

State Planning Project For the Uninsured

Michigan Focus Group Report

August 2006

Prepared by the Center for Collaborative Research in
Health Outcomes and Policy
Michigan Public Health Institute



A project supported by the US Department of Health and Human Services, Health Resources and Services Administration (HRSA), and the Michigan Department of Community Health

Acknowledgements

Prepared for and Edited by:
Michigan Department of Community Health



Prepared by:
Michigan Public Health Institute
Center for Collaborative Research in Health Outcomes & Policy

Authors:
Marti Kay Sherry, M.B.A
Shannon Laing, B.S.
Angela Martin, Ph.D.
Monique Williams



2440 Woodlake Circle Drive, Suite 100
Okemos, Michigan 48864



This report was prepared by the Center for Collaborative Research in Health Outcomes & Policy at the Michigan Public Health Institute with funding by the Michigan Department of Community Health, under a grant from the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA).

MDCH is an Equal Opportunity Employer, Services and Program Provider

Total Copies: 100, Total Cost \$328.31, Unit Cost \$3.283

TABLE OF CONTENTS

Executive Summary	5
Introduction.....	9
OVERVIEW	9
OBJECTIVES	9
PROTOCOL DESIGN.....	10
Methodology	10
PARTICIPANT RECRUITMENT.....	10
FOCUS GROUP LOCATIONS.....	11
A-1: Michigan State Planning Project for the Uninsured MHHIS and MEHIS Survey Strata.....	12
A-2: Focus Group Locations	13
SCHEDULE.....	13
A-3 Focus Group Schedule.....	13
DATA COLLECTION	14
SUPPLEMENTAL TELEPHONE INTERVIEWS.....	14
Limitations.....	14
Analysis	15
MICHIGAN’S HEALTH INSURANCE MARKET.....	15
Major Findings from Insurance Agents.....	16
THE IMPORTANCE OF HEALTH CARE.....	16
THE SALE OF HEALTH INSURANCE.....	16
THE EFFECTS OF COMMISSION ON THE SALE OF HEALTH INSURANCE	18
PERCEIVED EMPLOYER CONCERNS WITH HEALTH INSURANCE.....	18
THE EFFECTS OF THE RISING COST OF HEALTH INSURANCE	18
FINANCING HEALTH INSURANCE.....	19
GOVERNMENT’S ROLE IN HEALTH CARE AND HEALTH INSURANCE	19
OTHER ISSUES	20
Major Findings from Uninsured Individuals.....	20
THE IMPORTANCE OF HEALTH INSURANCE	20
REASONS FOR BEING UNINSURED	20
ACCESSING HEALTH CARE WITHOUT HEALTH INSURANCE	21
SETTING PREMIUMS FOR HEALTH INSURANCE	22
TYPES OF BENEFITS THAT WOULD MEET THE NEEDS OF THE UNINSURED.....	22
OPINIONS OF STATE-SPONSORED HEALTH INSURANCE PROGRAMS	22
RECOMMENDATIONS FOR GETTING MORE PEOPLE HEALTH INSURANCE	22
OTHER ISSUES	23
Major Findings from Employers	23
THE IMPORTANCE OF HEALTH CARE AND HEALTH INSURANCE.....	23
THE DECISION TO OFFER HEALTH INSURANCE	24
DIFFICULTY OFFERING HEALTH INSURANCE	25
RESPONSE TO RISING HEALTH CARE COSTS	26
WITHDRAWAL OF EMPLOYERS OFFERING HEALTH INSURANCE.....	27
MAKING IT EASIER FOR EMPLOYERS TO OFFER HEALTH INSURANCE	27
FINANCING HEALTH INSURANCE.....	28
GOVERNMENT’S ROLE IN HEALTH CARE AND HEALTH INSURANCE	29
OTHER ISSUES	29
APPENDIX I – MHHIS and MEHIS Survey Sample.....	30
<i>Table AI: MHHIS and MEHIS Survey Sample Frame.....</i>	<i>30</i>

APPENDIX II – Recruitment and Attendance/Participation	31
<i>Table AII-1: Insurance Agent Attendance at Focus Groups and Participation in Telephone Interviews by Region</i>	<i>31</i>
<i>Table AII-2: Uninsured Attendance at Focus Groups by Region</i>	<i>31</i>
<i>Table AII-3: Employer Attendance at Focus Groups and Participation in Telephone Interviews by Region ...</i>	<i>32</i>
<i>Table AII-4: Employer Attendance at Focus Groups by Industry Type.....</i>	<i>32</i>
<i>Table AII-5: Employer Participation in Telephone Interviews by Industry Type.....</i>	<i>33</i>
<i>Table AII-6 Employer Attendance at Focus Groups and Participation in Telephone Interviews by Industry Type</i>	<i>33</i>
APPENDIX III – Focus Group Protocols	34
<i>Phone Interview Protocol.....</i>	<i>36</i>
<i>Recruitment Script for Employer Focus Groups</i>	<i>37</i>
<i>Confirmation Letter to Employers</i>	<i>38</i>
APPENDIX IV – Focus Group Questions.....	39
<i>Insurance Agent Focus Group Questions</i>	<i>39</i>
<i>Uninsured Consumers Focus Group Questions</i>	<i>40</i>
<i>Insured Businesses Focus Group Questions.....</i>	<i>41</i>
<i>Uninsured Businesses Focus Group Questions</i>	<i>41</i>
APPENDIX V – Marketing Materials.....	43
<i>Recruitment Letter to Insurance Agents</i>	<i>43</i>
<i>Recruitment Flyer for Employer Focus Groups</i>	<i>44</i>
<i>Recruitment Flyer for Uninsured Consumer Focus Groups.....</i>	<i>45</i>

Michigan State Planning Project for the Uninsured Focus Group Report

Executive Summary

Introduction

The purpose of the Michigan State Planning Project for the Uninsured is to develop realistic strategies for extending health insurance coverage to all Michigan residents. Focus groups were held with insurance agents, uninsured individuals, and employers by the Michigan Public Health Institute (MPHI) pursuant to a contract with the Michigan Department of Community Health (MDCH). These focus groups provided an opportunity for citizens to provide their unique perspectives about issues related to uninsurance.

Focus groups were conducted in eight cities in Michigan during November and December 2005. A total of 69 individuals participated in focus groups. In addition, 90 telephone interviews were conducted to supplement the information gathered in the focus group meetings.

These results should be reviewed from a qualitative frame of reference. The information presented is valid from the point of view of the participants, and therefore is limited to the participants' opinions, knowledge base and information sources. Limitations also exist due to low attendance in many of the groups.

Findings from Insurance Agents

Insurance agent focus groups were held in Southfield and Grand Rapids with a total of 12 participants. Two telephone interviews were also conducted.

Why Employers Purchase Health Insurance

Employers offer health insurance to enhance their recruitment efforts as they compete for quality employees. Some small employers offer health insurance to their workers because they need it for themselves and their families and find that a group policy is less expensive than individual coverage.

Challenges to Selling Health Insurance to Employers

Challenges that agents encounter in selling health insurance to employers include: the cost can be prohibitive; small group products often have limited benefits, particularly if one or more of the employees has a health condition; and employee expectations of what benefits should be included can be unrealistic.

Agents state that the high cost of health insurance can be attributed to small group market reform, regulatory mandates, regional cost structures, consumers desiring access to the best care regardless of cost, and individuals who are uninsured by choice that receive their care in the emergency room. They say that selling health insurance would be easier if agents were able to sell basic plans with optional add-on benefits.

When selling insurance to employers, agents try to explain the importance of health insurance in recruiting and retaining employees, remaining competitive in the marketplace, and maintaining healthy employees.

How Payment of Commissions Impacts the Choice of Insurance Policies Sold by Agents

Agents state that the payment of commissions has no impact on what types of policies agents sell because there is only a slight difference in the commission structures for various health insurance products and carriers.

Employer Concerns about Purchasing Health Insurance

Agents feel that employers' concerns about offering health insurance include: having older employees, which raises the cost of health insurance; employees not knowing the true cost of health insurance and health care; and, health insurance plans limiting access to health care through physician and hospital networks, gatekeepers and prior approval requirements for specified services. Many employers do not offer health insurance because it is too expensive. Some small businesses feel it is more cost effective to give employees higher wages, thus enabling their workers to purchase individual plans, if they so choose.

Most employers the agents work with have not discontinued coverage, but many have reduced benefits and tightened eligibility criteria.

The Effect of Rising Costs of Health Insurance on Employers

One of the roles of agents is to explain to employers that rate increases depend on plan design, geographic location, and the service utilization rates of plan participants. Agents say that premium increases have been moderate recently as compared to previous years.

Agents believe that the tendency of employers to reduce benefits by increasing deductibles and co-pays has had the general effect of reducing annual increases.

How Health Insurance should be Financed

Agents believe that the current method of financing health insurance is fair because employers can get tax deductions for benefits and employees can finance their share with pre-tax dollars.

One agent suggests that a high-risk pool, subsidized by the government, would reduce the cost of insurance. Several agents also suggest that the government should provide a limited state plan with basic coverage for those that may not be able to afford private plans.

Government's Appropriate Role in Expanding Health Insurance to the Uninsured

Agents have varied opinions on what the government could or should do to help with the provision of health insurance. Some agents feel government's role should be limited to helping low-income residents who need financial assistance to enable them to access health care. The majority of participants agree that the government could help educate the public about the true cost of health care. Some support the government making quality and price information about physicians and hospitals available to the public so they could comparison shop. There is general support for state and federal governments creating more free and low cost clinics to offset over-utilization of emergency rooms.

Findings from Focus Groups with Uninsured Individuals

Focus groups with 24 uninsured individuals were held in Detroit, East Jordan and Jackson. Participants were recruited through contacts at free clinics and health centers.

The Importance of Health Insurance for the Uninsured

The uninsured feel that having health insurance is very important because it provides security, which they define as being able to see a doctor for preventive care to avoid future health problems, and not missing work due to illness. They also feel that insurance provides a way to avoid costly medical bills that may ruin them financially.

Some focus group members with pre-existing conditions attempt to purchase health insurance on their own, but discover that their conditions make obtaining coverage unaffordable, if it is available at all. Some focus group members that work part-time are not eligible for insurance that their employers offer to full-time workers.

Accessing Health Care Without Health Insurance

The majority of uninsured focus group members state they do not receive regular health care such as preventive care, laboratory tests, and maintenance prescription medications. Many also forego dental or vision check-ups to

decrease their health care costs. Participants with potentially serious medical conditions state that they have not seen a specialist for additional tests or necessary procedures, since they generally use free clinics and low-cost health centers that do not provide specialty care.

The uninsured try very hard to avoid using emergency rooms, but explain that there are times when they are forced to go there because they are unable to get an appointment elsewhere, or because it is after business hours.

Public Opinions on State-Sponsored Health Insurance Programs

All participants agree that health insurance programs for children generally have good coverage for basic services and they are appreciative of that fact.

There was a great deal of frustration expressed with eligibility guidelines for state-sponsored programs for adults, and particularly with the income guidelines since participants feel these guidelines exclude individuals who are in desperate need of assistance.

Types of Benefits that Would Meet the Needs of the Uninsured

Participants feel strongly that Michigianians are willing to pay more for comprehensive coverage that does not require out-of-pocket expenses such as co-pays and deductibles. They prefer a comprehensive plan that covers preventive visits, laboratory tests, emergency services, hospitalization, prescriptions, vision, dental and specialists.

Recommendations for Extending Health Insurance to the Uninsured

The majority of participants feel it should be a priority to create more free and low-cost clinics. Other recommendations from uninsured focus group members include: reduce wasteful Medicaid spending; organize free health screenings and health fairs; create a universal health care plan; and change the income guidelines for government-sponsored programs to allow more individuals to qualify for assistance.

Setting Premiums for Health Insurance

Participants prefer health insurance premiums be determined by a sliding scale based on income.

Findings from Focus Groups with Employers

Focus groups with employers were conducted in Marquette, Traverse City, Lansing, Grand Rapids, and Detroit. Two employer focus groups were held in each location, one for employers offering insurance and one for those not offering insurance, for a total of ten focus groups. Overall, 20 employers offering insurance and 13 employers not offering insurance participated in focus groups. Additionally, 88 telephone interviews were conducted in December 2005 to supplement the information collected in the focus groups. Of these, 46 were with employers who offer insurance and 42 were with employers not offering insurance. Focus group participants were recruited from Michigan Employer Health Insurance Survey respondents who indicated an interest in participating in a group discussion about health insurance.

