

Alaskans' Health Insurance Coverage: Local and Regional Perspectives

July Forums 2007

Ketchikan, Palmer, Nome, Fairbanks, Bethel, Valdez

Sponsored by the State Planning Grant

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Administration

**A Multi-departmental project including State of Alaska
Departments of Health and Social Services,
Labor and Workforce Development, and
Commerce, Community and Economic Development**

www.hss.state.ak.us/commissioner/Healthplanning

Phone: 465-3091

Data Presentation from the State Planning Grant Staff regarding...

1. What do Alaskans have for health care coverage? Is coverage through insurance provided as an employment benefit? Or public program? Or self-purchased? Regional variations?
2. What problems are families and businesses facing?
3. What are our options for improving health care coverage?
4. What are other states' strategies for expanding coverage?
5. What are the costs of having uninsured residents and visitors? Who pays?

Alaska's State Planning Grant: A Project for Studying the Uninsured in Alaska, and for Identifying Options for Expanding Health Care Coverage

Methods have included:

Analysis of existing surveys, and administrative and demographic data (federal and state sources)

Four new surveys focused on Alaska's population:

1. Household survey
2. Employer survey
3. Focus groups with populations of concern (employers, insurers, and people at risk of being uninsured)
4. Key informant interviews

Methods also include...

- **An economic analysis**
 - including study of impacts of the uninsured and underinsured on the state's health care system and on the economy
 - including use of Alaska-specific reports and data on health care expenditures costs of care and insurance
- **Forums for discussion of concerns and options**
 - Regional forums July 2007
 - Anchorage forums May 2006, December 2006

Part I: Who is Insured and Who is Uninsured?

- Starting with the Current Population Survey annual March Supplement results (US Bureau of the Census) - the nationally consistent data
- Alaska Household Survey Results (2007)
- Employment based data from National and Alaska agencies

Health Insurance Coverage of Alaskans 2004-2005

(Source: www.statehealthfacts.org, Medicaid data from CMS/USDHHS Administrative Data, other from Current Population Survey, US Bureau of the Census)

Primary Coverage Type	Percent of Population	
	Alaska	US
Employer	52%	54%
Individual (self-purchased)	4%	5%
Medicaid	16%	13%
Medicare	6%	12%
Other Public	5%	1%
Uninsured all year	17%	15%
Total	100%	100%

By CPS definition, "uninsured" includes people of Alaska Native and American Indian Race who may have access to IHS-funded services. In Alaska this is 19% of the uninsured. 68% of Alaska Natives are covered by insurance or other public programs.

CPS Detail (2005)

Categories of Insurance Type	Number	Percent
Total	658,759	100%
Covered by any government insurance, unduplicated (Showing categories separately: (31,000 have dual coverage)	217,709 (55,652 Medicare, 83,715 Military, 107,954 Medicaid)	33% (8%, 13%, 16%)
Employment Based Insurance	373,424	57%
Direct Purchase (not employment based)	34,197	5%
Not covered at some time during the year (i.e., uninsured all year)	114,000	17%

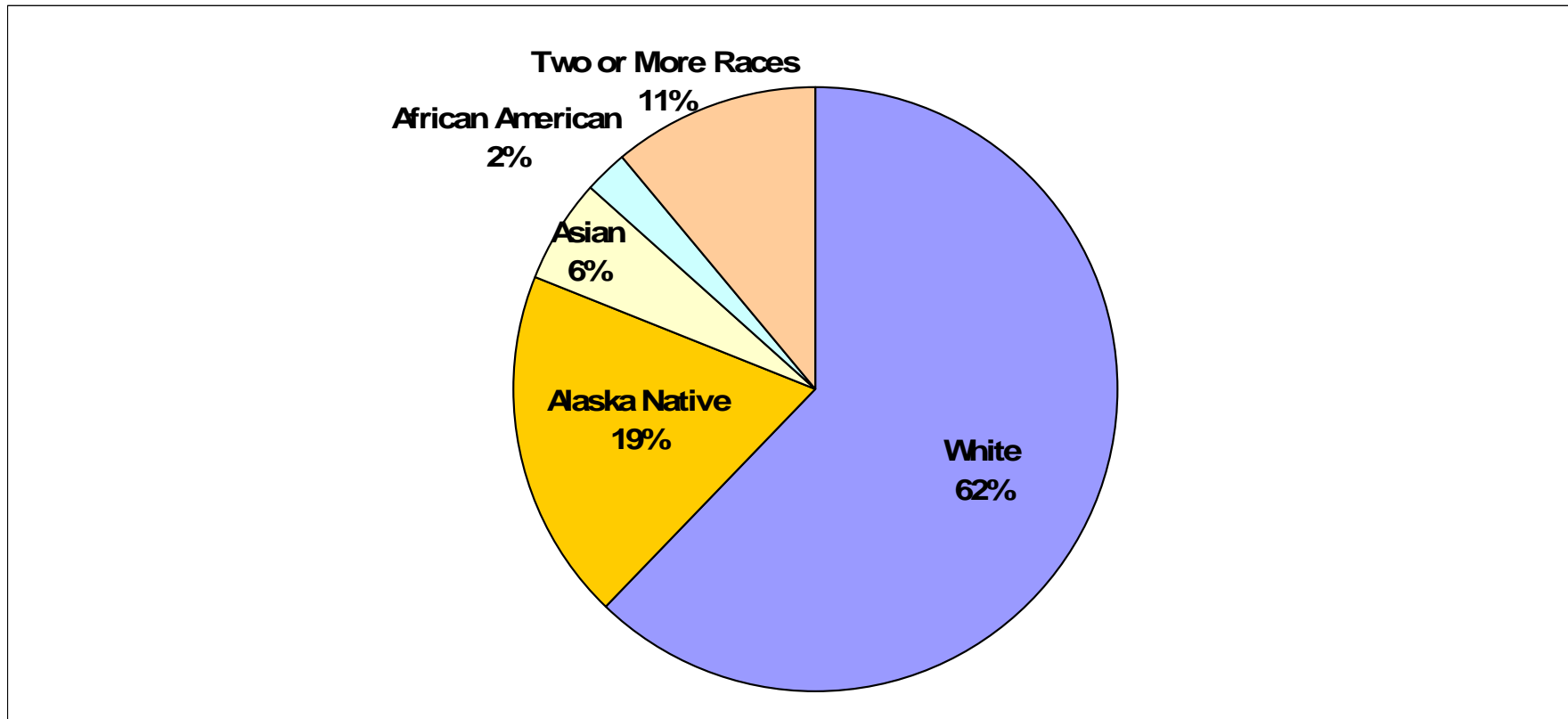
Who is most likely to be uninsured in Alaska?

About 114,000 Alaskans (17% of the population) were counted as uninsured in 2006

- Young adult males are more likely to be uninsured.
- People most likely to be uninsured are those who are
 - self-employed
 - part-time workers
 - seasonal workers, and/or
 - people who work for small firms
- More than half of the uninsured are employed

Percent not covered in 2006: from BRFSS; Summary remarks are based on Current Population Survey, US Census, 2003-2005 data as well as BRFSS data. Note the count estimate is revised slightly from previously published 117,000 although the estimate would more accurately reflect a confidence interval of several thousand.

