

**Texas State Planning Grant
Focus Group Summary
Austin, Texas – September 12, 2001**

As part of the federally-funded Texas State Planning Grant study, the Texas Department of Insurance contracted with the Texas A&M University Public Policy Research Institute (PPRI) to conduct a series of focus group meetings with small employers and uninsured individuals throughout Texas. These sessions were held to explore the views of consumers and employers about the value of health insurance as well as their personal experiences and expectations regarding the health insurance system in general.

The guidelines used for conducting focus groups are uniquely designed to obtain unbiased responses that are reflective of the participants' personal feelings and perceptions. Facilitators are trained to assure that all participants participate and that each individual's opinions are recorded and reflected in the summary report. Under a time-controlled format, each participant is asked to respond to specific questions or statements. Time is provided at the end of each question for participants to provide additional written comments.

This summary is an abbreviated report of the focus group sessions held in Austin and is provided by Texas Department of Insurance staff who attended the focus group meetings. The responses to questions listed below reflect the personal statements and opinions of the focus group participants. A comprehensive analysis of all focus group sessions is being prepared by PPRI and will be available in January 2002.

Please note that you may find statements made by participants that are factually incorrect or suggest that the participant may not fully understand or has misconceptions about certain laws or state program requirements. However, this information is important in that it likely reflects the attitudes and perceptions that are held by other consumers across the state. The focus group facilitators did not attempt to correct inaccuracies to avoid influencing the participants' responses. However, where appropriate, TDI staff did provide additional comments or information at the conclusion of the session to assist the participants.

Uninsured Individuals' Responses

Texas has the highest rate in the country of people who don't have health insurance. Why do you think so many Texans don't have insurance?

- Texas has many immigrants who cannot afford the premiums and do not qualify for public programs like Medicaid.
- Many of the uninsured are sick or have a pre-existing condition that makes them uninsurable. Unless they are fairly wealthy, they cannot afford coverage in the Texas Health Insurance Risk Pool and private insurers refuse to cover them.
- Insurance is too expensive (even middle-income families cannot afford the premiums any longer).
- Texas has a lot of part-time workers, and employers do not usually cover part time employees.
- The requirements for Medicaid are too strict. Adults really cannot qualify for Medicaid.
- Self-employed workers cannot afford health insurance, and Texas has a lot of self-employed people.

- The insurance companies intentionally keep health insurance premiums high. As long as they can get away with it, they will continue to do so and lower income families will never be able to afford health insurance.
- The insurance lobby is too powerful in Texas. They do whatever they want and no one ever stops them.
- Insurers take your premiums when you are healthy. When you get sick, they raise your rates so high that you can no longer afford the cost when you need the coverage the most.

What kind of assistance or support do you think would help more Texans to obtain health insurance?

- Workers need to find a job with a large company that offers good health insurance benefits.
- We need to create a national health insurance program if we are serious about wanting everyone to be insured. Everyone has a right to good health care, but not everyone is able to work.
- The state needs to regulate health insurance rates and prohibit companies from raising rates so high when a person gets sick.
- HMOs should offer coverage to individuals, not just groups.
- The State of Texas should create a program that allows individuals to have insurance.
- The state should help people who lose their jobs pay their COBRA premiums so they will not lose their insurance.
- We need to require employers and insurers to insure temporary and part-time employees.
- Employers should be required to pay their employees' premiums.
- The state needs to lower the cost of medical care.
- Texas should create a pool for individuals to join to get affordable health insurance.
- Texas politicians need to look at health insurance as a right and necessity instead of as a luxury or a benefit. The state either needs to provide a program for affordable health insurance or a health care program for people without health insurance so they can at least get the health care they need.
- The state should require the Texas Health Insurance Risk Pool to offer a lower cost option. Most people would rather have a less comprehensive plan that covers at least typical health costs than have nothing at all. A less comprehensive plan would cost less.
- The Texas Health Insurance Risk Pool should offer a higher deductible plan – such as \$5,000. Some people can afford the basic health care costs, but they want protection from major illnesses so they do not lose everything they have if they get sick.
- Texas needs a program like CHIP for adults. Most people want to pay something for their health insurance, but they cannot afford a lot of money. They need help from the government.
- The insurance rules need to be “fair” for all individuals and all employers. Insurance companies should not be able to discriminate between individuals or companies; everyone should pay the same regardless of their health or where they work.
- We need more regulation of insurance companies. Insurers should not be able to drop people when they get sick and need insurance the most.
- The state needs to better educate people about how to purchase health insurance. A shopping guide with tips on how to compare health insurance policies would help.
- The state needs to publish a rate guide to help the typical consumer shop for an affordable policy.
- Texas needs to work on improving the economy so more employers can provide health insurance benefits.