Employer Responsibility for Providing Health Insurance to Employees

Most employers believe health insurance should be of concern to them. Those who feel otherwise say that is because it is not feasible for them to offer health insurance to employees, or because their workers have health insurance through a spouse.

Many employers question who should be responsible for providing health care coverage. Some believe that employers are expected to provide health insurance because that's how it's always been done. However, many employers feel that an employer-based system is not the most effective way to provide health insurance coverage.

The Decision to Offer Health Insurance

Employers offer health insurance because it helps them to recruit and retain employees, remain competitive within their industries, and be consistent with the values of their organizations. Key benefits accruing to a company that

provides health insurance include: decreased turnover, increased employee loyalty, better morale among employees, and a healthier workforce, which can lead to decreased absenteeism and increased productivity.

Most employers who do not offer health insurance acknowledge that they would like to do so, but are unable to for financial reasons.

The Impact of High Premium Costs on Employers

Employers who do not offer insurance indicate that it is difficult to do so because of cost and the large annual premium increases that have occurred. Those who offer insurance say it is difficult because costs are extremely high for both the employer and employee, and pre-existing conditions limit the carriers and types of coverage that are available. Most feel that it would be easier to offer health insurance to employees if it was more affordable, if small businesses could form some sort of group to get better rates, if the rate changes were more predictable, and if there were more tax credits for employer contributions.

Employer Response to Rising Health Care Costs

To continue offering health insurance during the past three years, employers have changed their plan designs and benefit structures, and have shifted more of the costs to their employees. However, many are unsure how much longer they can continue these practices. Other ways employers have responded to rising costs include: joining a group for small businesses, such as the Chamber or Small Businesses Association to get better rates; changing to a self-funded benefit plan; or working with each individual employee to identify other sources for insurance coverage. Many indicate that they have cut everything that they can, but see no end to cost increases. A preference for some would be to change carriers or policies to reduce costs, but they would lose coverage for employees who have pre-existing conditions.

Some employers who do not offer insurance try to compensate by providing other benefits such as higher salaries and wages, sales incentives, personal loans or reimbursement for medical expenses, and financial rewards for longevity and loyalty. Others say they have done nothing because of the state of the economy and the high cost of health care and health insurance.

Financing Health Insurance

Employers agree that a fair system of financing health insurance would involve the employer and the employee sharing the cost of coverage. The suggested breakdown ranges from a 50-50 split to an 80-20 split, with the employer paying 80% of the cost. Others would like to see government contribute to the cost of health insurance and suggest a three-way sharing of premiums with the employer, employee and government each paying one-third of the cost. Others suggest that contributions from employers and employees should be a percentage of their income/revenues, and the government should subsidize the remaining portion of premiums.

Government's Role in Health Care and Health Insurance

The vast majority of employers, whether they do or do not offer health insurance, say they feel that the government has to take some action to reduce the number of people without health insurance. A government-created state insurance program, into which small businesses and individuals could enroll, with rates on a sliding scale, is supported by some employers. Many employers would like additional tax deductions or credits for offering health insurance, and feel that more education on health insurance would help in reducing overall health care costs.

Michigan State Planning Project for the Uninsured

Focus Group Report

Introduction

Overview

In September 2004, the Michigan Department of Community Health (MDCH) received a State Planning Grant from the US Department of Health and Human Services, Health Resources and Services Administration (HRSA) for the Michigan State Planning Project for the Uninsured. The purpose of this project was to develop realistic strategies to extend health insurance to all Michigan residents.

This report focuses on the results of a series of focus groups held with insurance agents, uninsured individuals, and employers. The focus groups explored issues related to uninsurance in detail and provided an opportunity for citizens with various perspectives to add information about their experience and opinions to the planning process.

The focus groups were conducted by the Center for Collaborative Research in Health Outcomes and Policy (CRHOP) at the Michigan Public Health Institute (MPHI). The insight gained from these groups contributed greatly to the knowledge base about the uninsured in Michigan.

Objectives

A focus group is a structured discussion with individuals selected to participate because they share common characteristics. Participants are encouraged to share opinions and experiences related to the topics presented, and are guided by a moderator asking a series of questions designed to collect information on the topic of interest.

The primary objectives of the focus groups with *insurance agents* were to:

- Identify and explore factors impacting the sale of health insurance and employers' decisions about whether to offer health benefits,
- Find out what role insurance agents feel the government has in providing health insurance, and
- Give insurance agents an opportunity to participate in the planning process.

The primary objectives of conducting focus groups with *uninsured individuals* were to:

- Assess their concerns about being uninsured,
- Learn why it is difficult for them to secure or provide health insurance for themselves and their families, and
- Gain insight into their ability to access health care without health insurance.

The primary objectives of the *employer* focus groups were to:

- Investigate factors that influence employer decisions about whether to offer health benefits to employees and their families,
- Assess their general concerns about health insurance, and perceived barriers to providing health benefits, and
- Gather their opinions about the role of the government in providing health insurance.

While each group had specific objectives, there were also objectives common to all three types of focus groups. In general, the focus groups were designed to assess the importance of health care and health insurance, financing structures that they consider to be fair and viable, their concerns with uninsurance, and recommendations for providing health insurance to additional Michigan residents.

Protocol Design

A literature review was conducted to investigate how other states that had previously been awarded funds through the State Planning Grants program had used focus groups to collect information. Specific aspects of their methodologies were considered, including the recruitment and selection of participants, and logistical decisions such as locations and staffing. A research study protocol was drafted by project staff, and reviewed and approved by MPHI's Institutional Review Board. Please see Appendix III for the Focus Group Protocols.

The protocol was modified after two weeks of conducting focus groups due to low participation in the employer focus groups. With the approval of MDCH, telephone interviews were added to this wave of data collection to supplement the information collected through employer focus groups. A separate protocol for supplemental telephone interviews was developed that outlined the process for sample management and data collection.

The protocols included a list of questions for each type of focus group. These questions were drafted after reviewing questions used by other states for their State Planning Grant projects. The first draft of questions was developed by MPHI project staff, then reviewed and revised by MDCH. The Models Development and Data Synthesis Workgroups for the State Planning Project reviewed the questions for the employer and insurance agent focus groups. The Community Interface Workgroup reviewed the questions for the uninsured individual focus groups. All suggested revisions were considered and the questions were updated accordingly. The questions for the uninsured individual focus groups were modified to maintain an average reading level of fourth to fifth grade, with the exception of the word "insurance," which could not be accurately substituted. The final questions were approved by MDCH. Refer to Appendix IV for focus group questions.

Methodology

Focus groups were conducted in eight cities in six different regions in Michigan during November and December 2005. Ten focus groups were conducted with employers, three with uninsured individuals and two focus groups with insurance agents. Overall, 102 people signed-up to participate, and a total of 69 individuals actually participated in focus groups. Of these, 12 were insurance agents, 24 were uninsured individuals, 20 were employers offering insurance and 13 were employers not offering insurance.

Supplemental telephone interviews were conducted in December with employers and insurance agents in regions where participation in the focus groups was fewer than eight individuals, or where the focus group was cancelled. A total of 90 interviews were completed. Of these, two were with insurance agents, 46 with employers offering insurance and 42 with employers not offering insurance. Please refer to Appendix II for tables on attendance and participation for focus groups and telephone interviews.

Participant Recruitment

Several recruitment methods were used for the employer focus groups. First, a list was developed of respondents from the Michigan Employer Health Insurance Survey (MEHIS) who indicated on the survey that they would be interested in participating in a group discussion about health insurance. Their business information, including county, firm size, industry type, and gross revenue was entered into a spreadsheet and sorted by region. Within each region employers were selected based on firm size, industry type and gross revenue. This was done to ensure a mix of businesses in each group. Selected employers were then contacted by telephone and asked to participate in an employer focus group on health insurance. Information on the date, time, and location of the focus group in their region, as well as the twenty-five dollar incentive for participating was included in the recruitment script. Due to a very limited list of interested employers in the Upper Peninsula and the Northern Lower Peninsula and the large size of the region, these employers were also offered mileage reimbursement for their travel. In most regions the entire list of interested employers was eventually attempted because of difficulty in contacting individuals and many refusals. The telephone script for recruitment calls is in Appendix III.

Potential focus group members were sent a letter with more detailed information, as well as a map and directions to the location. One to two days before the focus group, these individuals were contacted by telephone and/or email to

remind them of the upcoming focus group and to confirm their attendance. Employers who declined were asked their reason for refusal. These reasons were recorded in detailed contact notes to address any concerns that could be resolved to prevent further loss of participants. Please see Appendix III for the confirmation letter to employers.

Approximately fifteen employers for each group were identified, with the hope that at least eight to ten individuals would attend. Some of the regions, as previously mentioned, had very limited lists that prohibited reaching this goal. Additional recruitment methods were used to increase the number of participants. State Planning Project Workgroup members were asked to provide contact information for potential participants. Flyers were distributed to Workgroup members via email. Contact information for project staff was given out and Workgroup members were encouraged to forward contact information for employers to them, and to distribute information about the focus groups to interested individuals. Please refer to Appendix V for all marketing materials related to recruitment.

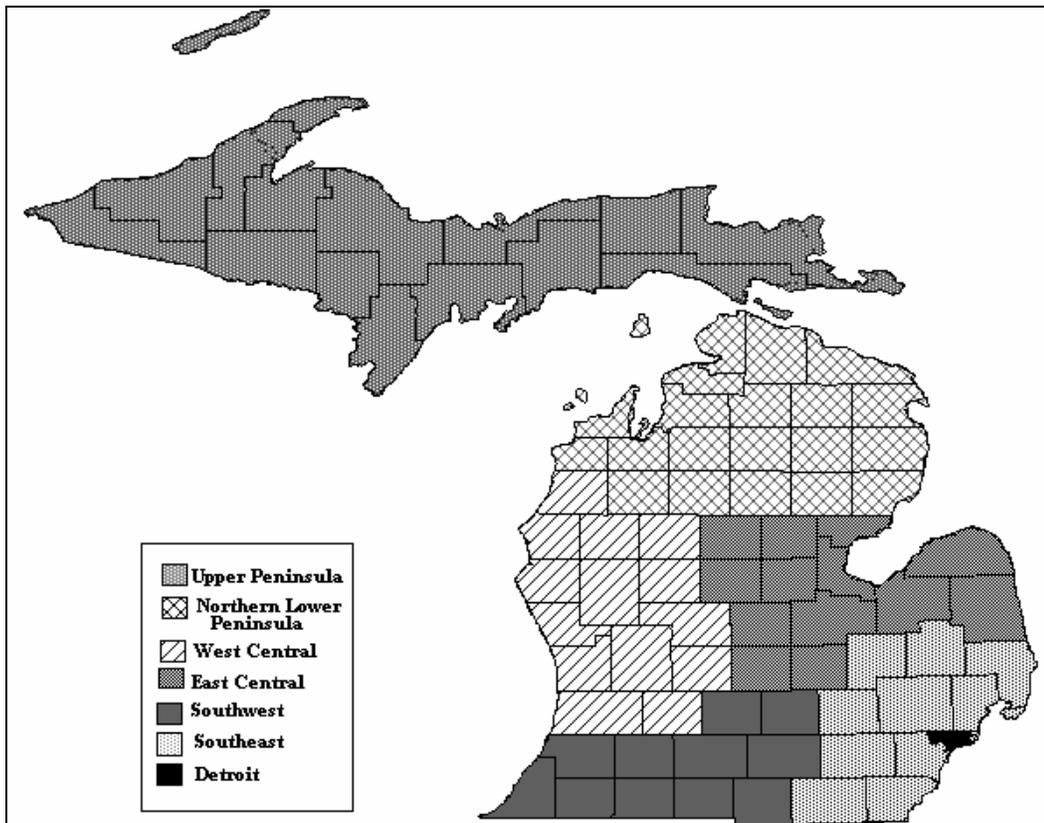
During recruitment telephone calls, interested individuals were asked if they knew other local employers who might be interested in participating. Flyers were provided to employers for distribution to fellow employers. Project staff also contacted local and regional Chambers of Commerce for their assistance.

Workgroup members and their contacts helped to recruit participants for both the uninsured focus groups and the insurance agent focus groups. Directors of free health clinics and community health centers helped project staff to recruit participants for the uninsured focus groups. Insurance agent focus group participants were sought by sending informational letters and maps to members of professional associations and insurance companies via e-mail, and by making announcements at association meetings.

