

Texas State Planning Grant
Focus Group Summary
Houston, Texas – September 19, 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 Houston 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 health insurance?

- There are a large number of people who are unemployed, yet do not qualify for state assistance. These individuals are unable to provide coverage for themselves.
- Many people have pre-existing conditions and, therefore, have a difficult time finding affordable coverage.
- Insurance is largely tied to employment in Texas, and an increase in unemployment in our state thus reduces the number of insured. Also, the number of those in Texas with an education level sufficient to get a higher paying job is low.
- People do not understand health insurance in general or the importance of having insurance. Also, there is a lack of information available to Texans about health insurance.
- Texas is largely a pro-business state that does not provide many social services to its citizens.

- There are a large number of Spanish-speaking citizens in Texas that face a language barrier and are not treated well by the insurance industry or state government workers. The application process is harder for these individuals, and access to information is limited.
- The paperwork is difficult to understand and complete, and there is much confusion about the rules and regulations related to health insurance.
- There is a large population of undocumented residents who do not know how to access health care or health insurance.
- Many employees are given the option of higher salaries or enhanced benefits from their employers. Life's necessities cause them to choose the higher salary over health insurance.

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

- An insurance policy should be created that has lower premiums and fewer stipulations so that middle-income individuals can afford it and those with pre-existing conditions can participate.
- The “motive for profit” in insurance companies should be removed.
- Improve the availability of health care that is currently being provided by the state or counties, and educate participants on how to use it.
- Simplify the application process for insurance coverage.
- Have the state undertake more campaigns to encourage people to apply for existing programs, and to know the rights they have concerning their health care.
- Motivate people who think they presently don't need health insurance to purchase coverage.
- Implement an automatic health insurance payroll deduction for all employed individuals.
- Make available a variety of benefit plans to meet individual needs.

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

- Whether the policy provides medical and dental coverage with flexible benefit options.
- Who is going to treat the patient – a real doctor or an intern?
- Wants coverage based on a sliding scale based on income and affordability.
- Will the policy cover minor and major illnesses and prescriptions?
- Can the entire family/dependents be covered by the plan?
- Do I have a choice in which doctor I see?
- Does the plan limit the number of medically related visits?
- Will the plan cover pre-existing conditions? If so, can the policyholder choose the specialist to treat that illness, or will the primary physician have to do a referral?
- Will a change in carriers result in a lack of coverage for pre-existing conditions?
- Are out-of-network physicians included in the plan?

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

- Have the state put out a consumer booklet for all Texas citizens to access when looking for insurance.
- Create public workshops educating individuals about health insurance.
- Undertake a marketing campaign with a Hispanic figure to speak to the Hispanic population, and an African-American figure to speak to the African-American population about health insurance.

- Make it mandatory for physician offices to provide information on how to use the services available.
- Establish a Consumer Governing Board that consumers could report to about health insurance problems.
- Provide brochures in all necessary languages to the population, and market options on television and radio shows, the Internet, on billboards, and through mail-outs.

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?

This particular group had numerous pre-existing conditions that the individuals could not get a new insurance policy to cover. Some of the unemployed individuals wanted to continue coverage under their insurance plans provided by their employers when laid off, paying the premium costs themselves, but were unable to do so. Many expressed frustrations with insurance plans that required them to have a primary care physician to refer them to other doctors – they want an insurance plan with more freedom of choice. Several participants received questionnaires from their insurance companies pertaining to the doctor’s or hospital’s billing procedures, which they felt was not their role as a policyholder. Each Hispanic participant provided examples of mistreatment by individuals working in both private and public insurance entities.

Small Business Employers’ Responses:

(Note: This session included at least one individual who was employed by the insurance industry.)

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?

- As a border state, Texas has a large percentage of illegal immigrants who are offered jobs, but not insurance.
- Texas has a high percentage of people who are employed by small businesses who cannot afford to provide health insurance.
- The Texas health care system provides a lot of indigent care and free services, which decreases the demand for health insurance.
- Health care costs are driven higher by the third party payor system (i.e. insurance companies).
- Texas has a small percentage of unions, and thus less unionized health care.
- Texas has a large percentage of agriculture workers who cannot afford health insurance.
- Texas law does not protect individuals with pre-existing conditions, which makes individual and small group insurance costly or unaffordable.
- A large percentage of Texas workers are in low-income jobs and they cannot afford insurance.

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

- Less government involvement. Mandated benefits have driven up the costs and politicians need to stop legislating mandates and allow small businesses to offer basic plans in order to attract more people.
- The government could assist by keeping out of the health care debate and letting the market forces control the issue. Remove any “Patient’s Bill of Rights” because lawsuits drive up costs and result in more uninsured.

- Establish a universal health care system in Texas with large government involvement in all aspects of health care.
- Restructure MSA (Medical Savings Account) programs to make them more affordable and accessible.
- Allow all policies to exclude pre-existing conditions.
- Provide more education about health insurance – especially look at marketing health insurance as a catastrophic coverage issue vs. an entitlement for all citizens in all states of health.
- Create an insurance organization that pools small businesses together to create a larger pool to spread risk and reduce the costs.

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

- What benefits are included, and how many of them are mandates?
- Are there maximum limits of coverage?
- Am I being offered *all* of the options available to me (i.e. a basic benefits plan or catastrophic coverage plan)?
- What weight will pre-existing conditions have on the health plan?
- Are there ways to reduce premiums (i.e. – preventative testing, non-smokers)?

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?

- Communicate with an insurance agent who is educated and experienced, so that the small business owner does not have to become an insurance expert.
- Have the state or insurance industry provide an ombudsman to answer questions and resolve problems.
- Create a standard policy design for the insurance industry for comparative purposes and education materials.

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?

The majority of the participants expressed frustration and difficulty in dealing with the insurance companies. The predominant complaint was rate increases, ranging from a 20% to a 63% rate increase on a yearly basis for the past several years. Pre-existing conditions were a particular concern, as each participant either is or has someone in their company who has a pre-existing condition. Companies who are self-insured complained of problems with their Third Party Administrator (TPA) who handles the administrative aspects of their policies. One gentleman, however, had no complaints with the industry, and gave testimony of good experiences getting coverage for his employees and dependents.