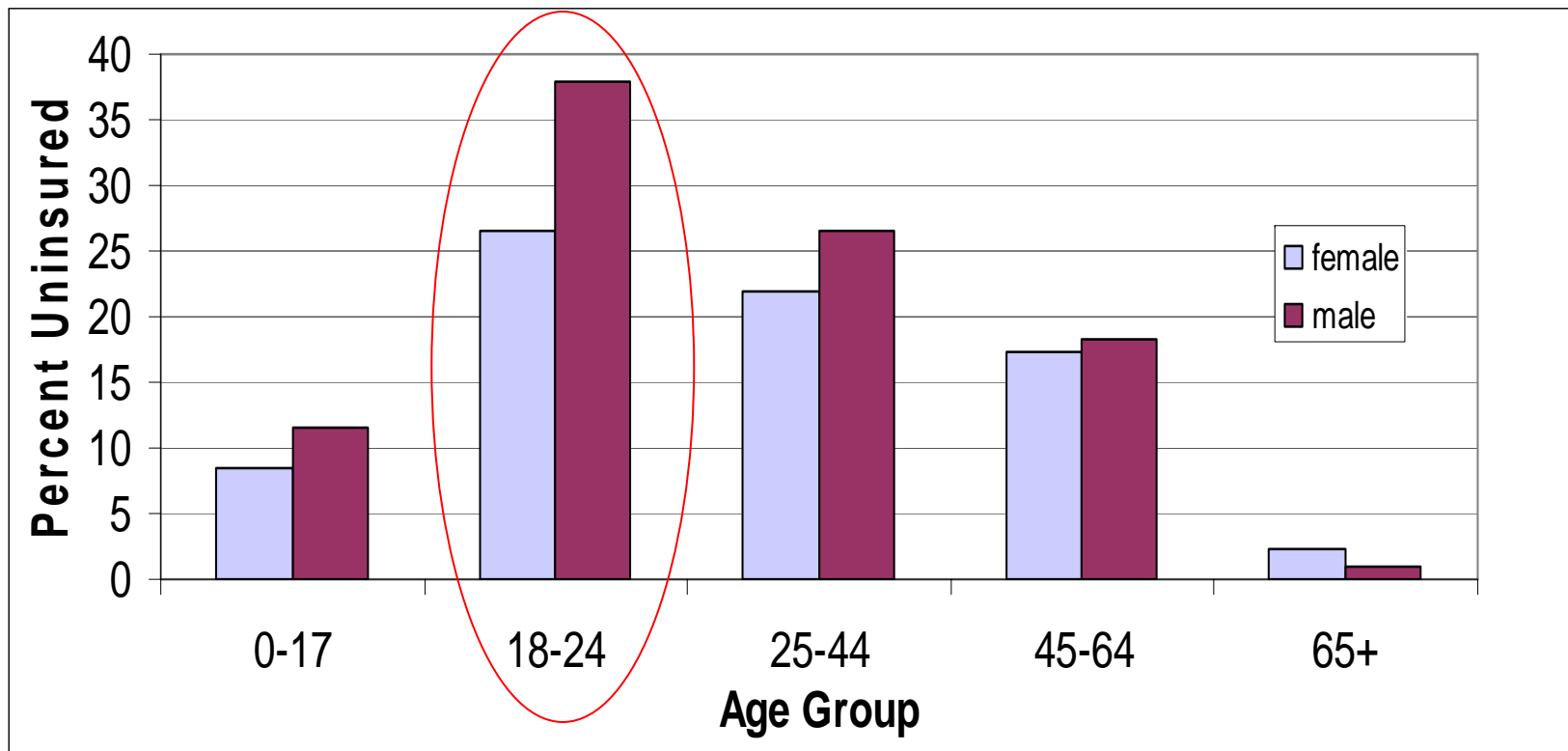
Race of the Uninsured in Alaska (2003-2005 average)



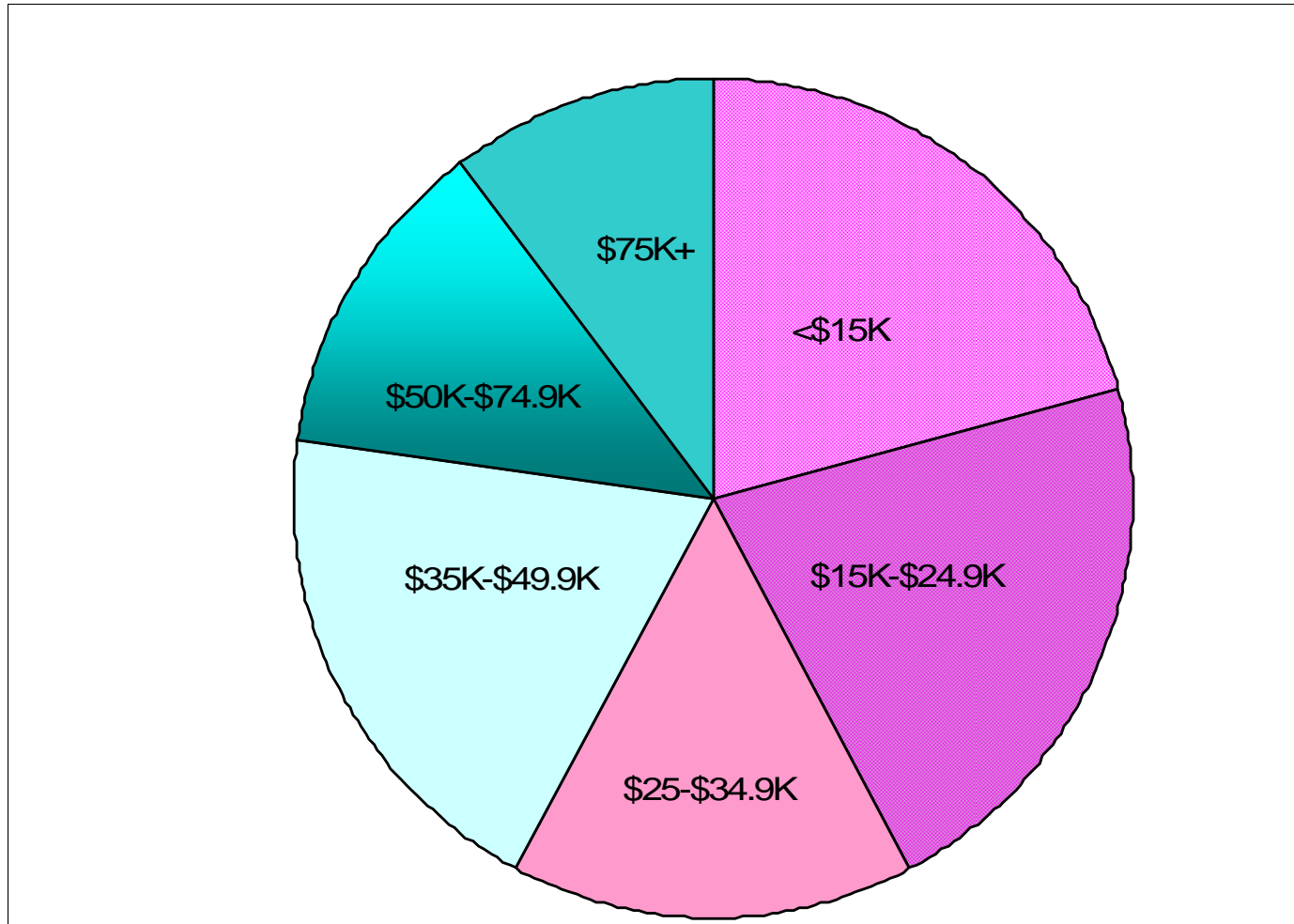
By CPS definition, "uninsured" includes people of Alaska Native and American Indian Race who may have access to IHS-funded services. In Alaska this is 19% of the uninsured. 68% of Alaska Natives are covered by insurance or other public programs.