Focus Group Locations

The locations for the employer focus groups were determined by using the regions from the survey strata utilized for the surveys conducted in the first two waves of data collection, the Michigan Household Health Insurance Survey and the Michigan Employer Health Insurance Survey. The survey strata are a variation on the regions used by the Michigan State University State of the State Survey (SOSS). This was done so data collected in the surveys for this project will be comparable to future SOSS surveys. For the Michigan Household and Employer Health Insurance Surveys strata, the state was divided into seven regions. Those regions are: Upper Peninsula, Northern Lower Peninsula, West Central, East Central, Southwest, Southeast, and the city of Detroit (refer to diagram A-1). Although Detroit is within the Southeast region, because it is a unique urban city with a large population, for this project Detroit was considered a separate region. For a complete listing of counties included in each region, see Appendix I.

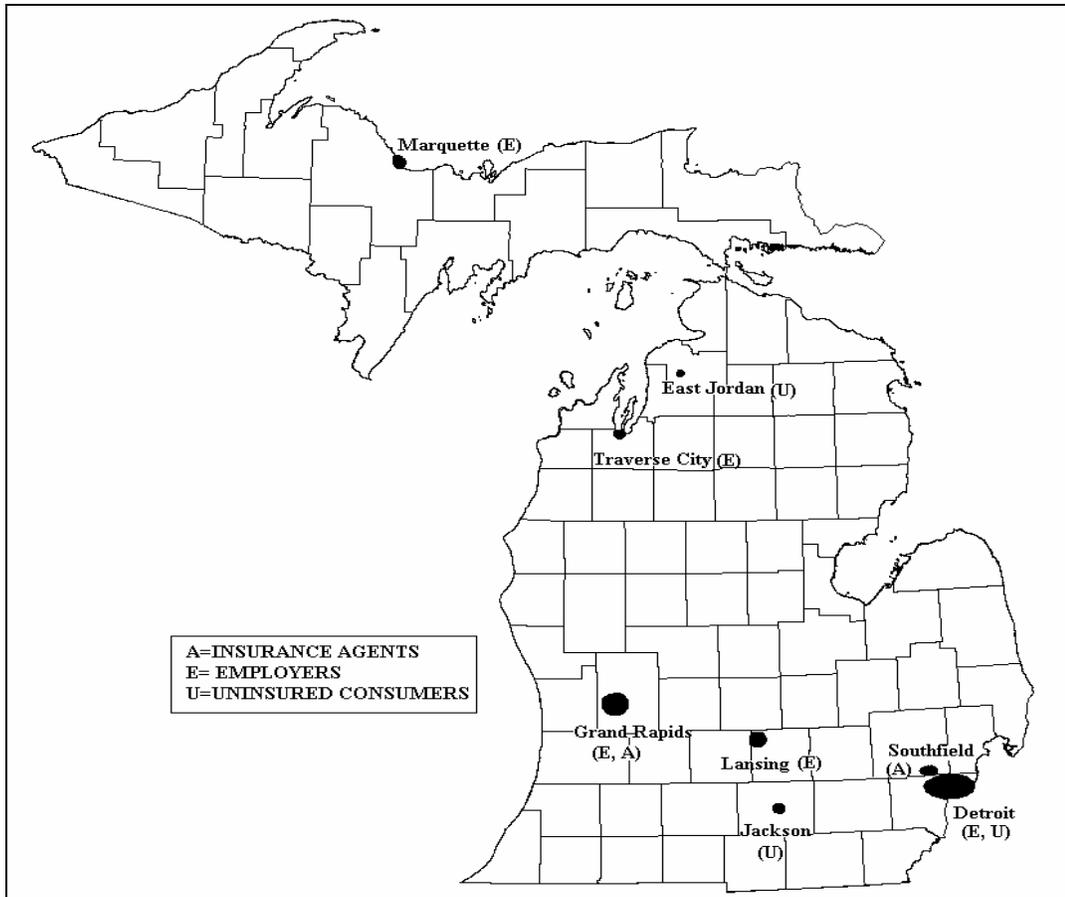
A-1: Michigan State Planning Uninsured Project - Michigan Household Health Insurance Survey and Michigan Employer Health Insurance Survey Strata



Within each region, the recruitment list from the Michigan Employer Health Insurance Survey was analyzed to determine the most convenient location for participants, based on driving distance and accessibility. Initially, one focus group was to be run in each of the seven regions in Michigan. In the Southeast region, two focus groups were planned due to the large concentration of employers. The list of possible locations was submitted to MDCH and project workgroups for their review.

Once the most appropriate city for the focus groups was identified for each region, contact with local businesses was made to finalize a location. Most employer focus groups were held in the conference room of a hotel or community college. The locations for the uninsured focus groups and insurance agent focus groups were provided without charge by the agencies that assisted with recruiting. Uninsured individual focus groups were held in a conference room or community room at local Federally Qualified Health Centers and free clinics for ease of transportation and familiarity. The insurance agent focus groups were held in the conference room of an insurance company and a health insurance association. The locations of all focus groups are presented in diagram A-2.

A-2: Focus Group Locations



Schedule

Weather and geography were used to determine the focus group schedule. The employer focus groups in the Upper Peninsula and Northern Lower Peninsula took place at the beginning of the project timeline to reduce the likelihood of inclement weather. Focus groups were scheduled according to the project timeline and approved by MDCH. Refer to chart A-3 for the full schedule of focus groups.

A-3 Focus Group Schedule

Date	Participants	Location
November 2, 2005	Employers	Marquette
November 4, 2005	Employers	Traverse City
November 9, 2005	Employers	Lansing
November 11, 2005	Insurance Agents	Southfield
November 15, 2005	Employers	Detroit
November 16, 2005	Uninsured Consumers	Detroit
December 1, 2005	Employers	Grand Rapids
December 6, 2005	Uninsured Consumers	Jackson
December 7, 2005	Insurance Agents	Grand Rapids
December 14, 2005	Uninsured Consumers	East Jordan

Data Collection

Two research team members staffed each focus group. One person functioned as the moderator of the group and the other was the recorder. Team members alternated roles for the morning and afternoon sessions of the employer focus groups. The moderator followed a script with introduction, background information, informed consent and questions to provide a consistent structure. The moderator was responsible for timekeeping and keeping the discussion on track. The moderator also took short handwritten notes during the discussion. The recorder took detailed notes of the discussion using a laptop computer, and operated the audio-recording devices. Research staff transcribed the tapes from the focus groups shortly after completion of each group.

Supplemental Telephone Interviews

Telephone interviews were conducted to supplement the information collected in the employer and insurance agent focus groups. Many employers indicated during recruitment calls that they were interested in participating, but the time commitment required to participate in the groups was prohibitive. Using the recruitment list for the focus groups, contact information was loaded into Sawtooth's Ci3 Computer Assisted Telephone Interviewing (CATI) software and a sample was generated for the calls. New sample records were added when contact information from workgroup members was forwarded to project staff.

Employers were contacted after the focus group had been conducted in their region to see if they would participate in a short telephone interview. Employers who indicated during the initial recruitment calls that they were interested in participating, but did not attend, were prioritized for being contacted. The sample size for the telephone interviews was 289 employers; 196 employers were attempted with a maximum of five attempts per employer. On average, it took two attempts to complete the telephone interview. Only 12 employers that were reached by phone refused to complete the interview. The goal for the telephone interviews was to have a total of eight to ten employers offering insurance, and the same number of employers not offering insurance responds to the interview in each region.

Interviewers used CATI software to manage the sample and the data. Two scripts were developed for the phone interviews: one for employers offering health insurance and another for employers not offering health insurance. The interviews were programmed into CATI and the instrument was tested. Both versions of the interview had the same short introduction. The questions were open-ended, and interviewers used additional follow-up probes when needed to gather specific information. All interviews were audio-recorded for quality control purposes. Data was recorded by the interviewer into the CATI interviewing software. The data were then exported from CATI into Excel and SPSS to analyze the themes.

Telephone interviews were also conducted with insurance agents in the West Central Region due to low attendance at this focus group. Those interviews were conducted using the moderator script from the focus group. Interviews were audio-recorded for quality control purposes and the tapes were transcribed.

Limitations

Like all research studies, this study's results must be considered in light of the limitations of the research methodology. Focus groups are a way to gather the opinions and experiences of the individuals in the group. When the results of multiple groups are compared, themes that are common to all groups may emerge. The results may not represent the entire state or be generalized to a larger group. Focus group data cannot be quantified with absolute measures or analyzed with statistical significance. The results must be reviewed from a qualitative frame of reference only. Some of the information presented may appear to be inaccurate or inconsistent with fact. The information presented is valid from the point of view of each participant, but is limited by each participant's knowledge base and the accuracy of his or her perceptions. Even the inaccurate information can be seen as useful to the reader as it reflects the participant's level of understanding on the issue and suggests areas where further education on the topic may be needed.

Low levels of participation are also a limitation. With less than eight participants, a focus group discussion may be more limited and less informative than would occur with the addition of more opinions into the dialogue. Through conversations with employers and insurance agents, we learned that the time of year during which the focus groups were held was a barrier to achieving goals for recruitment and attendance. For many insurance agents and employers who offer benefits, the last two months of the year often comprise the open enrollment period for benefits. There were other seasonal factors given as reasons for not attending, such as the holiday season for employers in the retail industry, and the start of deer hunting season for employers in the more rural areas of the state. When possible, focus groups were rescheduled. However, due to the project timeline, the focus groups had to be completed by the end of 2005. The time commitment to participate was also viewed as a deterrent, especially for owners of small businesses. In addition, employers who did not offer insurance were much less likely to attend the focus group after signing-up than employers who did offer insurance.

The telephone interview method of collecting data was added to the protocol to ensure that enough information was collected to generate themes for each group. Although the interview questions were open-ended and additional probing was done, the telephone interview format is likely to produce less information than would be generated through group discussion. The results presented in this report are a compilation of the information collected through focus groups and telephone interviews.

Analysis

Focus group data were analyzed using notes and audio-tape recording. Team members created a document for the insurance agent, uninsured consumers and employer focus groups. Each comment made by focus group participants was reviewed by two team members, and placed into a document of overall themes. The team then discussed the themes as a way to insure a sufficient degree of inter-rater reliability. Quotes from the respondents were placed with the corresponding questions.

Upon completion of all telephone surveys, raw data were directly exported from CATI to Excel and SPSS where it could be reviewed for common themes. Once the themes from the telephone interviews were developed, quotes from the respondents were retrieved from the data output and through a review of the audiotapes. These comments and quotes were then added to the overall document of themes created from the actual focus group sessions. The major findings from insurance agents, uninsured consumers, and employers are reported separately.

Michigan's Health Insurance Market

Health insurance in Michigan has traditionally been provided through employer-sponsored benefits programs. Because of the manner in which insurance rates are determined, large companies and those with younger employees have an advantage because their workers represent less risk to insurance companies, and may therefore receive lower rates through Health Maintenance Organizations (HMOs) and commercial insurance carriers. Blue Cross Blue Shield of Michigan (BCBSM), as the insurer of last resort, must provide coverage to all individuals who can afford to pay the premiums, regardless of their health status. According to the Office of Finance and Insurance Services, in 2000 approximately 71% of the small group market was covered by BCBSM.

In the last decade, the health insurance market has been impacted by state and federal legislation, which regulates the manner in which insurance rates can be determined, and provides for consumer protections. The passage of the Federal Health Insurance Portability and Accountability Act (HIPAA) in 1996 created a market in which commercial carriers must renew policies at the insured's request, except under certain conditions. Because of the way in which rates are determined, insurance carriers and HMOs were able to raise their rates to high-risk groups to encourage non-renewal. However, BCBSM could not use age, medical condition, or other case characteristics to determine their rates. Reportedly, this led to a trend in the market where younger, healthier employees were leaving the BCBSM pool to get lower rates with commercial carriers or chose to discontinue coverage, while older, less healthy individuals were enrolling in BCBSM policies because they could not afford the alternatives. This increase in older, less healthy individuals in the risk pool for BCBSM, along with community-based rating, caused rates to increase for the entire community.

