

**Texas State Planning Grant**  
**Focus Group Summary**  
**Gilmer, Texas – September 24, 2001**  
**Tyler, Texas – October 1, 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 Gilmer and Tyler 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?

- After essential expenses have been paid, few uninsured individuals have sufficient money remaining to cover the high cost of insurance premiums.
- Consumers are "afraid of being ripped off" by insurance companies since payment for service is often very slow or insufficient to cover actual costs.
- In the few cases where an affordable policy can be found, the required deductible is much too high.
- Pre-existing conditions such as high blood pressure increase premiums to such an extent that purchasing a policy is virtually impossible.

- Many minorities and low-income people rely on free clinics and emergency rooms when they become ill, so they do not consider insurance as important when searching for a job.
- The current system essentially gives indigents no incentive to advance financially, while punishing those who are successful at escaping poverty.

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

- The government should match the funds that people contribute to their premiums to encourage them to purchase insurance coverage.
- A sliding scale should be established that specifies the amount a person must contribute to his or her coverage based on personal or family income.
- The private sector rather than the government should help individuals pay their premiums, because people are inclined to take advantage of costly government programs.

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?

- How long is the waiting period before coverage begins?
- In simple English, what does the policy cover and what does it exclude?
- What impact will pre-existing conditions have on the premium, and will these conditions be excluded from coverage?
- How high is the required deductible or co-payment?
- Is the employer's contribution to the premium considered part of my income?

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

- Personal interviews with a neutral party who would answer all of your questions, including giving the negatives of a given policy, would be very helpful.
- Insurance agencies should provide literature in plain English that outlines the advantages and disadvantages of a particular policy.
- The state should establish a neutral information hotline that can provide policy details and general insurance information to all consumers.
- Public service announcements should appear on television and radio to publicize all helpful state and federal health insurance programs.

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?

- Some participants expressed that they can never trust what they are told by private insurance agents since this information is often skewed to make policies more attractive.
- Participants with positive impressions of agents still criticized the fact that high premiums and deductibles make the policies unaffordable.
- Agents and claims representatives are very difficult to reach by phone, and consumers often must wait several days before they are able to get in touch with a company representative.

## Small Business 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?

- Reasonably priced policies usually either require an extremely high deductible or there is a substantial increase in premium upon renewal.
- Consumers usually are not satisfied with non-comprehensive insurance coverage, but obtaining such a policy is unaffordable for the majority of small business employees.
- Since the same people often control health plans, clinics and hospitals, this conflict of interest leads to high medical expenses and increasing health insurance rates.
- The escalation of malpractice lawsuits leads doctors to perform costly tests in order to minimize their risk of misdiagnosing a major illness, thus increasing overall medical costs.
- Most low-wage employees cannot afford to pay any portion of their health insurance premiums, so they go uninsured if their employer pays less than 100% of the cost.
- Many employees, if given a choice, would rather receive additional salary than health insurance.
- The significant time and administrative hassle required for employers to establish and maintain a health insurance program leads many companies to avoid the hassle altogether.
- Free clinics and emergency rooms reduce personal responsibility and take away the incentive for some people to purchase health insurance.

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

- Legislative restrictions should be implemented to prevent overcharges by hospitals and clinics.
- The CHIP program should be expanded to include the families of covered children.
- Caps should be placed on medical malpractice lawsuits.
- The amount of red tape and paperwork required for deductible payments should be reduced, because these administrative costs significantly increase company overhead.
- Policies should be standardized to make it easier for consumers to compare value across companies.
- Health insurance policies should carry a minimum deductible of \$1000, and individuals should be responsible for paying all small claims.
- Groups of physicians should be encouraged to create facilities offering basic hospital care in order to increase competition in the health care industry.
- A state trade association or purchasing pool should be formed to allow small employers to purchase health insurance at large employer rates.
- The cost of medical procedures should be standardized both across physicians and classifications of patients (i.e. insured and uninsured).
- "Usual and customary" exclusions should be eliminated, because they allow insurance companies to dictate the care or medication given to a patient instead of the patient's doctor.
- The 75% required ratio of eligible employees in a small group that must accept coverage should be eliminated.

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

- How limiting is the policy on where you can seek treatment?
- How many doctors in my area are covered?

- Who in our group would be uninsurable because of pre-existing conditions?
- How much paperwork and bureaucracy will we have to endure?
- What age limitations are in place for older employees?
- What is the company's response rate when a claim is made?
- At what rate will my premium increase in subsequent years?
- How financially stable and solvent is the company?
- Will you cover very small groups, and if so, what is the premium impact?
- To what degree does the policy allow for preventive care?
- Does dependant coverage include step-children?
- Will any other company handle my claim if the company goes bankrupt?

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?

- TDI should hold workshops or group sessions across the state to educate the public about important health insurance terms, coverages and issues.
- TDI should draft a plain-English handbook to answer frequently asked questions, give a glossary of common insurance terms, and compare the policies offered by different companies.
- TDI should publish a book outlining all the critical questions that consumers should ask before purchasing a health insurance policy.
- All insurance providers should be assigned a rating that takes into consideration policy price, benefit packages, payment for service and other important issues.
- A comprehensive list of all companies participating in a given market should be made available to consumers.

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?

- Many companies provide poor service and are often very difficult to contact. Several people noted that it usually takes at least two hours to reach claim representatives by phone.
- Insurance providers, and specifically insurance agents, simply tell consumers what they want to hear and regularly lie by omission regarding policy benefits.
- Insurance companies commonly use the "bait and switch" technique; agents quote a low rate, but the underwriting division then adds additional charges that make the actual premium unreasonable.
- Payment for service is very poor; companies expect premium payments to be made on time, but they rarely process claims promptly.
- The overall impression of independent agents was extremely positive, because they look out for you and shop around for policies that fit your individual needs.
- Consumers need to build a long-term relationship with a local independent agent who can give a complete and thorough analysis of the policies offered by several different companies.
- One respondent stated that an inside source at a major insurance company told him that claims representatives actually receive a *bonus* when they underpay a claim and it is not contested by the policyholder.