By Age Group, Male/Female, What Percent are Uninsured? (2003-2005 averages, CPS)

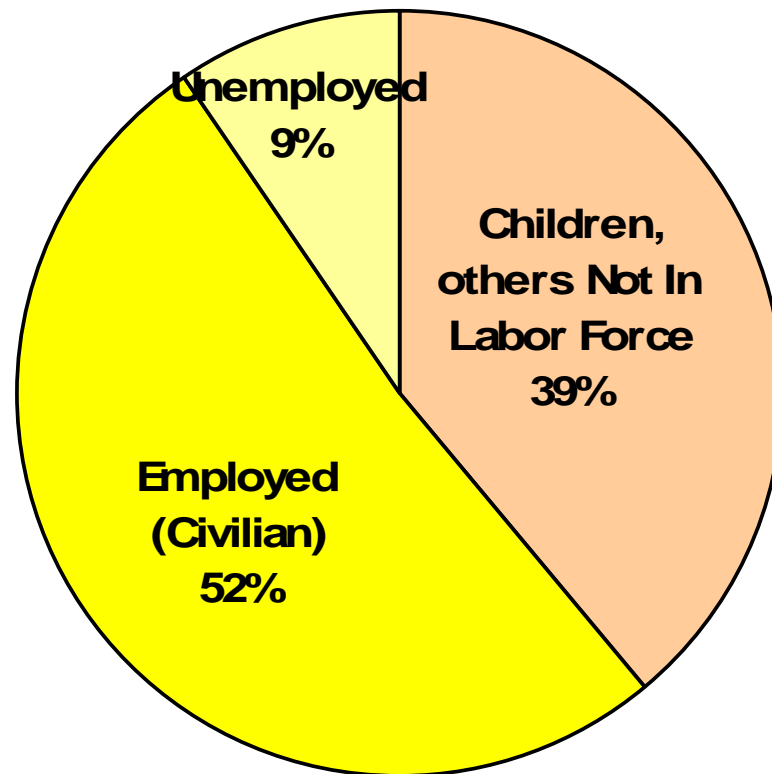
- About a third of 18-24 year olds are uninsured (38% of Males, 26% of Females)



Household Income of the Uninsured in Alaska (2006 BRFSS)



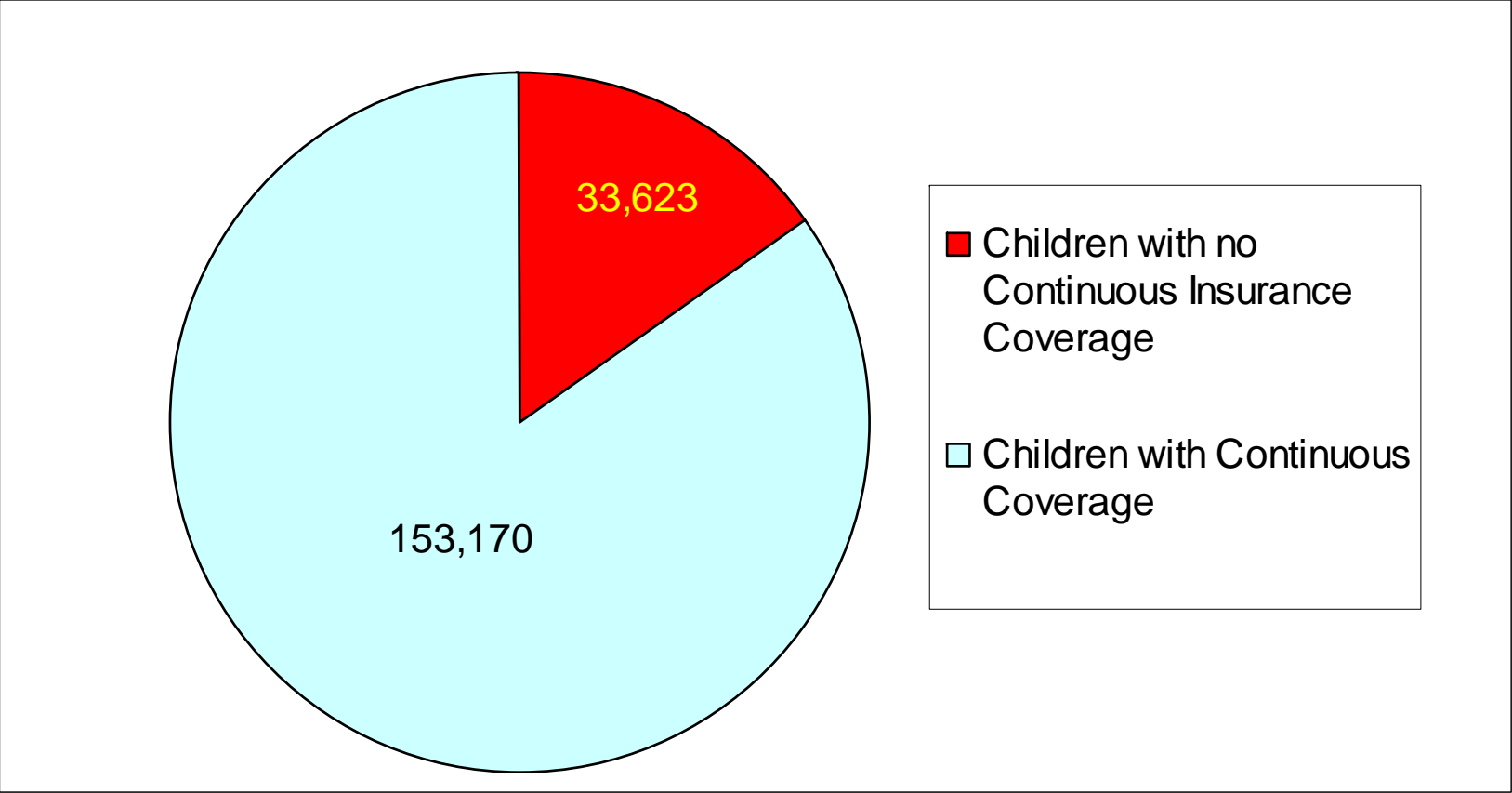
Employment Status of the Uninsured in Alaska (2003-2005 average, CPS)



Alaskan Children Who Lack Continuous Insurance Coverage Throughout the Year

(Children 0 - 17 Years Old)

