indicated that the company typically tries to shop the local market for health insurance and, if it made sense, would be willing to consider using Wyo-Care.

Researcher Observations and Discussion of Focus Group Conversations

- The Wyo-Care proposal is being put forth as an answer to a problem faced by uncovered employees. However, if employer participation is going to be generated it needs to be presented to employers in a manner that clearly demonstrates a business advantage to participation.

- Employers seem to be willing to slice the total compensation pie differently, but are reluctant to increase the size of the pie.

- Employers are in a tight spot. They realize how important it is to offer health insurance to retain valued employees. However, the continuation of 30 to 40 percent annual increases to health insurance premiums

means that they will soon be forced out of providing health insurance to even their core employees. A large scale abandonment of employer provided health insurance may mean a catastrophic coverage problem in the state.

- Employers express interest in Wyo-Care for both their covered and uncovered employees. Extension of the Wyo-Care proposal to covered employees may help to solve a number of existing problems. Employers mentioned the following:

  1) It would place the responsibility of health care upon the shoulders of the employee. The employee would be more careful with their health and would be more likely to shop for competitive services.

  2) Wyo-Care would eliminate employers having to search for and renegotiate policies on an annual basis. This is extremely time consuming and takes away from other important business matters. Changing policies would be a decision made by the individual employee.

  3) Wyo-Care would eliminate some of the liabilities under COBRA and HIPPA currently faced by employers.

  4) Wyo-Care would eliminate the hassle of having to deal with insurance companies when they deny coverage or refuse to pay claims. These difficulties would be shifted to the individual employee.

  5) Wyo-Care would mean that current premium cost increases could be minimized. Premium increases would largely be passed along to the employee or other entities contributing to Wyo-Care accounts.

Suggestions Regarding System Requirements

A number of employers made suggestions relative to any Wyo-Care type system that may be housed within the Wyoming Department of Employment. The following bullet points summarize these themes:

- Low administrative cost. A few employers expressed concern that administrative costs may eat significantly into dollars paid into employee accounts.

- A range of health care insurance companies to chose from. If the system is supported by a single source provider, employers expressed concern that the system may collapse should the single source provider

pull out of the plan or leave the state.

- Assistance to employees on plan choices and options to be provided by the state. The idea here is that the state would assume responsibility for helping employees choose their health insurance provider, make decisions relative to individual or family plans, set deductibles, and so forth.

- Assistance to employees with coverage problems (e.g., refusal to pay, excluded procedures, charges above usual and customary) provided by the state.

Potential Future Work

The Wyo-Care proposal is, in part, dependent upon employee participation. Research conducted thus far does not touch upon employee willingness to participate. Given the 401k style matching aspects of the current proposal, it would seem critical to ascertain employee or worker opinion on their willingness to participate.

References

Templeton, J. F. (1994). *The focus group* (Rev. ed.). Burr Ridge, IL: Irwin.

Section 2 Figures

Figure 2.1: Health Care Commission Focus Group Firm Response to the Question "Is your firm willing to contribute additional funds above your current monthly payroll for your uncovered employees?" (N= 71)

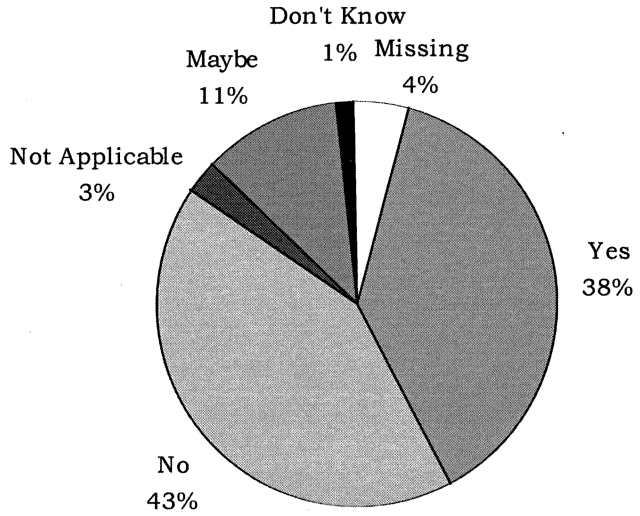


Figure 2.2: Health Care Commission Focus Group Firm Response to the Question "Is your firm willing to contribute additional funds above your current monthly payroll for your uncovered employees if you could reduce administrative costs?" (N= 71)

