

**Texas State Planning Grant
Focus Group Summary
Lubbock, Texas - October 24, 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 Lubbock 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?

- Health insurance is not affordable for average working people, and Texas has a large number who fall in this category.
- Pre-existing conditions deter many people from obtaining it because the costs are too high.
- Health insurance is largely tied to employment, and many employers do not offer it as a benefit at an affordable rate. Also, most part-time workers are not offered health insurance.
- The costs of medical care and prescriptions are increasing, which leads to increased health insurance costs.
- Many choose not to purchase it because the costs are not worth the benefits.
- Employers are not motivated enough to seek out affordable policies for their employees.

- The profitability factor and “greediness” of insurance companies increase costs.
- The political lobbying of the insurance industry in Texas influences policy that does not benefit the uninsured.
- Indigent care in Texas and malpractice lawsuits increases the costs of care for ordinary citizens.
- Texas is a border state with many illegal immigrants who do not have health insurance; many Texans receive medical care across the border at less expensive costs.
- The state-sponsored programs in existence (CHIP, Medicaid, etc.) are too restrictive. Many children are eligible for the programs, but parents remain uninsured.

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

- Regulate the prices that insurance companies can charge for premiums, as well as provider costs.
- Limit the lobbying ability of the insurance industry in Texas.
- Extend the CHIP program to adults. Many families prefer the CHIP premium structure because they can contribute to the costs.
- Base insurance premiums on a sliding scale according to income levels, with the state contributing to the remainder of the costs.
- The government needs to pay more of the expenses of those covered by state sponsored programs so that private citizens do not have to absorb or subsidize the costs.
- Provide universal coverage to all U.S. citizens through the federal government.
- Discontinue all federal and state-sponsored programs, and send the money directly to a non-profit organization in each state to administer a health insurance program for all citizens.
- Restructure premium rates in the insurance industry according to lifestyle choices. For example, those who lead healthy lifestyles void of heavy drinking and smoking should receive lower premium rates.
- Structure every health insurance program to focus on preventative care, with the option to utilize alternative medicine.
- Re-educate the American public about personal responsibility vs. government responsibility.

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?

- Will the policy cover someone with a pre-existing condition?
- What is the payment structure of the policy – a co-payment or deductible model?
- What benefits and services does the plan cover? What does the plan not cover?
- Will the plan still be available upon retirement or termination of employment?
- What is the duration of the coverage?
- What hospitals and medical providers will accept the insurance, and does the insurance company have a good reputation?
- Are prescription drugs covered?
- Will the policyholder get to choose their physicians, or is the plan part of a network provider system?
- What do the medical providers and hospitals in the area think of the insurance company and their history of claims payments?

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

- A media campaign like the TexCare campaign. Advertise on the television, radio, newspapers and the Internet.
- Conduct public awareness sessions and community meetings concerning the importance of health insurance and the options available.
- Employers should be responsible for informing their employees about their options.
- State agencies should conduct an education campaign through various types of literature.
- An honest, trusted insurance agent ought to be able to educate consumers.
- The state should provide an information clearinghouse via the Internet and a 1-800 hotline for citizens to call and ask insurance-related questions.
- Distribute brochures in public places such as libraries, grocery stores, the post office, etc.

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?

Several participants expressed a lack of trust concerning insurance companies and agents. Some claim that many of the agents are not as knowledgeable about the policies as they should be. Others expressed that insurance companies are very slow in paying eligible claims. (One participant had to wait six months to receive reimbursement.) There is also a sense that insurance companies do not trust policyholders and medical providers to know the patient's needs best. Thus, they require daunting pre-authorization processes that are difficult or time-consuming to both the patients and the medical providers. One participant found when shopping for insurance in the individual market that the premiums were unaffordable. Another complained that it took insurance companies a lengthy amount of time to send her information regarding their policies, which she attributed to the opinion that insurance companies are not interested in small groups of individuals. However, there were good experiences attributed to employment-sponsored health insurance from a few participants who claim to have experienced no trouble dealing with insurance companies and agents.

Small Business Employers' Responses:

(Please note that due to time constraints, the size of the group, and earnest discussion from the participants, we were only able to complete the first two discussion questions. However, employers provided written responses to the PPRI facilitators which will be included in the final report.)

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?

- Premium rates continue to increase for small businesses in Texas. (One small business had a \$140 premium that has since been increased to \$1000. Another experienced a 19% increase last year, and a 22% increase this year.)
- Middle-income individuals and small businesses are subsidizing care of low-income families who receive free care under public programs.
- Federal and state mandated benefits in Texas increase the cost of insurance.

- There are a very high number of low-income families who cannot afford insurance regardless of the costs. Many of these people go to public hospitals to receive care, like the Texas Tech University Medical Center.
- Provider and hospital expenses continually increase, which increases the cost of insurance.
- Many who are self-employed in Texas cannot find affordable insurance.
- Small businesses that have provided insurance in the past and had to utilize the insurance for illnesses within the group are either automatically cancelled from their policy, or are forced to cancel their policy due to an increase in costs. (One small business had two employees diagnosed with cancer, one who underwent a heart transplant, and one who had various other complications, all within one year. The owner was forced to cancel the policy due to costs.)
- There is a lack of education among most citizens about the importance of health insurance.
- Texas has an entrepreneur spirit, which results in many new small businesses. The initial years of beginning a small business are financially difficult, and the employers cannot provide health insurance for their employees.
- There are numerous public sources for Texans to receive care from; thus there is a low incentive for Texans to acquire private health insurance. For example, indigent programs, Medicaid and CHIP, and public hospitals provide public-sponsored care.
- A large number of insurance companies in Texas are leaving the market, thus creating less competition and higher rates.

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

- The state needs to control/ regulate the increases in health insurance costs.
- Texas needs to provide incentives for people to be insured.
- Our nation should study the socialized medicine options that exist in other countries, and develop a hybrid model that addresses the problems other countries face.
- Reform insurance approaches, such as the managed care models that are increasing costs. Also, incentivize policyholders by offering lower premium rates to those who participate in wellness and health education programs.
- The government needs to review tax incentives for purchasing health insurance.
- Insurance companies need to create standard policies that all companies offer, so that consumers can more easily compare rates and benefits.
- Insurance companies need to revert back to traditional insurance plans with reasonable deductibles. This will lead people to approach their health care more responsibly and will result in decreased insurance costs.
- The only way to decrease costs is to increase participation. Therefore, the state needs to find a way to get all individuals covered by health insurance, and to allow small businesses to pool their employees to increase the size of the group being insured.
- Allow average citizens to buy into the Medicaid program.
- Provide more educational meetings to educate the public on how to utilize health care.
- Expand CHIP to parents and adults.
- Provide various incentives to employers to provide and manage health insurance for their employees.
- Create a purchasing alliance for small businesses to join in order to provide competitive benefits at a reasonable cost.