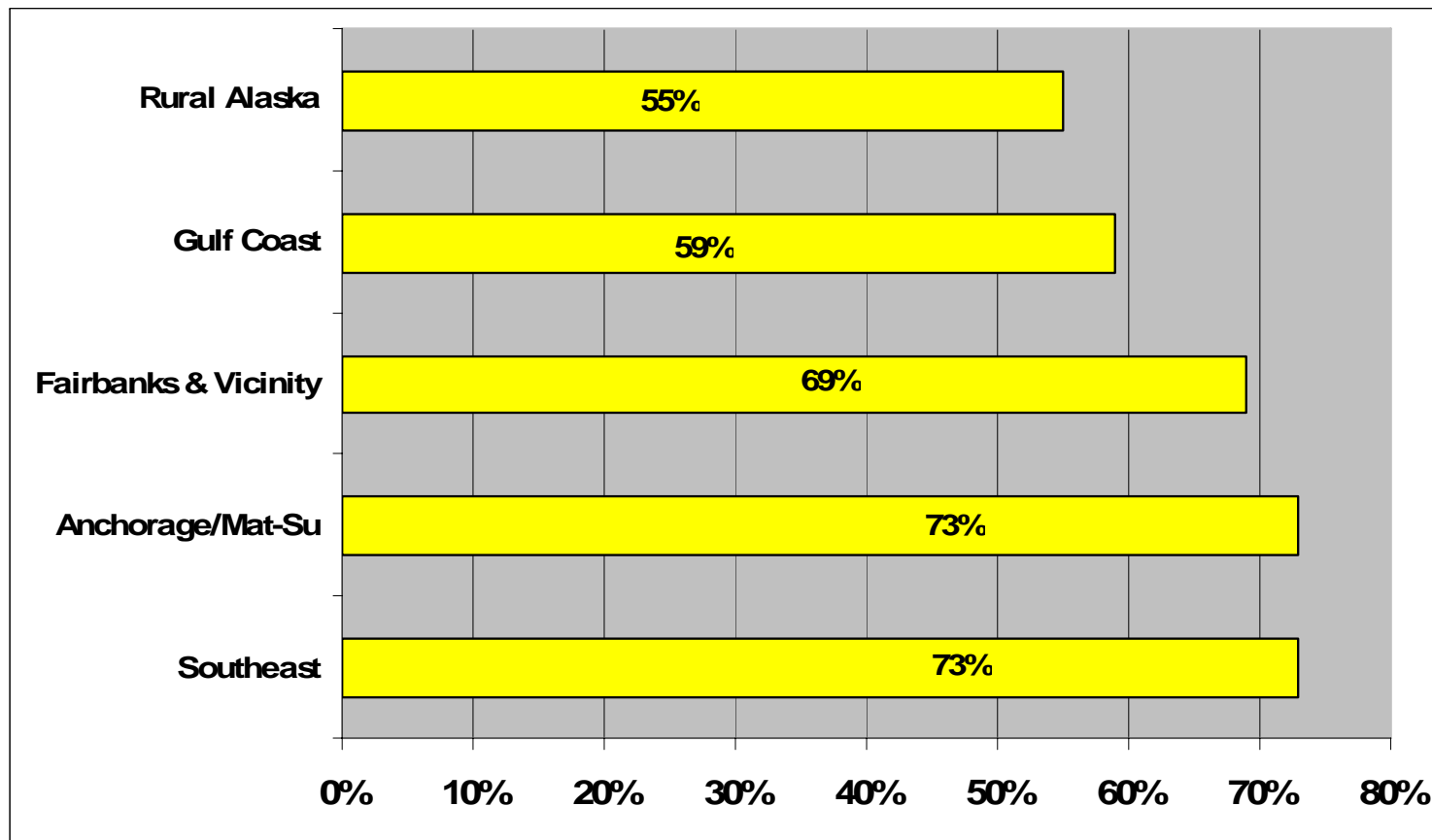
Source: National Child Health Survey 2003



Household Survey - Highlights

- About 1300 households were surveyed between December 2006 and March 2007 (Alaska Residents, not cell phone numbers - so sample did not include *some* households desired) - by the "Survey Lab" of the Division of Public Health in Juneau
- 31% of surveyed households (representing 73,000 of Alaska households) reported no member of the household had been covered by employer or union health insurance in the past year
- 12% of households (29,000) reported directly purchasing some type of health insurance in the past year
 - Gulf Coast households were most likely 19%
 - Rural households were least likely 5%

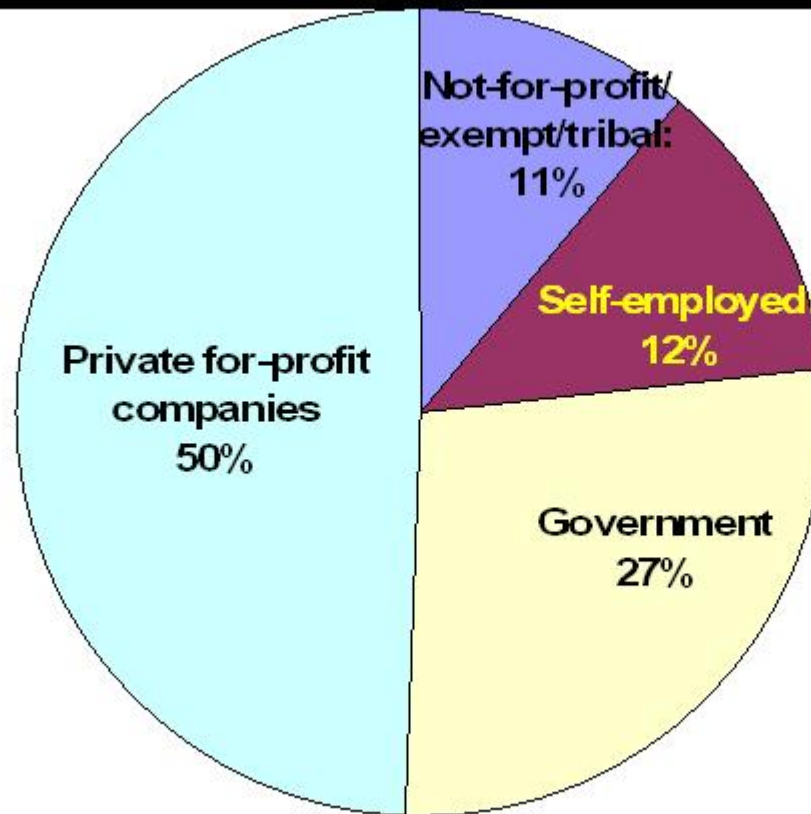
Regional Comparisons -- Percent of Households with at Least One Member Covered by Insurance through Employment or Union (statewide: 69%) (Alaska Household Survey, 2006-2007)



More on Household Survey Results: Length and Type of Current Employment

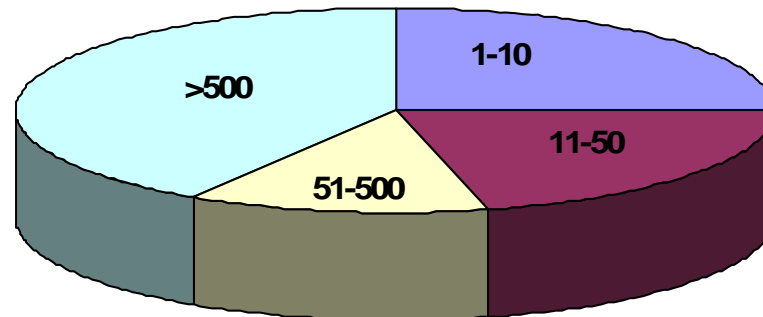
- **83% of Male** respondents in the household survey indicated that their **primary employment was "permanent,"** 5% temporary, and 12% seasonal.
- **92% of Female** respondents indicated their **primary employment was "permanent,"** 2% temporary, and 5% seasonal. (>half of respondents were male)
- 13% of respondents had been in their current positions less than 6 months, another 6% had been in their current positions 6-12 months.