In 2003, the Michigan Legislature passed a series of bills to amend the Nonprofit Health Care Corporation Reform Act, which is the law that governs BCBSM as a nonprofit insurance organization. The enactment of Michigan's Small Employer Group Reform Act provides stricter guidelines for what characteristics may be considered when determining rates for a small group, and was intended to create more competition among carriers, which would ultimately lead to a decrease in rates. The Small Employer Group Reform Act also puts restrictions, referred to as rate bands, on the lowest and highest rates that may be charged for insurance. The Office of Financial and Insurance Services of the Department of Labor and Economic Growth regulates health insurance companies.

Since it has only been two years since Michigan's Small Employer Group Reform Act was enacted, the long-term effects on the health insurance market remain to be seen. Information from the focus groups and interviews should be considered in the context of the health insurance marketplace both prior to the time the changes were instituted, as well as how the marketplace has changed since enactment of insurance reforms.

Major Findings from Insurance Agents

The findings from insurance agents were compiled from two focus group sessions with agents, one in Southeast Michigan and one in West Central Michigan. Telephone interviews were used to supplement data collected in focus groups.

The Importance of Health Care

Insurance agents feel that business owners offer health insurance to enable them to attract top-notch employees. Agents indicate that the market is competitive, and one way to recruit potential new hires is through a benefits package. Agents also state that many employers offer health insurance because they need coverage for themselves and their families.

"They offer it because they have to in order to hire people, they don't do it because they're nice guys and they don't not do it because they're bad guys." –Insurance Agent from Southeast Region

"I've had a few [employers] that said they want it for themselves and their families." –Insurance Agent from Southeast Region

The Sale of Health Insurance

Questions were posed to determine whether agents experience difficulty in selling insurance, and what can be done to make it easier to sell insurance. Employers in Michigan have seen a steady increase in the cost of health insurance, which leads to questions about the selling points agents use to convince clients to retain or purchase health insurance for their employees.

Difficulty in Selling Insurance

Agents were asked whether they found it difficult to sell health insurance. A few agents indicated that it was not difficult to sell health insurance and one agent responded that they often speak to employers that have an interest in buying health insurance. The difficulty arises in making sure the employer is aware of all the options, while finding a plan or plans that best meet the needs of his or her employees.

One of the challenges that arise in the process of selling insurance, particularly to small employers or those in the individual market, is cost. Insurance agents find that when looking at the individual market, not only is cost a barrier, but also finding a plan that meets all of the employees' needs is a challenge. Other issues agents encounter when selling small group insurance plans are that the products are limited, and the health conditions of employees often limit the carriers that can be used. Agents state that the high cost of health insurance can be attributed to small group market reform. Employers with less than 50 eligible employees are subject to small group reform,

which translates to substantial cost increases to some employers due to the overall age of employees. Employers may then reduce benefits to make coverage more affordable.

“I’ve found a couple of my small employers with under 50 eligibles that are subject to small group reform had big increases due to the age of their population, and then when you go out to other carriers to look for other alternatives there aren’t any, because it is still the age of that group that is causing premiums to be so high, and then you really have to strip down benefits to be affordable.” – Insurance Agent from Southeast Region

Cost

Agents consistently mention cost as the impediment to employers purchasing health insurance. There are a variety of opinions as to what is causing cost increases. Some insurance agents mention that the aging population is driving the increased costs. Others comment that there appears to be an expectation that insurance will include a broad array of covered benefits. Agents feel that there is a sense among individuals that everything related to health care should be covered, and that office visits should only cost ten to twenty dollars per visit.

Agents feel that consumers are not responsible when it comes to health care because they have the notion that they are entitled to the best health care regardless of the cost. Agents believe that this will become a larger problem as the population ages and people live longer.

Along with rising provider costs, agents noted difficulties with high utilization of health care services. Currently, there is no legislation regarding utilization limits.

Agents mention that employers look at them as the “bad guy” since, as the messenger of price, they are often blamed for increased costs. Agents respond by explaining to employers why cost increases are necessary and by showing them the costs that are incurred in the claims process.

Insurance agents feel that there are ways to address the issue of cost that would make it easier to sell health insurance to employers. This includes: having a base plan that allows for add-ons for additional coverage, educating consumers about the buying process and the true cost of health care, and developing purchasing cooperatives and pools. Other suggestions include a single-payer system through the government, with options for supplemental add-ons.

“Drop the mandates. Get away from regulation. Get away from trying to micromanage the market for group insurance products, as well as individual ones.” – Insurance Agent from Southeast Region

“Start getting some consumer education into the buying process rather than the paying process.” – Insurance Agent from Southeast Region

“It would be easier if you had one or two things to sell, it would be a lot easier. But variety and competition do have a number of positive market aspects.” – Insurance Agent from West Central Region

Selling Points

Insurance agents point out the importance of health insurance in attracting and retaining employees, and remaining competitive in the marketplace when they attempt to sell insurance to employers. Agents stress that health insurance is needed for the general well-being of employees, and it adds to positive morale in the workplace. Agents help employers understand the difference in quality and accessibility between group and individual plans, specifically for those individuals that can be denied coverage for pre-existing conditions. Agents find that helping employers understand the importance of offering insurance, particularly when the employer has few employees, is helpful.

“It really is coming upon us to sit down with them [employers] and help them understand that [insurance] is probably a good idea, not only for their own medical care but [for] their employees.” - Insurance Agent from Southeast Region

The Effects of Commission on the Sale of Health Insurance

The next series of questions asked agents about the commissions they receive, and if commissions impact the type of policy they offer to employers.

The majority of insurance agents indicate that the commission process does not impact sales, and that there is only a slight difference in commissions paid by various carriers. Overall, agents feel that commissions are the least of the cost drivers in health insurance, and that the commissions they receive do not drive their sales.

“Industry-wide I would say there is a slight influence. But, I can’t believe there are people in my profession who sell one product over another because they make an extra percent or two more.” – Insurance Agent from West Central Region

“I think commissions are the least of the cost drivers for any of the cost of health insurance or health care.” – Insurance Agent from West Central Region

Perceived Employer Concerns with Health Insurance

Besides cost, other major issues that employers routinely discuss with agents include how the age of employees impacts the cost of insurance and concerns about access to care under various plans. Concerns with access frequently relate to physician and hospital networks, since some employers feel that there is not enough freedom in choosing health care services and providers because many procedures need prior approval. The agents in the focus groups indicate that employers feel that their employees need a clearer understanding of how the co-pays relate to the cost of the service.

“The reason that they dropped coverage is that the cost of what the employer pays and the total lack of appreciation from his employees for what that cost is, did not make sense. To them, a \$20 co-pay for an office visit only costs \$20. They do not understand what that true cost is until they get that first COBRA bill and see that their family plan costs \$1400 a month. It is beyond their comprehension.” – Insurance Agent from West Central Region

The Effects of the Rising Cost of Health Insurance

When asked about rate increases that employers have experienced in the past three years, insurance agents point out that there is an original rate increase and an adjusted rate increase. The original rate increase is the amount a policy increases from one year to the next, while an adjusted rate increase is the percentage increase after a purchaser reduces or changes a benefit package to decrease costs. The rates vary by employer, but typically in the past three years employers saw adjusted rate increases of 12-14% in 2003, 8-10% in 2004 and a 3-6% increase in 2005. The original rate increase was approximately 20% in 2003, 12-15% in 2004, and 9-12% last year. The amount of increase depends on the plan design and geographic location of the employer.

To reduce health insurance premium growth, employers reduce benefits and increase deductibles and co-pays. According to agents, over time the burden for the cost of health care will shift from employers to employees.

The majority of agents said that their clients have not stopped offering health insurance, but may in the future, if costs continue to rise. Many employers have changed eligibility requirements, such as only offering coverage to employees that work 40 hours per week or reduced the benefits they offer to offset increasing costs. Some employers offer higher wages so employees can purchase individual plans, and some offer health savings accounts or reimbursement accounts instead of group plans. Employers continually express to agents that there is a lack of appreciation for the costs of health insurance on the part of employees.

“I’ve got a number of them [employers] that have said, ‘One more increase and we’re going to drop it.’ I think some of them are to the point where they’re serious about it.”

– Insurance Agent from Southeast Region

“You are going to pay it in a premium or you’re going to pay it in a deductible. Which risk do you want to take?”

– Insurance Agent from Southeast Region

“It is crisis management every year. Look at the rate increase, switch the plan design, change your eligibility, can I get people off the plan or put more people on the plan? Do I increase employee contributions or not? That is an annual process.” – Insurance Agent from West Central Region

Financing Health Insurance

Many agents feel that the current system of financing health insurance is fair since employers can take tax deductions for benefits they provide, and employees can finance their share on a pre-tax basis. Others feel that a better system would involve people sharing a cost proportional to the services they receive, perhaps by having co-pays be a percentage of the cost of services received rather than a fixed dollar amount. Agents agree that such a system would eliminate abuse and overuse of services by consumers, which some define as requesting a brand name prescription over a generic brand. Another idea was to connect the cost of health insurance to utilization and health outcomes.

Agents feel that an individual mandate with low-income subsidization, whereby everyone would be required to have health insurance, would be a viable solution to the problems of the uninsured. Agents indicate that if everyone had to have some sort of health insurance, risk pools would be larger, thus spreading health risks across the population. Some agents envision a government-subsidized high-risk pool, with perhaps high-risk insured individuals paying a higher premium than lower risk individuals.

“Fair is financing the cost of health care rather than financing the cost of health insurance.” – Insurance Agent from Southeast Region

“I think it should be mandatory that people should have to buy a medical insurance policy if they don’t have it now. You will build up the system, at the same time, build a little bit of money into each premium and throw it into the big pool like they do with autos, then take the high-risk people and throw them into a high risk pool. And, if it is going to be something where the government contributes money to it, then fine; in its present form, it can’t continue.” – Insurance Agent from Southeast Region

Government’s Role in Health Care and Health Insurance

Some agents feel that the government should provide more education about the true costs of health insurance, while others think that providing information to consumers about quality and price relative to physicians and hospitals would be valuable, and still others feel that information about health savings accounts is important.

Some agents would like to see government as a facilitator and not an insurance agent. Insurance agents see the role of government as one that does not interfere in the cost structures of the insurance industry. Agents think that in a free market, the prices would take care of themselves. Other suggestions include the government providing tax savings for individuals, allowing insurance to be sold across state borders and requiring more accountability from doctors and hospitals. Some agents believe that creating additional free and low-cost clinics would be useful in decreasing over-utilization of emergency rooms. Agents also believe the government should encourage uniform plan design to reduce confusion among consumers, which will also make plans more comparable.

“What the government could do would be in the areas of education and maybe even indoctrination. Not in the areas of cost structures. The cost structures will take care of themselves.” – Insurance Agent from Southeast Region

“I have a hesitancy of wanting to get the government involved because of one very basic primary reason: people tend to look at the government and see a cure-all for their problems. When the government becomes more involved then people again say, well they’ll just take care of me, I won’t have a problem.” – Insurance Agent from Southeast Region

“I think the government does have a role in meeting the needs of certain people for circumstances of their own or not of their own making, who need governmental assistance. We have some of those programs in place now: Medicare and Medicaid. State-assisted plans. I think that is the role of government. But to intervene with the employer who may or may not want coverage, I do not think that is their role.” – Insurance Agent from West Central Region

Other Issues

At the end of the focus group session, insurance agents were asked to share comments relevant to the discussion. Agents expressed concern over the prevalence of medical malpractice suits, which are causing health care providers to charge more for services in order to carry malpractice insurance. Agents feel that frivolous lawsuits are contributing to this problem.

Major Findings from Uninsured Individuals

Three focus groups were held with uninsured individuals. Most were employed, but did not have health insurance. Many of the participants had insurance in the past but lost coverage when their company downsized. Other participants were not eligible for insurance because they were working part-time.

The Importance of Health Insurance

Uninsured individuals agree that having health insurance is very important because it provides security. Participants define security as being able to see a doctor for preventive care, seeing a specialist for serious health conditions and not missing work due to illness. Uninsured individuals feel that insurance provides a way to avoid costly medical bills that may cause financial ruin. When uninsured individuals get sick they treat themselves at home because they cannot afford to visit the doctor. Participants feel strongly about the importance of having health insurance, but many sacrifice insurance to pay for other things such as rent, food, utilities and transportation.