If you decided to purchase health insurance, or if your employer decided to contribute to health insurance, what questions or concerns (other than financial concerns) would you have?

- Are pre-existing conditions covered?
- What medical services are covered?
- Can I see my own doctor, or does the insurance company decide who I can see?
- Will the company actually pay the claim if I get sick? Too many companies find excuses to not cover claims and the average person cannot fight them.
- Will they pay claims on time? Insurance companies cancel you immediately if you do not pay your premiums, but they take months to pay claims.
- What are the co-pay requirements? Are there different co-pays for different services, and what are they?
- How much are my rates going to increase when I actually start using the coverage?
- Will my insurance company be bought by another company and my rates increased?
- Are the doctors on the list any good?
- If someone in my family gets sick, will the insurer cancel my insurance?

What would be the best way for you to learn more about health insurance and the options that are available to you?

- Television ads and radio announcements.
- The state should provide pamphlets and booklets in places people are likely to see them, such as post offices, grocery stores, doctors' offices, hospitals, emergency rooms.
- The Texas Department of Insurance should have a "counselor" to help consumers shop for insurance. They should also publish "plain English" booklets that have shopping information in easy-to-understand terms, not technical insurance jargon.
- Newspapers should publish information on a regular basis to help consumers who lose their insurance and need to find an affordable health plan.
- Publish everything on the internet for people who use computers. However, do not use just the Internet since many people (especially low-income individuals) do not have computers.
- Put information in the doctors' offices. This is the place where people are most likely to be looking for help with their medical care.
- TDI needs to be more "proactive" and help consumers more. You really cannot get help shopping for insurance. Help is only available if you have a complaint or claim problem. People without health insurance do not really get any assistance from TDI.
- TDI should publish a list of "good" companies who offer health insurance and the prices of their available policies.
- Consumers need more help from the state. Where can we go to get "unbiased" information on whether a policy is a good deal or not? You really cannot trust insurance agents since they are paid commissions and always want to sell you the most expensive policy, which most people cannot afford and may not need.
- We need one place to turn to for help – someone at the state to represent the "average person."

What kind of contact have you had with health insurance providers? What has your experience been when dealing with the insurance agents and insurance companies?

Most participants generally felt that insurers do a poor job of communicating with their insureds and often provide misleading or incorrect information. Several people described experiences in the past when insurers refused to pay for services even though they were pre-approved. One person who used to work in a doctor's office said she sometimes had people come in to see the doctor who did not know their insurance had been canceled until she called to verify their coverage. The company never notified them that their policy had been canceled.

Several people had poor experiences with insurance agents and felt that agents in general could not be trusted. The participants agreed as a group that the industry itself was interested "only in making money" and not interested in helping people without health insurance. One man indicated that he received conflicting information from his agent and the insurer and did not know whom to trust.

Small Employers' Responses:

Texas has the highest rate in the country of people who don't have health insurance. Why do you think so many Texans don't have health insurance?