Primary place of employment reported by respondents to household survey 2006- 2007



Size of Firm (Primary Place of Employment, Key Respondent from Household Survey)

- 25% in firms with 1-10 employees
- 21% in firms with 11-50 employees
- 13% in firms with 51-500 employees
- 41% in firms with >500 employees
 - (for younger workers 18-44, 46% are in the large firms)



More Data from Household Survey... coming soon...

- Spouse and other dependent coverage
- Reasons for not enrolling
- Sex, age group of respondents related to employment, coverage, care
- Usual source of care
- Recent use of care
- Health status (self-report)
- Regional comparisons and patterns
- Race, income level differences

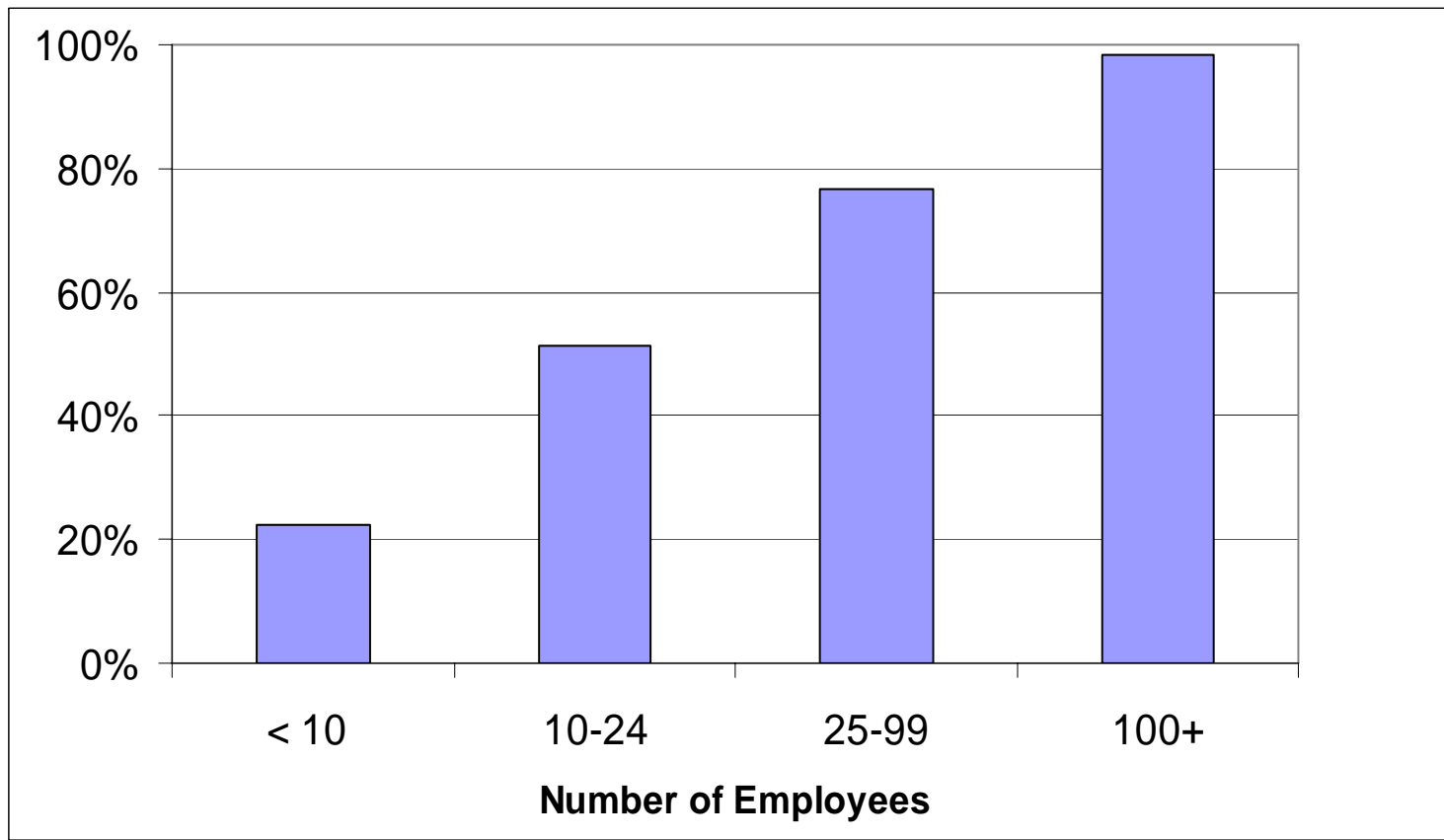
Employment Based Insurance - Data Regarding Firms Offering, by Type of Employee, Waiting Times, etc.

- The Current Population Survey (CPS) provides data on the populations covered by various types of insurance and public programs
- Data are available from Alaska's employer surveys of 2001 and 2006 (still being analyzed)
- The National Medical Expenditure Panel Survey (MEPS) also reports on private sector firms offering insurance
- Alaska's Household Survey of 2007 (being analyzed) contains data on availability of benefits, reasons for "take-up" and decision-making about coverage choices
- 52 % of all Alaskans are covered through employment-based insurance (CPS)

Percent of Alaska Firms Offering Insurance, by Firm Size

Source: MEPS 2004

- Less than 1/4 of firms with fewer than 10 employees offer health insurance.
- Nearly all firms with more than 100 employees offer health insurance.