“Health insurance is very important because if you don’t have it you have to look hard for doctors. Doctors don’t accept cash money. You can’t go with cash. Without insurance they won’t talk to you.” –Detroit Uninsured

“If you have a medical condition, you need a doctor who will routinely check you out. You want care for it [the medical condition] and to look for anything else that might be associated with it [the medical condition]. If you find something, you want it to be taken care of. Health care is your life.” –Detroit Uninsured

“Don’t miss time at work and have sick days and get fired.” –Northern Lower Peninsula (NLP) Uninsured

“Most MDs can take care of you to a certain degree, but what if I become hospitalized with no health care? A lot of us stay home and try to take care of ourselves because you don’t want that bill. I am not too crazy about trying to be my own doctor right now.” –Detroit Uninsured

Reasons for Being Uninsured

The majority of focus group participants have been without health insurance for over three years. A few of the participants who had health insurance in the past two years recently lost coverage because they were laid off. Some of the other reasons for being uninsured include: cannot afford their share of employer-based health insurance, do not qualify for government insurance programs such as Medicaid, and unable to afford Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage. COBRA is a federal law which allows an individual and/or

dependents to continue group health and dental coverage once a qualifying event occurs. A qualifying event may include termination of employment, change in working hours, change in dependent status or age limitation, separation, divorce, or death. The employee must pay the entire premium. Some focus group members attempt to get health insurance on their own, but many have pre-existing conditions that make it difficult and unaffordable.

“When they laid us off at the casino they said that we could keep our insurance. It was COBRA. It was \$400 a month. I can’t afford that. I just lost my job! How are you supposed to cover all your other expenses? Nobody could afford that.” –Detroit Uninsured

“I have what they consider a pre-existing condition. I am not the healthy person that I was before. I find it difficult to get health insurance because of these conditions. They won’t take me because I have these conditions. That may be because my employer was so small he couldn’t afford to pay the extra cost.” –Detroit Uninsured

According to participants, paying for health insurance on their own is not feasible because of the cost. They attempt to pay for insurance on their own by cutting back on household expenses, but still find the cost prohibitive. Uninsured consumers state that monthly bills and outstanding medical expenses make it impossible to afford health insurance. Many uninsured consumers say that the cost of health insurance premiums is more than their total monthly income.

“It can be a priority. But that priority gets set aside because you are barely making ends meet on the other side.” –NLP Uninsured

“Everything is more important to me than going and having to spend \$600 a month for health insurance. The doctor bill sucks when you get it, but I would rather just have to pay it when I go or make up a payment arrangement than not have my home and my food and my car.” –NLP Uninsured

“It’s the same thing as the cost for life insurance. Can you meet it on your salary? It’s almost impossible with the salaries that we have, to be able to afford any type of insurance.” –Detroit Uninsured

“My husband has coverage, but it is just him. For the kids and me...it was an extra \$300 for just the kids per month. With me it was \$500 or \$600 dollars a month. It just isn’t worth it. I can’t afford to pay that. It is cheaper for me to just go to the doctor and pay it only when I have to go rather than pay that extra money every month. It is just an unreasonable amount. I would never have thought of paying it.” –NLP Uninsured

Accessing Health Care without Health Insurance

The majority of uninsured individuals do not receive regular health care such as preventive visits, laboratory tests and maintenance prescription medications. They utilize free or low-cost health clinics for their health needs, but these facilities cannot provide specialized care for more serious conditions. Uninsured individuals also eliminate dental or vision check-ups, and request generic prescriptions or samples to decrease their health care costs. Some of the uninsured participants find it difficult to make an appointment at the free or low-cost clinics, and others state that some health centers do not accept new patients.

The uninsured express strong feelings about avoiding the emergency room to get medical care, but explain that they are at times forced to go because they are unable to get an appointment anywhere else or because it is after business hours at the health center.

“I can’t do the preventive visits that I would like to do.” –NLP Uninsured

“I need a cardiologist. All the doctors that can treat me, they don’t take me because I don’t have health insurance.” –Detroit Uninsured

“I called [the clinic]. They said they couldn’t accept new patients until October. This was in July. I can’t get in, so what is going to happen to me?” –Detroit Uninsured

Setting Premiums for Health Insurance

Some consumers can afford \$200 per month for comprehensive coverage, whereas others feel that \$100 per month is financially feasible. Participants in Northern Michigan agree that the cost of health insurance should be determined by a sliding scale fee, based on an individual’s income.

“I think I might be able to pay like \$100 a month, if it meant me having good insurance, [and] if it meant being able to take care of my asthma. I would work that into my budget to have good medical care. For good insurance...for me personally. Because when I get sick, I get really sick and it always ends up in hospitalization for five to ten days.” –Detroit Uninsured

“I think sliding scale. I am not in favor of freebies for anybody. I think there are circumstances where someone gets hurt on the job and things like that. I am sure everyone in this room would be more than happy to pay what they could afford.” –NLP Uninsured

“There are some people who can’t afford anything a month.” –Detroit, Uninsured

Types of Benefits that Would Meet the Needs of the Uninsured

Most participants want a comprehensive plan that covers preventive visits, laboratory tests, emergency services, hospitalization, prescriptions, vision, dental and specialists. Participants stress that they want a health insurance plan that is easy to understand and accepted by many health care providers. Uninsured individuals want a plan where there is no uncertainty about what services are covered, and there is a clear indication of out-of-pocket costs before the service is performed. Participants say they would be willing to pay more for comprehensive coverage if it did not require out-of-pocket expenses, such as co-pays.

“It seems like it’s covered, but it’s not because they only paid this part of it. They don’t cover the technician who is in charge of it. Or they don’t cover this guy because he is not in the network.” –NLP Uninsured

“With all different programs you don’t know. You go one place, they accept your insurance, but they don’t treat your condition.” –Detroit Uninsured

Opinions of State-Sponsored Health Insurance Programs

All participants feel that the health insurance programs such as MICHild and Healthy Kids have good coverage for basic services, and they appreciate this coverage. Many participants express frustration with eligibility guidelines for adult state-sponsored programs. Uninsured individuals think it would be beneficial to review the eligibility requirements for Medicaid, and that income guidelines for Medicaid are too low and exclude individuals that are in desperate need of assistance. Uninsured consumers also feel that the paperwork and forms for state-sponsored programs could be easier to understand.

“Our kids finally got Medicaid. It covers everything. You run and do everything. “Oh, you have dental coverage, let’s do it. Oh you got vision. My daughter got glasses. I was like, ‘that was a big blessing’.” –NLP Uninsured

“You don’t qualify if you don’t have no kids. I went and they said, ‘Well, you don’t have no kids.’ What about just being sick?” –Detroit Uninsured

“You have to jump through every hoop known to man to even apply for it [insurance].” –NLP Uninsured

Recommendations for Getting More People Health Insurance

The majority of uninsured individuals feel that extending health insurance to the uninsured means creating more free and low-cost clinics. Participants had many other recommendations that include: reducing wasteful Medicaid

spending, organizing free health screenings and health fairs, creating a universal health care plan, and changing the income guidelines for government-sponsored programs to allow more individuals to qualify for assistance.

“Not just health insurance, just somewhere to get help. The clinic idea. You have more of those and people can go there instead of the hospital where they get bills that they can never pay. If we had a health care clinic instead of paying \$200 to go to a hospital they can pay \$20 to see a doctor.” –NLP Uninsured

“My perspective is... that the very rich have health care and they are fine. The very, very poor have coverage, but they don't have the same coverage as the rich, but they have some coverage, they have some assistance, whether they take advantage of all of it, or whether it is perfect...but, there is this middle group that aren't needy enough to receive the assistance, but aren't rich enough to provide it for themselves. And they are working hard every day and coming up short.” –Southwest Uninsured

Other Issues

Individuals in the Northern Lower Peninsula express concern about the difference in the cost of living in the north versus southeast Michigan. These participants feel that the wages they make are much lower and the increased heating costs add to their financial burden. Participants in that region feel their circumstances are unique and should be considered when determining the cost of health insurance.

All participants feel that the economy and unemployment in Michigan make it difficult to make ends meet. Each participant realizes the importance of health insurance, and whether they are unemployed or working part-time, health care costs are something they cannot afford. While there is disagreement on a plan of action, there is consensus among all participants that something needs to be done soon to cover more uninsured individuals.

Major Findings from Employers

The themes from employers were obtained through focus group sessions and telephone interviews. Participants included employers that offer health insurance and employers that do not offer health insurance. Each group was asked similar questions.

The Importance of Health Care and Health Insurance

The majority of employers agree that health insurance should be of concern to them. Employers feel that providing health insurance for employees is the right thing to do, and they are morally obligated to take care of their employees. Some employers offer insurance because they know their employees cannot afford it on their own.

“Yes. It is the employer's responsibility for the overall health and welfare of employees. An employer owes the employee more than just a wage.” –West Central Employer Offering Health Insurance

Many employers question whose responsibility it is to provide health care coverage. Some participants believe that employees expect employers to provide insurance because that is how it has always been, but some feel that employer-sponsored health insurance is not the most effective system.

“The question becomes should the business be the one to provide it? It has to be a national concern. Should businesses provide it? No, because assuming businesses were required to, we could not afford it and would close.” –Northern Lower Peninsula (NLP) Employer Not Offering Insurance

Other employers provide health insurance to retain good employees and decrease employee turnover and absenteeism, despite the fact that health insurance is one of the largest expenses for a business.

“Absolutely, because it is one of the highest cost factors you have in a business. Your business is not going to grow without good employees.” –NLP Employer Offering Health Insurance

“Yes. Everybody needs health care. You need it, or you will have no employees. Something happens and your good employees won’t be there for the customers.” –West Central Employer Offering Health Insurance

Employers who do not believe that health care should be a business owner’s concern say it is not feasible for them to offer health insurance to employees, or their employees have insurance through a spouse.

The Decision to Offer Health Insurance

Reasons to Offer Insurance

Employers offer health insurance because it allows them to recruit and retain employees, remain competitive in the industry, and is consistent with the values of their organization. Employers who offer insurance consistently identify more benefits to offering health insurance than do employers who do not offer insurance.

“If we didn’t offer it nobody would want to work here. Everybody is looking for health insurance.” –Upper Peninsula (UP) Employer Offering Health Insurance

“I want to give employees the quality of health insurance that we as owners have.” –Detroit Employer Offering Health Insurance

Reasons Not to Offer Insurance

Employers who do not offer health insurance acknowledge that they would like to offer health insurance to their employees, but are unable to do so because of the high cost of insurance and the lack of stability in the rates. Some employers stopped offering health insurance because employees wanted a higher wage, or because insurance was no longer needed because they had coverage through a spouse or another source.

“Cost is the only reason. They want way too much money for nothing. They want money up front and still want money at the office.” –NLP Employer Not Offering Health Insurance

“We can’t afford it. Such a small business, the package that I looked into buying is 70% of the profit that we are making.” –Detroit Employer Not Offering Health Insurance

“Health insurance has just skyrocketed. We have health insurance now, but it is like a \$2000 deductible. We just have it for us. I would love to offer it to employees, but we are lucky to have it ourselves. I would [offer it] in a heartbeat if it was affordable.” –NLP Employer Not Offering Health Insurance

“We stopped offering it seven years ago at the employees’ recommendation. We’re made up of three married people whose spouses have insurance. They chose higher wages instead of health insurance.” –NLP Employer Not Offering Health Insurance

Perceived Benefits

Key benefits to employers that provide health insurance include: increased employee longevity, decreased turnover, greater employee loyalty, better morale and a healthier workforce, which can lead to lower absenteeism and increased productivity. When wages are similar between companies, the benefits offered can make the difference in retaining employees.

“More stable employees. They feel they are provided with security.” –NLP Employer Offering Health Insurance

“More satisfied employees. If the employees are happy they are going to stay working for you. You are going to tend to attract better quality employees.” –West Central Employer Offering Health Insurance

“Secure feeling among employees. Their job is important and they are important to the employer, important enough to provide them with coverage and other benefits.” –NLP Employer Offering Health Insurance

Some employers that do not offer health insurance nonetheless realize the value of health insurance. Participants indicate that employees are more likely to remain with a company if they have health insurance, there is less absenteeism, and employees are happier and more satisfied if a company provides health insurance.

“They tend to stay longer if they have that benefit at an affordable rate.” –NLP Employer Not Offering Health Insurance

“Employees are happier and more satisfied [-] better retention of staff and healthier staff. Employees will accomplish more at work without being distracted by health problems. They will show up for work more regularly. Reduced costs from absenteeism...” –NLP Employer Not Offering Health Insurance

Difficulty Offering Health Insurance

Employers currently offering insurance say it is difficult because costs are extremely high for both the employers and employees, and pre-existing conditions limit the carriers and types of coverage that are available. Some participants find it difficult to offer insurance because they are small companies and do not qualify for larger group rates.