- Insurance has become so expensive that employers can no longer afford to provide coverage.
- Insurance premiums continue to increase if small businesses retain older employees, and this gives employers the incentive to hire primarily young, healthy people.
- Insurance agents/companies often will not return phone calls to small businesses. Most small employers do not have a lot of time to "shop around," and many companies find it difficult to even find someone who will talk to them.
- Agents often quote a low premium and demand a full month's premium up front, and then the underwriting department raises the actual premium to an unaffordable amount.
- Since companies keep reducing benefit packages, it no longer makes sense for employees to pay a large amount of money for so few benefits. People do not want to spend money on something they never use.
- Agents do a poor job of helping small employers. They do not need the business, and small employers just do not have the time or knowledge to negotiate with agents or insurers, so they just "give up." As a result, their employees are uninsured.

What kind of assistance or support do you think would help more Texans to obtain health insurance?

- Make it easier for small businesses to shop for health insurance. The state should hold seminars or meetings with small businesses to educate them on how to shop and compare insurance rates.
- The state should better regulate insurance rates if they are really interested in getting people insured. The insurance industry has "free rein" to charge whatever they want.
- Create an alliance for small businesses to join so they can get lower rates and better coverage.

- Eliminate the loopholes that insurers use to raise rates, deny coverage, etc.
- The insurance system is too hard to navigate. The state needs to help small businesses more since most small employers cannot afford to hire a benefits manager just to work on insurance issues.
- Standardize insurance coverage to make it easier for employers to compare the costs and benefits of different companies' plans.
- The state needs to offer incentives to small employers who do offer health insurance. It is hard for small employers who do offer insurance and have that added expense to compete with competitors who do not offer health insurance.
- The state should not place this burden on small employers. The state needs to come up with a comprehensive plan that covers everyone and does not further burden small employers.
- The state needs to better regulate the industry to assure more stability. Insurers are in control at this time while employers are basically powerless.
- The participants agreed unanimously that if the state does nothing else, it should standardize benefit plans and provide uniform rates. Everyone should pay the same, whether they work for a small employer or a large employer, and regardless of whether they are sick or healthy.

If (or when) you provide or contribute to employee health insurance, what questions or concerns (other than financial concerns) would you have?

- What services are covered and what is excluded?
- Does the insurance company pay claims quickly, or does it have a reputation of frequently denying valid claims?
- Can I see the doctor I want to see?
- How high is the deductible?
- Who makes the decisions about your health care – the doctor or the insurance company?
- What are the rate disparities among different age employees and men and women? Some companies' rating systems discourage employers from hiring certain people if they know their insurance rates will be higher (i.e., older people or younger women who may become pregnant).

What would be the best way for you to learn about health insurance as an employee benefit and the options that are available to your employees?

- Someone from the insurance company should be able to explain the information.
- The state should provide information for small employers through brochures or benefit plans.
- The state should establish a central clearinghouse with resources and price information.
- The state should enclose information with tax notices.
- A good insurance agent would be the best source, but it is hard to find a good agent.
- TDI needs to have a small business health insurance advocate and should inform small businesses how to reach the advocate.

What kind of contact have you had with health insurance providers? What has your experience been when dealing with the insurance agents and insurance companies?

- Most agents are “useless” and cannot answer questions or are not really interested in small businesses.
- Insurers have created “fear” among doctors, and doctors are now charging people for things they normally would not.
- Insurers are slow to respond to any questions you have after they have received your premium.
- The industry in general is very unstable. Employers are always worried their rates will be increased and cannot plan from year to year without some certainty as to how much insurance will cost.
- The paperwork from insurers is overwhelming – both when you apply for coverage and when you file a claim.
- Insurers do everything they can to delay payment. They lose claim forms, and the individual has to repeatedly file the same information in order to get paid.
- Insurers seem to intentionally make paperwork confusing and difficult to understand. They hope that eventually the person will give up and the insurer won’t have to pay the claim.
- Insurers are not worried about the average consumer or small business since they have a large staff of lawyers and can easily fight the small businessman.