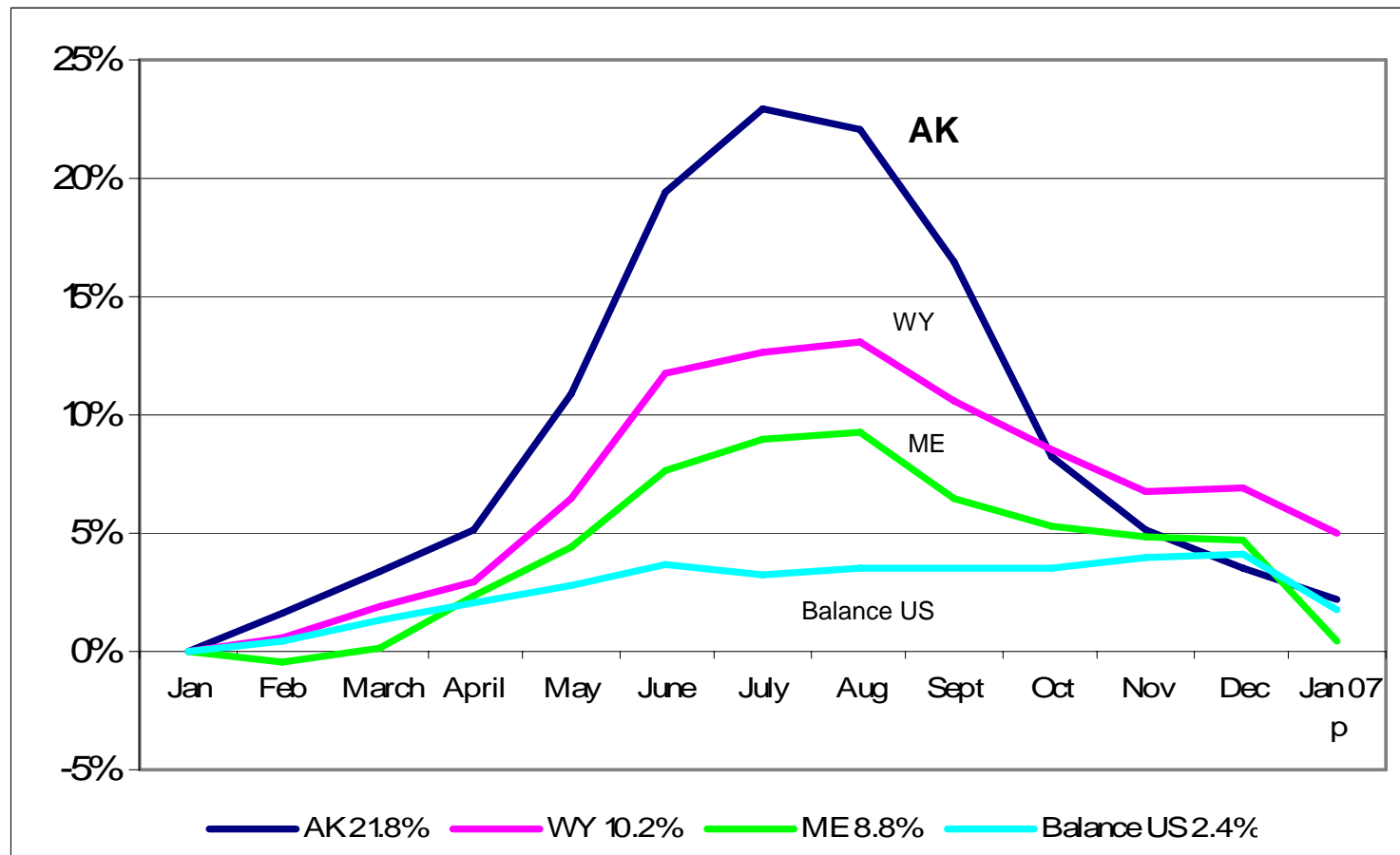
Reasons Firms Give for Not Offering Health Insurance (Alaska Employer Survey 2006)

- “Too Expensive^{*}” 53%
- “Seasonal Employees” 9%
- “Not Enough Employees” 9%
- “Employees covered by other health plan” 7%

*“Too Expensive” is also the reason given by participants in focus groups for not buying insurance on their own or taking up insurance even when it is offered; the focus group results and the household survey results will provide more in-depth information about “take-up” and purchase of health insurance

Monthly Increase in Private Sector Wage Employment Over January 2006 Levels: The Three Most Seasonal States and Rest of US

- Alaska's private sector employment is far more seasonal than other states



note: percentage cited for states is July increase over January 2006, with over-year growth discounted

Average Waiting Period Before New Employees Are Eligible for Health Insurance at Private-Sector Establishments

Selected States and Their Rank

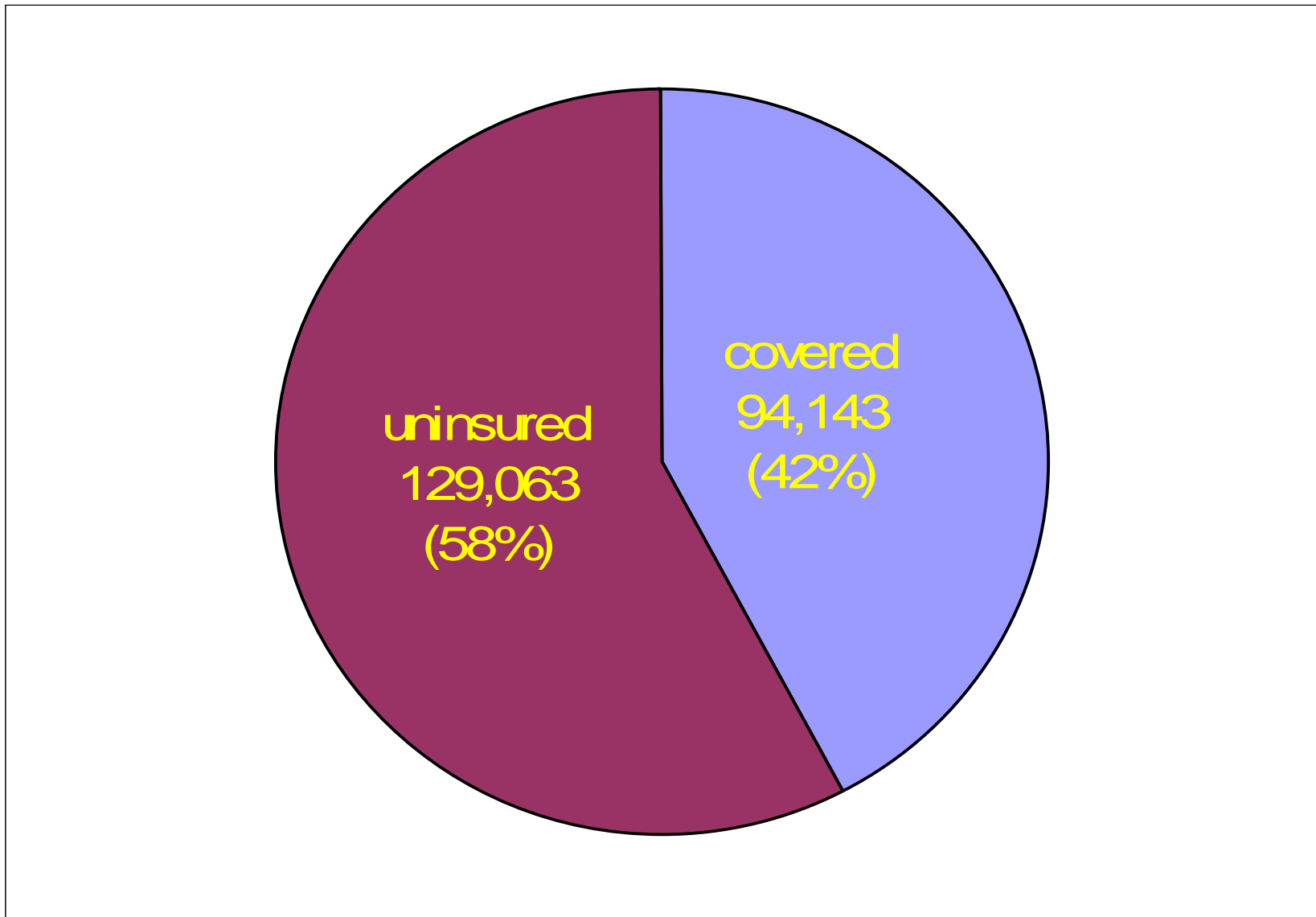
- Hawaii (ranks #1) 4.6 weeks
- D.C. (#2) 5.5 weeks
- Oregon (#25) 7.9 weeks
- *US Average* 8.1 weeks
- **Alaska/CA/AR (#45-47) 9.5 weeks**
- Nevada (#50) 10.6 weeks

Seasonal Employees Have Difficulties Obtaining and Retaining Health Coverage

1. Many employers do not offer insurance to seasonal employees. (State of Alaska 2006 Employer Benefit Survey)
2. Seasonal employees often lack sufficient work tenure to qualify for insurance. (Wyoming Labor Force Trends 2004 Vol. 41 No. 6)
3. Those who are covered usually lose employment-based insurance when season ends.
4. However, some seasonal workers have other jobs - for example, teachers who do seasonal summer work.