“It’s getting more difficult all the time, [the rising costs and decreased benefits]. To maintain the cost you cut benefits or raise premiums.” –NLP Employer Offering Health Insurance

“Cost is the main thing. If it didn’t cost so much I wouldn’t blink an eye about doing it.” –West Central Employer Offering Health Insurance

“The price. It’s hard to buy because of our small group. Employees can’t afford the rates with the size of our group. Agents are not interested in us as a small group.” –UP Employer Offering Health Insurance

“The price, the coverage, what [agents] offer, and trying to meet everybody’s needs in the group...[are problems]. Trying to [choose a plan] where everyone can afford the same deductible. You have to pick the deductible that is within reason. But some of them [employees] carry it just to have it, then they can’t afford it... You can’t have a \$1000 deductible when you pay these people eight or nine dollars an hour.” –West Central Employer Offering Health Insurance

Employers who do not offer health insurance indicate that it is difficult to offer insurance because of cost and the large annual premium increases that have occurred the past few years. Some employers recently dropped coverage, but the majority of the participants that do not offer insurance have never done so because they do not qualify for group rates. Employers who do not offer health insurance indicated that they are unable to increase the cost of their goods and services to afford the expense of health insurance.

“Difficult to plan year-to-year. Unpredictable premium changes.” –NLP Employer Not Offering Health Insurance

“Terrible coverage for too much cost. Can’t afford the prices they want. Have talked to employees, told them the cost, they tell me they aren’t interested for the cost.” –NLP Employer Not Offering Health Insurance

“We can’t afford it. Had done it for 20 years, became an economics thing, didn’t have a choice or [we] could not be open anymore.” –UP Employer Not Offering Health Insurance

“Do not have a big enough group. For small business, the package costs more. We tried to incorporate with other small businesses but couldn’t do that.” –Detroit Employer Not Offering Health Insurance

Employers who do not offer insurance feel that the major barrier they face in offering insurance is the cost.

“No good source for small business people to go to get an insurance package that won’t break the bank. Not being able to budget for unexpected changes. Unstable economy.” –Detroit Employer Not Offering Health Insurance

“Cost is so great that it is not manageable with any kind of coverage. Individual plan has a \$5000 deductible. It doesn’t cover much. Insurance is not a good value. You’re better off putting money in the bank. The cost outweighs the risk.” –NLP Employer Not Offering Health Insurance

“Economy of region. Lower wages in region. Insurance companies don’t base premiums on the cost of living. Top pay in this area is \$10 an hour.” –NLP Employer Not Offering Health Insurance

Response to Rising Health Care Costs

Most employers who offer insurance have changed their benefit structures and plan designs to enable them to continue offering insurance. The change in structure includes increasing employee costs and decreasing the level of coverage. Participants also respond to rising health care costs by joining a group for small businesses, such as the Chamber or Small Business Association to get better rates, change to a self-funded benefit plan, or work with individual employees to identify another source for insurance coverage. Many small employers would like to make changes to their health benefits, such as changing carriers or policies, but they are unable to do so because of employees’ pre-existing conditions.

“We have changed plans three years in a row in order to make the company profitable. It is the largest budget item that can be changed.” –NLP Employer Offering Health Insurance

“We shop around every year to make sure we get the best. Increased the deductible to reduce the premiums, give options for prescription plans and added plans they [employees] can choose or choose not to take. [We] offer AFLAC, that is more reasonable but still is not cheap.” –UP Employer Offering Health Insurance

“Grin and bear it. This year we switched to H.S.A. policies. That was the major change. Premiums are going up so fast. We looked for something about four years ago. We went from more comprehensive to less comprehensive coverage. We went from a Blue Cross, which covered basically everything, to more of a major medical policy. Then this year we went to a high deductible H.S.A. policy.” –West Central Employer Offering Health Insurance

“Cut services available to employees, like vision, dental, employees pay for prescriptions.” –UP Employer Offering Health Insurance

“Reduced benefits. We opted for higher deductibles, and opted for higher office visit charges. No prescription coverage. No eye. No dental. We have trimmed everything out that we can.” –NLP Employer Offering Health Insurance

Many employers who do not currently offer insurance respond to rising health care costs by providing reimbursement for medical visits or personal loans for medical expenses. Other employers say they increase salary or wages, offer sales incentives, and other financial rewards for longevity and loyalty. Some employers state that they have done nothing because of the economy and the high cost of health care and health insurance.

“Tried to increase wages as much as physically possible to allow them to go out, help off-set that cost a little.” –NLP Employer Not Offering Health Insurance

“I have to offer more in salary than the regular rate to try to keep employees and reduce turnover. I have to do it or if I don’t people will walk in and out.” –Detroit Employer Not Offering Health Insurance

“We have not offered another benefit. We try to help employees when something comes up, pay their deductible for medications, during the workday offer exercise breaks. We are looking at a self-insured program.” –Detroit Employer Not Offering Health Insurance

“Provide reimbursement for doctors’ visits and prescriptions for employees.” –UP Employer Not Offering Health Insurance

“Pay cash and negotiate prices. Don’t go to the doctor until there is something seriously wrong.” –NLP Employer Not Offering Health Insurance

“Not a darn thing. Haven’t done anything because there is nothing we can do. Insurance companies have us over a barrel.” –NLP Employer Not Offering Health Insurance

Withdrawal of Employers Offering Health Insurance

Many employers that offer insurance indicate that they have cut everything that they can in the budget, and see no end to the rise in costs. Employers feel that it is only a matter of time before they have to drop coverage. Participants who feel strongly about offering health insurance would continue to do so, but would raise the amount that employees are paying.

“Absolutely not. We might make it through this year. We will take a hard fast look at it. We will try to keep our key employees, give them a higher hourly wage and try to get it on their own. It is getting impossible for us to do it.” –UP Employer Offering Health Insurance

“You never know where it is going to go. We would like to. We’ll offer it, but at the same time raise what their share is and lower our share. We will still offer it. But we are in a lower income area, and a lot of them are single parents and they just can’t afford it.” –West Central Employer Offering Health Insurance

Employers who offer health insurance review premium increases annually, and while they shift more of the cost for coverage to employees, they are unsure how much longer they can continue to do so. Some employers offer insurance because they need it for themselves and their families. These employers state that they will do whatever is necessary to continue offering coverage because it is less expensive to get their health insurance through the business than on the individual market. Participants say they will continue to look for creative ways to offset the increasing cost of health insurance.

“Yes. If it got to be where it was \$300 or more per individual, I would have to drop it, even doing employee participation, which we do now. They pick up 50% of the cost.” –NLP Employer Offering Health Insurance

“If we had to go to 50% employee charge we would have to discontinue it. We would offer it but nobody would take it.” –NLP Employer Offering Health Insurance

“Since we are family owned, and we are providing insurance for ourselves, if the business doesn’t pay for it, I have to as an individual, and I don’t like that thought. No, I would say, I would have to cut something else, whether it be advertising for the business, or delaying purchase of equipment or store repairs, but we can’t go without health insurance. So something else would have to be cut. Even if there was a 100% increase from one year to the next. We would have to cut something else in order to keep the health insurance coverage.” –West Central Employer Offering Health Insurance

Making it Easier for Employers to Offer Health Insurance

Employers that offer health insurance feel lower premiums and lower deductibles would make it easier to offer coverage to employees. Some employers say that the state or federal government needs to have a role in

controlling the cost of health insurance. Participants also thought tax credits, changing the number of employees needed for a group rate, and eliminating some of the cumbersome paperwork associated with insurance plans would make it easier to offer insurance. Employers agree that educating employees on how to access care, and making employees healthier by encouraging preventive care, may decrease health care costs and enable employers to continue offering health insurance.

“If cost of it wasn’t so much at both ends, for them or for us. To be able to afford the 67% to give them benefits. It has to come from somewhere. You have to make more on the grocery end to be able to do that. It is a trickle down effect. It was more affordable last year. It just keeps going up, and up, and up.” –West Central Employer Offering Health Insurance

“Lower costs. Let’s say \$150 per employee per month. We are in a rural, low-income area. If employees could find health insurance for twenty bucks a week it would be really good for them. I would think even somebody working a six or six-and-a-half dollar an hour job could afford that.” –NLP Employer Offering Health Insurance

“Better educate employees on how to use it. Everybody has a “gimme attitude” and wants the best with the least effort. Need to know how to access care and keep themselves healthy. Lower costs by getting people healthier. Preventive care.” –NLP Employer Offering Health Insurance

“Plan that has options to meet diverse needs. Current system, people have trouble understanding health insurance and coverage. Simplify the process, less administrative hassle, ability to choose provider, simple for everyone.” –NLP Employer Not Offering Health Insurance

Employers that do not offer health insurance feel that reducing the cost would make it easier to offer coverage and that there should be a statewide or federal insurance program for individuals without insurance. Participants have varied opinions on what the monthly cost of insurance should be per employee, ranging from \$50 to \$200 per month per employee.

“More coverage, less premiums. Everybody is getting overpaid. Would depend on the amount of coverage. Would be happy with a BCBS plan for 1/3 of the current cost.” –NLP Employer Not Offering Health Insurance

“If someone offered low cost insurance for small business I would purchase it. \$100 per month per person would be affordable for employer contribution, [with a] \$50 employee contribution.” –UP Employer Not Offering Health Insurance

“I know my employees could never afford it. They all work part-time...they live week-to-week right now. Most of them go without. Our country needs to do something. Health care keeps going on the rise and so many people go without it.” –NLP Employer Not Offering Health Insurance

Financing Health Insurance

Employers feel that a fair system of financing health insurance would involve employers and employees sharing the costs, ranging from a 50-50 split to an 80-20 split, in which an employer pays 80% of the cost. Some employers suggest sharing the cost of premiums among employer, employee and government, with each paying one-third of the cost. Others believe that contributions from the employer and employee should be a percentage of their income or revenues, and the government should subsidize the remaining portion of the premiums.

“I would think a fifty-fifty split between the employer and the employee would be fair. They have to be a little bit willing to give...they don’t seem too willing to do that. It is a wonderful benefit, they don’t seem to realize.” –UP Employer Offering Health Insurance

“I don’t know if the government should pay for all of it, but they should subsidize it some to help people out. Fifty percent by the government, and then fifty percent by the individual or company.” –West Central Employer Offering Health Insurance

“I think a 50-50 deal with the employer and the employee is a fair system.” –West Central Employer Not Offering Health Insurance

“Employer, employee and government should pay a portion. It should be 1/3, 1/3, 1/3.” –West Central Employer Not Offering Health Insurance

“If it was affordable I would say the employers. But it is not. A small business struggles to keep things going, let alone try to offer insurance.” –NLP Employer Not Offering Health Insurance

Government’s Role in Health Care and Health Insurance

Many employers, whether or not they offer insurance, feel government has to reduce the number of people without insurance. While there was opposition to “big government”, some employers feel that a single-payer system where the government purchases insurance for everyone, negotiates lower rates and provides a basic health care plan with individuals paying a portion of the premium, would be beneficial in Michigan.

Some employers indicate that the government should create a state insurance program, in which small businesses and individuals can enroll with insurance rates based on a sliding scale. Many participants state that additional tax deductions or credits for offering health insurance would be helpful. Some want less government regulation in general, but more government activity to control health care costs.

“I would hate to lean toward a socialist view on this, but I think they need to regulate insurance companies...I think they need to regulate what the true cost of health care is...Hospitals, if they want to charge six dollars for a band-aid or ten dollars for an aspirin, have the right to do it, provided the people will pay. However, when Medicaid or Blue Cross is picking it up and the direct cost is transferred because of that, or our tax dollars are subsidizing it, I think that is wrong.” –NLP Employer Offering Health Insurance

“I am not real big on the government taking over our lives, but I think a little help, especially to the small business. Everyone is being affected by this; the schools, the city, every big company. It is just not feasible any more.” –UP Employer Offering Health Insurance

Other Issues

Employers that offer and do not offer health insurance expressed a distrust of insurance companies, and believe that it will be difficult to bring about major change in health care costs because of the insurance industry. Employers also mention medical malpractice lawsuits as a cause of increasing health care costs. In each of the sessions, employers expressed doubt about whether anything could be done to reduce health care costs.