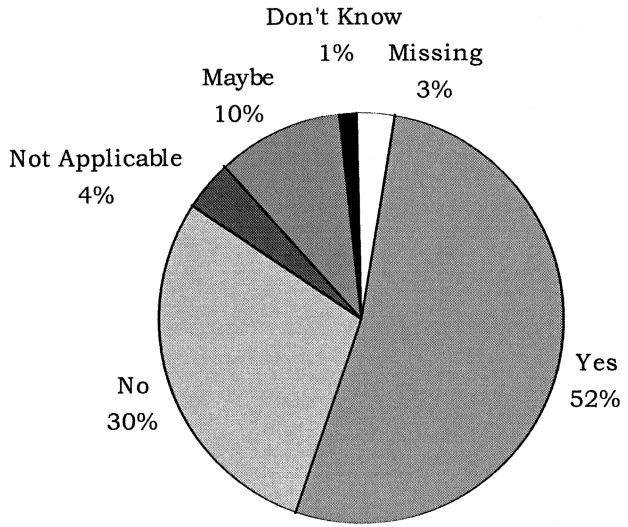
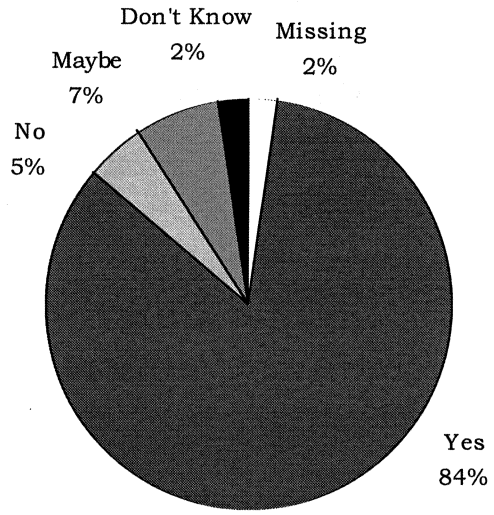
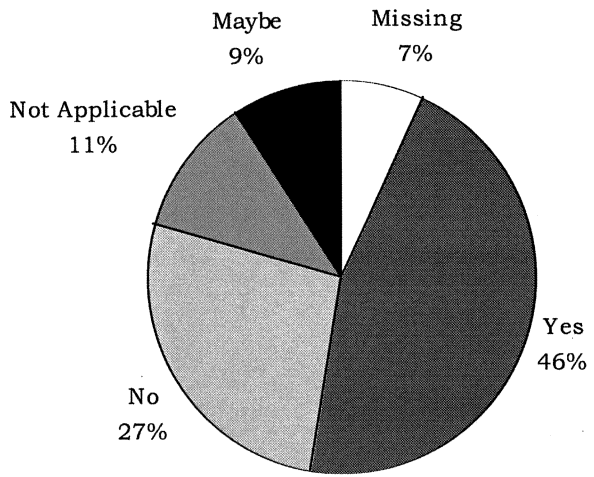


Figure 2.3: Health Care Commission Focus Group Firm Response to the Question "Would your firm use a secure electronic system to contribute to an individual health benefits account for each or some of your uncovered employees?" (N = 44[a])



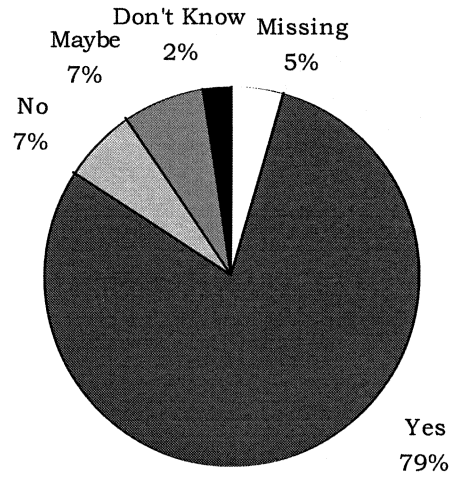
[a]Includes only those firms (N = 44) that expressed some interest ("Yes" or "Maybe") to participating in individual health care accounts for uncovered employees.

Figure 2.4: Health Care Commission Focus Group Firm Response to the Question "Is your firm willing to contribute to an individual health benefits account for each or some of your uncovered seasonal or temporary employees?" (N = 44[a])



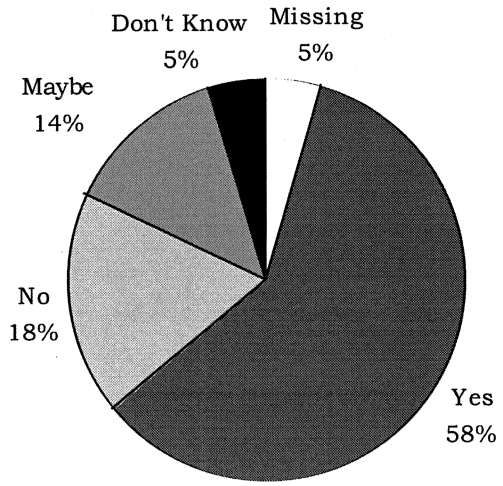
[a]Includes only those firms (N = 44) that expressed some interest ("Yes" or "Maybe") to participating in individual health care accounts for uncovered employees.

Figure 2.5: Health Care Commission Focus Group Firm Response to the Question "Is your firm willing to utilize an electronic system housed in the Wyoming Department of Employment to manage individual health benefits accounts?" (N = 44[a])



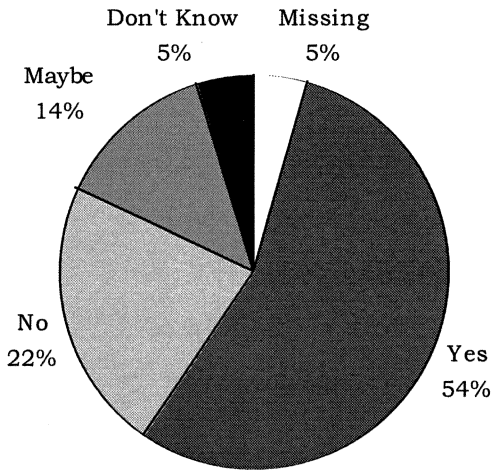
[a]Includes only those firms (N = 44) that expressed some interest ("Yes" or "Maybe") to participating in individual health care accounts for uncovered employees.

Figure 2.6: Health Care Commission Focus Group Firm Response to the Question "Is your firm willing to contribute to a state health benefits pool where your contributions would be comingled with other contributions to benefit both your uncovered employee(s) and other pool members?" (N = 44[a])



[a]Includes only those firms (N = 44) that expressed some interest ("Yes" or "Maybe") to participating in individual health care accounts for uncovered employees.

Figure 2.7: Health Care Commission Focus Group Firm Response to the Question "Is your firm willing to pay a comparable percentage of payroll to uncovered employees as you do for covered employees?" (N = 44[a])



[a]Includes only those firms (N = 44) that expressed some interest ("Yes" or "Maybe") to participating in individual health care accounts for uncovered employees.