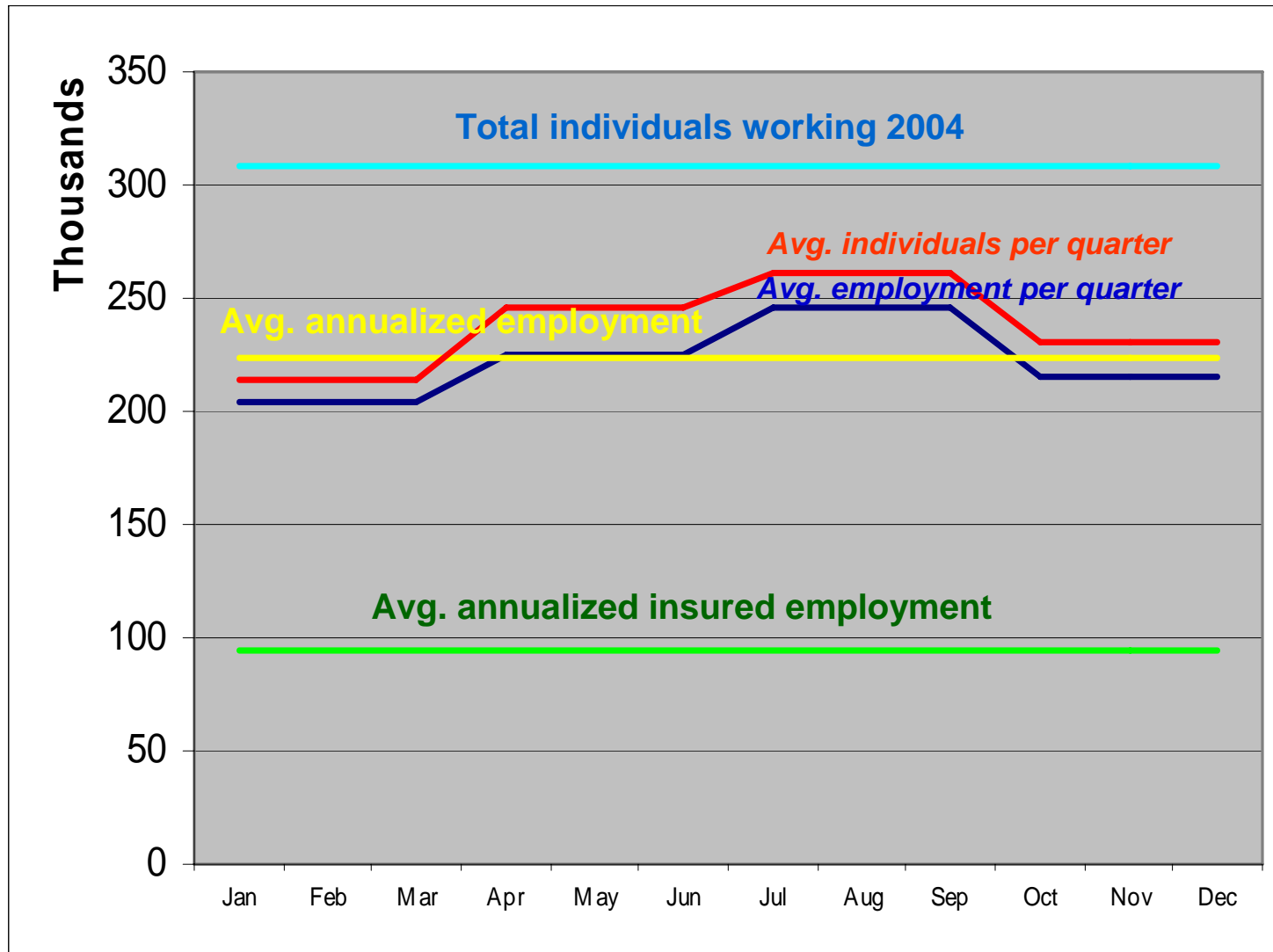
(17% of men and 7% of women respondents to the household survey described their PRIMARY employment as seasonal or temporary)

Alaska Private Sector Wage and Salary Employment and Employment Based Health Insurance 2004



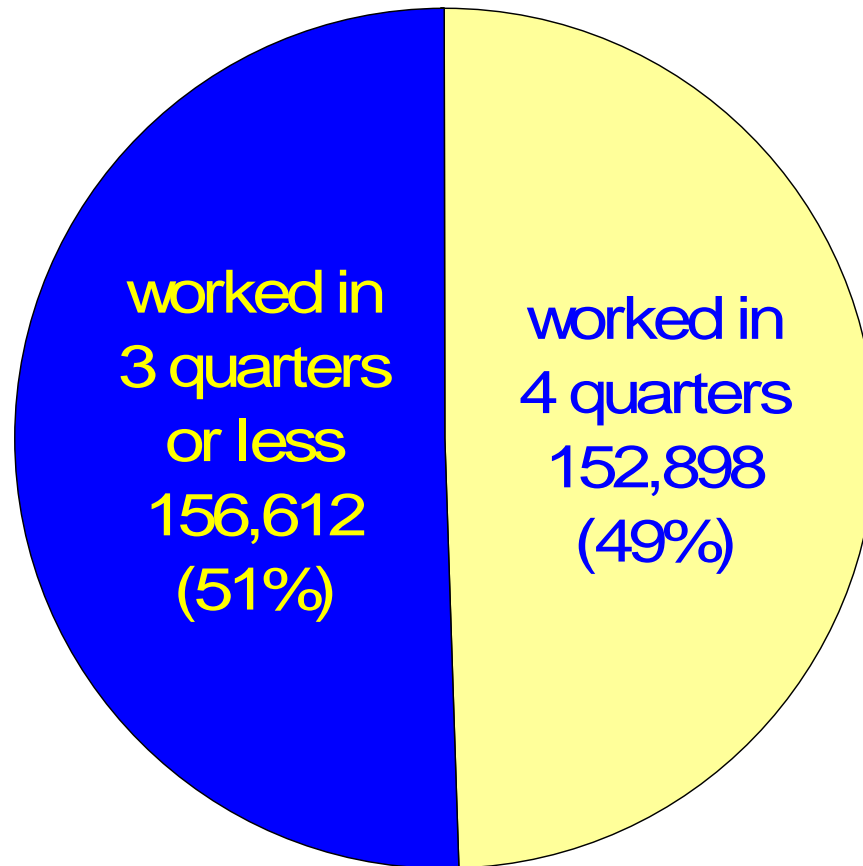
Alaska Private Sector Employment 2004: Job Count and Individuals Working