APPENDIX I

Michigan Household Health Insurance Survey and Michigan Employer Health Insurance Survey Sample

Table AI: Michigan Household Health Insurance Survey and Michigan Employer Health Insurance Survey Sample Frame

Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7
Southeast Counties	Southwest Counties	East Central Counties	West Central Counties	Northern Lower Peninsula Counties	Upper Peninsula Counties	Detroit
Genesee Lapeer Lenawee Livingston Macomb Monroe Oakland St. Clair Washtenaw Wayne (ex. Detroit)	Berrien Branch Calhoun Cass Eaton Hillsdale Ingham Jackson Kalamazoo St. Joseph Van Buren	Arenac Bay Clare Clinton Gladwin Gratiot Huron Isabella Midland Saginaw Sanilac Shiawassee Tuscola	Allegan Barry Ionia Kent Lake Manistee Mason Mecosta Montcalm Muskegon Newaygo Oceana Osceola Ottawa	Alcona Alpena Antrim Benzie Charlevoix Cheboygan Crawford Emmet Grand Traverse Iosco Kalkaska Leelanau Missaukee Montmorency Ogemaw Oscoda Otsego Presque Isle Roscommon Wexford	Alger Baraga Chippewa Delta Dickinson Gogebic Houghton Iron Keweenaw Luce Mackinac Marquette Menominee Ontonagon Schoolcraft	City of Detroit

APPENDIX II

Recruitment and Attendance/Participation

Table AII-1: Insurance Agent Attendance at Focus Groups and Participation in Telephone Interviews by Region

Region	Insurance Agents		
	Focus Group		Phone Interview
	Signed-up	Attended	
Detroit	-	-	-
East Central	-	-	-
Northern LP	-	-	-
Northern LP2	-	-	-
Southeast	11	11	-
Southwest	-	-	-
Upper Peninsula	-	-	-
West Central	*	1	2
State Total	NA	12	2

*Recruitment did not include sign-up

Table AII-2: Uninsured Attendance at Focus Groups by Region

Region	Uninsured	
	Focus Group	
	Signed-up	Attended
Detroit	14	14
East Central	-	-
Northern LP	12	9
Northern LP2	-	-
Southeast	-	-
Southwest	9	1*
Upper Peninsula	-	-
West Central	-	-
State Total	35	24

*Participant had health insurance; family members did not

Table AII-3: Employer Attendance at Focus Groups and Participation in Telephone Interviews by Region

Region	Employers					
	Insured			Uninsured		
	Focus Group		Phone Interview	Focus Group		Phone Interview
	Signed-up	Attended		Signed-up	Attended	
Detroit	6	5	3	6	3	4
East Central	-	-	4	-	-	6
Northern LP	6	5*	4	7	2	5
Northern LP2	-	-	7	-	-	7
Southeast	-	-	8	-	-	7
Southwest	3	1	8	6	1	7
Upper Peninsula	5	4*	6	7	5	2
West Central	10	5	6	5	2	4
State Total	30	20	46	31	13	42

*Multiple participants in the group representing one business

Table AII-4: Employer Attendance at Focus Groups by Industry Type

Industry	Insured	Uninsured
Farming/Ranching	0	0
Mining	0	0
Construction	3	3
Manufacturing	1	0
Government	0	0
Finance/Insurance/Real Estate	5	1
Wholesale Trade	0	0
Eating/Drinking Establishment	0	0
General Merchandise/Apparel store	1	2
Lodging/Recreational Services	0	1
Personal and/or Business Services	3	2
Health Services	5	2
Food Store	0	1
Transportation/Communication/Utilities	2	1
Other	0	0
Unknown	0	0
All Industries	20	13

Table AII-5: Employer Participation in Telephone Interviews by Industry Type

Industry	Insured	Uninsured
Farming/Ranching	0	0
Mining	0	0
Construction	4	5
Manufacturing	3	4
Government	1	0
Finance/Insurance/Real Estate	4	4
Wholesale Trade	0	1
Eating/Drinking Establishment	0	6
General Merchandise/Apparel store	3	5
Lodging/Recreational Services	3	1
Personal and/or Business Services	12	9
Health Services	6	1
Food Store	3	0
Transportation/Communication/Utilities	2	2
Other	5	4
Unknown	0	0
All Industries	46	42

Table AII-6 Employer Attendance at Focus Groups and Participation in Telephone Interviews by Industry Type

Industry	Insured	Uninsured
Farming/Ranching	0	0
Mining	0	0
Construction	7	8
Manufacturing	4	4
Government	1	0
Finance/Insurance/Real Estate	9	5
Wholesale Trade	0	1
Eating/Drinking Establishment	0	6
General Merchandise/Apparel store	4	7
Lodging/Recreational Services	3	2
Personal and/or Business Services	15	11
Health Services	11	3
Food Store	3	1
Transportation/Communication/Utilities	4	3
Other	5	4
All Industries	66	55

APPENDIX III

Focus Group Protocols

General Information

Focus groups will be used to gather in-depth qualitative data from small- to mid-size business owners, insurance brokers/agents and uninsured individuals. The primary data collection goals of these focus groups are to enhance information on perceived barriers to providing employer-sponsored health insurance, and provide more detail on the state-level policy changes that would most likely influence businesses to provide health insurance to their employees.

There will be a total of eight employer focus groups, which will be organized by region. Each focus group will include eight to fifteen participants and last about ninety minutes. There will also be two insurance agent focus groups, and three groups that meet with uninsured individuals. Those focus groups will last two hours. Focus groups will take place in November and finish by the first week of December. Participants will be given a monetary incentive of \$25 for their participation and mileage reimbursement, when necessary and as the budget allows.

Participant Recruitment and Selection

- The Survey Research Unit (SRU) Coordinator will work with MDCH recommended contacts to recruit for the broker/agent and uninsured individual focus groups.
- Following data collection, SRU Coordinator will generate a list of employers to contact who indicated interest in participating in the focus groups in the Employer Survey.
- If more respondents are interested in participating in a focus group than the target group size, then the SRU Coordinator will create an Excel file of interested employers, and randomly select participants by county, firm size, revenue and industry type to contact.
- A telephone script will be developed for contacting interested participants to recruit them to attend the focus groups.
- If necessary, CRHOP staff will contact agencies/trade associations for assistance with recruiting employers.
- The Community Interface Workgroup will assist with recruitment of participants for focus groups as needed.
- CRHOP staff will work with trade associations to identify and select participants as needed.
- Scheduling the focus groups to occur within one week of the town hall meetings will be done when feasible so that additional recruitment of participants for the focus groups can occur at the town hall meetings.

Preparation

- Arrange for meeting facilities for all focus groups, including locating an appropriate facility that is comfortable and has adequate space, reserve the location, and plan all necessary accommodations.
- Schedule the focus groups at a time of day that is convenient to employers, for an appropriate length of time.
- Notify Focus Group participants of details such as date, time and location, and confirm all details with facilities.
- Arrange for equipment and supplies needed to conduct the focus groups.
- Arrange for cash/checks on hand to give participants monetary incentives the day of the focus group.
- Create electronic documentation format, incentive and mileage reimbursement forms.

Personnel

- Moderator: Guide the focus group discussion using the protocol, and ensure that all of the participants' perspectives are heard.

- Note-taker: Help set-up the equipment, greet participants, hand-out materials and take accurate, detailed notes during the focus group.

Equipment/Supplies:

- Tape recorders (Transcriber and micro-cassette recorder)
- Blank tapes
- Laptop computer
- Electronic documentation format: A form for the note taker to record basic information, such as the date, start and end time, and number of participants
- Name tags/tent cards: Prepare cards using first names for all participants, the facilitator, note taker/assistant, and other personnel
- Mileage reimbursement forms
- Incentive reimbursement forms
- Petty cash
- Ice Water/Refreshments

Procedures:

- Mark each tape with the name of the focus group, the date, and time. Prepare the tape recorder and test it.
- Upon arrival, provide each participant with name tag/tent card and reimbursement form.
- When all participants have arrived (or at the designated start time), begin the focus group with the informed consent statement.

Informed Consent Statement:

You have been selected to participate in this focus group because of (Michigan business employer/insurance agent or broker). Your participation is totally voluntary. You can stop participating at any time, and can decide not to answer any question. Should you choose at any time to quit participating in the group it would not affect you in any way. We are asking you to give verbal consent to participate rather than written in order to protect your anonymity. Your continued participation in the focus group will be considered your consent.

We will be audio-taping the group as well as taking notes. Once the tape is transcribed and verified, it will be destroyed one year after the project date (May 2007). No names, even should you mention each other's names, will be included in the transcription. The tapes and transcripts will be kept confidential. They will be kept locked up; only project staff will have access to the tapes and transcripts.

Aside from the risk of losing anonymity, there are no other risks to participating in this focus group. You will receive \$25 for your participation. Your active participation in this group will help us to develop strategies for reducing future costs of health insurance to employers and extend health insurance to additional workers and their families. If you have any questions about your rights as a research participant, you can contact MPHI's Institutional Review Board Chairperson (staff name) at (phone number). Are there any questions?

This focus group will take about 90 minutes this afternoon. We will ask you questions and help keep the conversation going. We ask that each of you here keep confidential the information shared during this focus group.

Data Collection, Recording and Reporting

- The Moderator will guide the participants through a series of questions using the focus group protocol, designed to elicit responses to provide the necessary data.
- The Note-taker will assist with preparation of the focus groups as well as take detailed notes.
- The focus groups will be audio-recorded to allow for the analysis of written transcripts.
- Transcribe the focus groups from the audio-recording into focus group data.
- CRHOP project staff will analyze the data and a report will be written.

Security

- Tapes will be kept in locked drawers and cabinets.
- Tapes will be destroyed one year following completion of the project.
- Only those personnel involved in the project will have access to the tapes and transcripts.
- Participants' names will not be used in the transcripts or report.

Phone Interview Protocol

General Information

We will supplement all the focus group locations with phone calls. We would like the recruitment targets to be 50% male and 50% female from each region, a variety of industry types and sizes, and different counties within the region.

Completion Goal

- Ideally we would like a total of 8-10 participants per region. This includes individuals that attended focus groups in their specific region, but due to time constraints and project deadlines we will start with a smaller number.
- In the regions where no focus group was held, start with four uninsured employers and four insured employers.
- In the regions where a focus group was held, start with two uninsured employers and two insured employers.
- If there is time to do more phone calls then the number can be adjusted.

Phone Calls

- There is a study set up in CATI (FOCUS_G) in which calls can be made.
- Employees from the recruitment files can be contacted.
- Begin with the individuals that were signed up for the focus group, but did not show up.
- SRU staff will do all the phone interviews.
- Each SPG team member will be assigned a region(s), and it will be his/her responsibility to load the employers' information into CATI.

Loading Information into CATI

- Begin by loading the individuals that agreed to participate, but did not show up. Add a comment in the "note" field that indicates they agreed to participate in the focus group. This will help when making the initial call.
- Next, start by going through the sorted uninsured participant and sorted insured participant file. Those that seemed interested and could not make it due to the date, drive or other commitments should be loaded first.
- Try to have a mix of counties and industries, when possible.
- Make sure to add the region and county into the user-defined field. The county will be the variable that you use to make callbacks.
- The SRU Supervisor will continue to add individuals that are sent by SPG Workgroup members. She will also notify the individuals assigned to those counties when they are added.

Scheduling Appointments and Running Callbacks

- Schedule calls when you are available. It is much easier and more efficient if you block off a portion of your day to make calls. Rather than asking the employer for a convenient time, try to fit them into the slots when you are phoning.
- If the employer requests a time when you are already busy or not available, check the schedule of another team member.

- A template of the schedule is available. Each individual can develop her own schedule of calls, and save it with their name as the title of the document. This will allow the others to check her schedule if they are having difficulty fitting an interview into one of their time slots.
- Daily callbacks should be run by each team member for their region. This can be done by looking at the schedule of calls in Excel and printing out the record number or doing it in CATI Supervisor.
- If using CATI Supervisor you can use the search function and select callback date = today's date and region = region you are calling. Click on "continue" and then "search". This will bring up any callbacks in that particular region.

Phone Call Script

- Before making the call you will need to know whether the employer offers or does not offer insurance. This answer will bring up the appropriate questions.
- The CATI script should be used as a guide, and any portion of the introduction can be changed or ad-libbed as appropriate, except for the informed consent.
- Treat the questions in CATI just like the focus group questions. If other themes emerge during the call, follow-up with a probe.
- If there is a unique theme that comes out of the phone call, it should be noted on a separate sheet of paper or noted in the same text box of the question. We will only be outputting data for the answers, and it is extremely time-consuming to review the comment box notes so try to avoid this. You can always note anything on a separate sheet as long as it is labeled with the contact information and region.
- Make sure all calls are taped, and any notes are labeled with the appropriate information.

Miscellaneous

- Tape all interviews. Make sure that all phone calls for the region are on the same tape. This will make transcribing and listening easier.
- Must use the mini-tape recorders when making calls.
- Order more tapes if necessary.
- Set up monitoring/recording station in mini-lab.

Recruitment Script for Employer Focus Groups

Hello, my name is _____ and I am calling on behalf of the Michigan Public Health Institute. Recently you completed an employer survey for our State Planning Grant project, and indicated that you would be interested in participating in a focus group.

The purpose of the project is to develop a plan that puts forth a set of realistic strategies and viable options that will lead to health insurance coverage for all Michigan residents and promotes an understanding of uninsurance issues among key stakeholders and policy makers.

We will be holding two focus groups in each region: one group for employers currently offering health insurance, and one for employers who do not. You will receive \$25 for participating (along with mileage reimbursement).

The focus group will take approximately 90 minutes. The focus group for your region will be held in _____ at the _____ from _____. Would you be interested in participating?

If yes – We will send out a letter confirming the details of the focus group in the next few days. Can I verify your mailing address?

Thanks,

If no – Find out why not and note it in the Excel file

Confirmation Letter to Employers



Michigan Public Health Institute
2440 Woodlake Circle, Suite 150
Okemos, MI 48864
Ph: 517/324-7316 Fax: 517/324-1220

Date

Name
Company
Address

Dear Ms. _____:

Thank you for agreeing to participate in the employer focus group for the State Planning Grant. This is an opportunity for you to contribute your knowledge and insight into the project. The goal of the State Planning Grant is to promote an understanding of uninsurance issues among key stakeholders and policymakers and to develop a plan that puts forth a set of realistic strategies and viable options that will lead to health insurance coverage for all Michigan residents.

The focus group will be held on **Day of Week, Date and time** in the **name of location**. The address is XXX Street, City, MI, Zip. A map is attached. You will be given \$25 as an incentive for participating. The reimbursement and incentive check will be processed and distributed two weeks after the focus group has been conducted.

Some of the topics that will be discussed at the focus group are:

- What makes it difficult to purchase health insurance?
- What could government do to help with the purchase of health insurance?
- Should healthcare be a concern of a business owner?
- What have you done in response to rising health care costs?
- What do you see as a fair system for financing health insurance costs?

If you have any questions, I can be reached at XXX-XXX-XXXX or via email at XXX@mphi.org. Any questions on the day of the event I can be reached at XXX-XXX-XXXX.

Sincerely,

Name
Title
CRHOP-MPHI
2440 Woodlake Circle, Suite 150
Okemos, MI 48864
Phone: XXX-XXX-XXXX
XXX@mphi.org

APPENDIX IV

Focus Group Questions

Insurance Agent Focus Group Questions

1. First, let's go around and have each person introduce themselves; include what types of insurance you sell, and what types of organizations you sell to.
2. Is it difficult to sell health insurance? If so, what makes it difficult?
3. What would make it easier for you to sell health insurance?
4. What could/should government do to help with the sale of health insurance?
5. Should health care be a concern of a business owner? Why?
Probe: Do you feel that the employers you work with feel that health care is their concern?
6. What are the top two reasons you are given for why a client drops health insurance?
7. What are the top two selling points you use to try and convince a potential business client to purchase/retain health insurance for their employees?
8. For those employers who offer health insurance, what have the rate increases been over the last three years?
9. What are you advising your clients to do differently as a result of the increase in cost? (Example: cost sharing, premium sharing, move to a different carrier, increase employee contributions, change benefit plan design, drop health benefits, etc.)
10. Other than cost, what do you believe to be the major problems and concerns that employers have with offering health insurance to employees?
11. Is the demand for health insurance elastic? (Does the demand for health insurance change with the price of health insurance).
12. Do you feel there are disparate commissions that encourage or discourage the sale of certain health insurance policies?
Probe: Explain the commission process and does this impact what policy is offered to employers?
13. Follow-up: Do you feel that those commissions have a negative impact on the best interest of the consumer?
Probe: Do you feel that the employers are frustrated with insurance companies – how do you handle react to those situations?
14. What do you see as a fair system of financing for health insurance?
15. Are there any questions that we may have missed? Is there anything else you would like to discuss?

Uninsured Consumers Focus Group Questions

1. First, let's go around and have each person introduce him or herself.
2. What does health insurance mean to you?
3. Do you currently have health insurance?
 - Do all of your family members have health insurance?
 - Have you ever had health insurance?
4. There are many reasons why some people do not have health insurance. How about for you – what are some of the reasons that you do not have health insurance?
 - How long has it been since you were covered?
 - Why did your health insurance coverage stop?
5. Does your employer offer insurance?
 - Are you eligible for it? If you are not eligible, why not?
 - Why have you not enrolled?
6. How important is it for you to have health insurance?
 - For your family members?
7. For those that had health insurance now or in the past, what, if anything, did you not like about your health insurance?
8. In your family, where does health insurance fall in the list of things you want or need to have? That is, how does it rate when you think of other things such as housing, car payments, entertainment, or food?
 - Would you cut back on any of these to be able to pay for health insurance?
9. Have you looked into getting insurance (buying it on your own)? What happened when you did?
10. What problems have you or others you know had in getting health insurance?
11. Besides cost, what makes it hard to purchase health insurance?
12. What would you be able to pay for health insurance for yourself per month?
 - For your family per month?
13. Have you had any problems getting healthcare?
 - Have any other people you know had problems?
14. How do you get your medical needs met?
 - Do you go to a personal physician, urgent care, or emergency room?
 - Do you go for primary (routine checkups) or only in an urgent or emergency situation?
15. How do you get your family's medical needs met?
 - Do they go to a personal physician, urgent care, or emergency room?
 - Do they go for primary (routine checkups) or only in an urgent or emergency situation?
16. Are you familiar with the State-sponsored health care programs? Probes: What do you think of them?

17. What should be done so people can get the health care they need?
18. What should be done so people can get health insurance?
19. What are the important services in an insurance plan? (Ex: medical visits, dental care, vision, prescriptions etc.)
20. We have talked about problems and concerns with health care and health insurance. Is there anything we have not discussed about health care that you would like to talk about?

Insured Businesses Focus Group Questions

1. First, let's go around and have each person introduce themselves; include what type of business you are in and how many employees you have.
2. Should health care be a concern of a business owner? Why?
3. What are the top two reasons you offer health insurance?
4. What do you see as the key benefits to a company providing health coverage to its employees?
5. Is it difficult to offer health insurance to your employees? Probe: What makes it difficult to purchase health insurance?
6. What would make it easier for you to offer health insurance?
7. What have you done in the past three years in response to rising health care costs? Probe: Can you continue this approach into the future?
8. If costs continue to rise at the current rate, will you be able to continue to offer health insurance to your employees? Probe: How much longer?
9. Are there situations where you would totally withdraw your offer of coverage (Example: a certain percentage of premium increase, a certain dollar amount increase, etc.)?
10. What do you see as a fair system of financing for health insurance?
11. What could/should government do to help with the sale of health insurance?

Uninsured Businesses Focus Group Questions

1. First, let's go around and have each person introduce themselves; include what type of business you are in and how many employees you have.
2. Should health care be a concern of a business owner? Why?
3. What do you see as the key benefits to a company offering health coverage to its employees?
4. Has your company ever offered health benefits? If yes, what caused you to discontinue them?
5. What are the top two reasons you do not offer health insurance?

6. What have you done in the past three years in response to rising health care costs? Probe: Can you continue this approach into the future?
7. Is it difficult to offer health insurance to your employees? Probe: What makes it difficult to purchase health insurance?
8. What would make it easier for you to offer health insurance?
9. What would make you willing to provide health insurance?
10. What factors pose the biggest barriers to offering health coverage in the state?
11. What could/should government do to help with the sale of health insurance?
12. What do you see as a fair system of financing for health insurance?

APPENDIX V

Marketing Materials

Recruitment Letter to Insurance Agents



Michigan Public Health Institute
2440 Woodlake Circle, Suite 150
Okemos, MI 48864
Ph: 517/324-7389 Fx: 517/324-6098

September 20, 2005

I am contacting you on behalf of the Michigan Department of Community Health and the Michigan Public Health Institute regarding an exciting opportunity to contribute your knowledge and insight to Michigan's State Planning Project for the Uninsured. The goal of Michigan's State Planning Grant is to promote an understanding of uninsurance issues among key stakeholders and policymakers, and to develop a plan that puts forth a set of realistic strategies and viable options that will lead to health insurance coverage for all Michigan residents.

We will be conducting two focus groups with health insurance agents and brokers. One will be held in Detroit and one in Grand Rapids. The Detroit focus group will take place in early October, and will last approximately two hours. The Grand Rapids focus group will take place at the beginning of December. This is a unique opportunity to be involved in a very important project that can have a major impact on health insurance in Michigan.

The purpose of the focus groups is to discuss:

- Common myths held by small- and mid-sized business owners about providing health insurance to employees;
- Successful strategies brokers and agents have developed with small businesses to provide health insurance; and
- Brokers' and agents' perceptions of small business owners' awareness and interest in small group market reform.

We can use your help! If you are interested in participating in the project, or are able to recommend colleagues who may be interested please contact me at XXX-XXX-XXXX or via email at XXXXXXXXXXX. You can find a link with more detailed project information at XXXX.

Sincerely,

Survey Lab Coordinator
Center for Collaborative Research in Health Outcomes & Policy
Michigan Public Health Institute
Okemos, MI 48864

Recruitment Flyer for Employer Focus Groups

Michigan State Planning Project for the Uninsured

The Michigan Department of Community Health is studying the challenges that Michigan businesses face in offering health insurance to their employees. The goals of the project are to develop strategies for reducing future costs of health insurance to employers, and to extend health insurance to additional workers and their families. This project is federally funded by the Health Resources and Services Administration (HRSA) through the State Planning Grant program.

We are looking for 10-15 employers to participate in a 90-minute focus group discussion about health insurance.

A focus group is a research method used to gain information about the views and personal experiences people have related to a specific issue or topic. We will be holding two focus groups in each region; one group for employers currently offering health insurance, and one for employers who do not. Participants will receive \$25 for their participation.

Some of the topics that will be discussed at the focus groups are:

REGION

Date:

Time:

10:00 - 11:30 (do not offer insurance)

1:00 - 2:30 (offer insurance)

Location:

What makes it difficult to purchase health insurance? government do to help with the purchase of health insurance?

Should health care be a concern of a business owner?

What could you have done in response to rising health care costs?

What do you see as a fair system for financing health insurance costs?

If you are interested in participating, please contact:

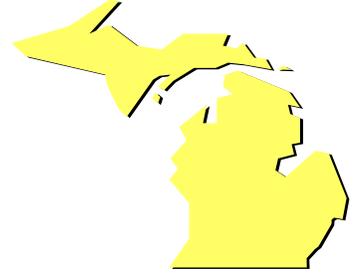
Survey Lab Coordinator

(xxx)xxx-xxxx

Email: xxxxxxxxxxxxxxxx



MICHIGAN'S STATE PLANNING PROJECT FOR THE UNINSURED



The Michigan Department of Community Health is studying the challenges that Michigan residents face in getting health insurance coverage and health care services. The goal of the project is to develop a plan that will lead to health insurance coverage for more Michigan residents and promote an understanding of the issues related to being uninsured among policymakers and key stakeholders. The Health Resources and Services Administration (HRSA) funded this project through the State Planning Grants program.

If you currently do not have health insurance, and you are interested in sharing your experiences, we would like your input!

We are looking for 15-20 interested volunteers to participate in a two-hour focus group discussion about health insurance. A focus group is a research method used to gain information about the views and personal experiences people have related to a specific issue or topic. Volunteers will receive \$25 for their participation.

Some of the topics that will be discussed at the focus group are:

- ✓ The importance of having health insurance
- ✓ Reasons that you do not have health insurance
- ✓ Difficulty you have had in getting health insurance
- ✓ Barriers that prevent you from purchasing health insurance
- ✓ Challenges that you have experienced in getting yourself or your family quality health care.

Date:

Time:

Where:

If you have any questions please contact: Survey Lab Coordinator at xxx-xxx-xxxx or via email at xxxxxxxxxxxx.