Excludes self-employed

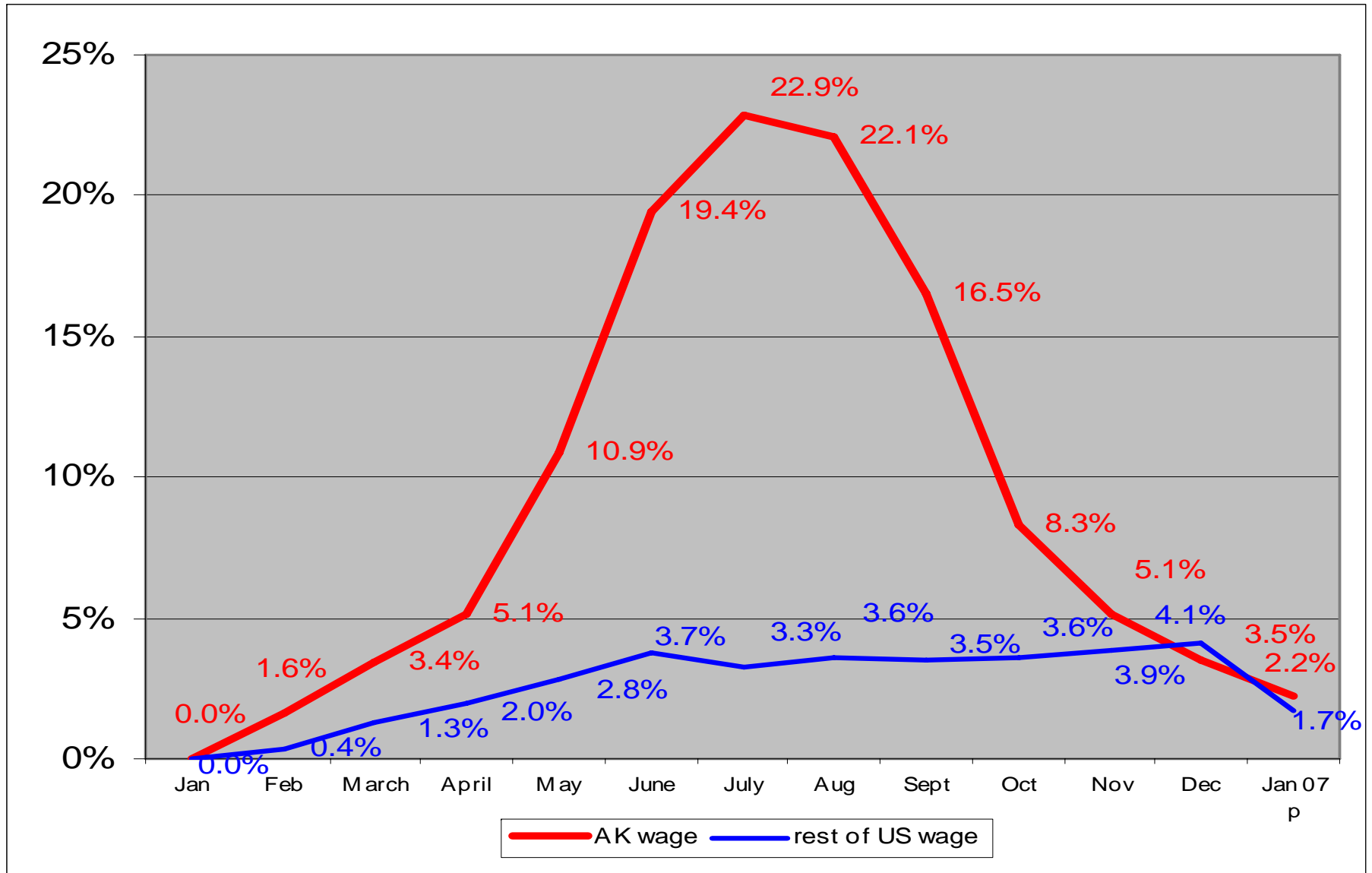


Sources: Medical Expenditure Panel Survey, Alaska Department of Labor and Workforce Development
 July 2007

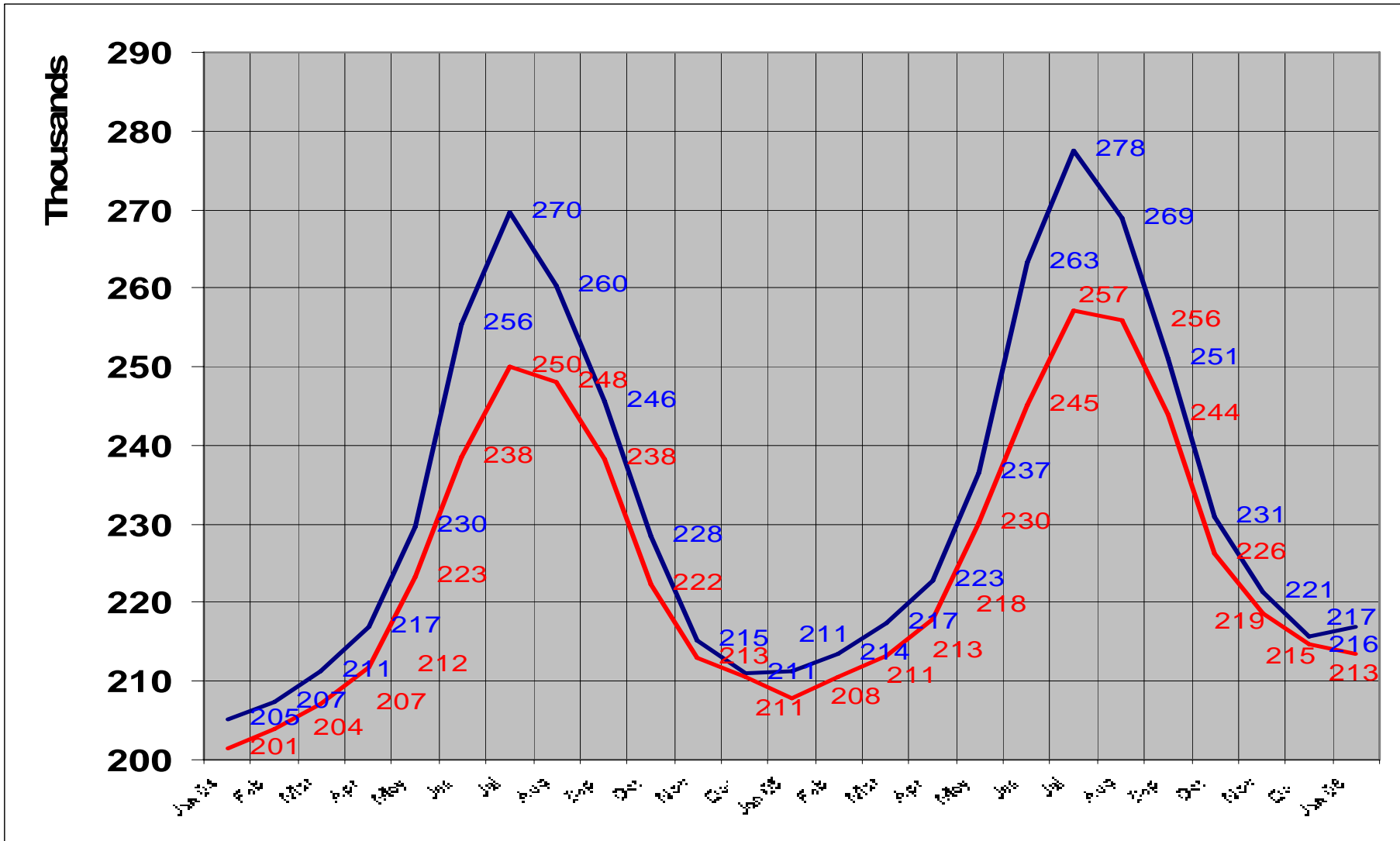
Individuals Working -- Private Sector Wage and Salary Jobs, Alaska 2004



Private Sector Wage and Salary Percentage Variation by Month Alaska and US 2006 (in relation to January)

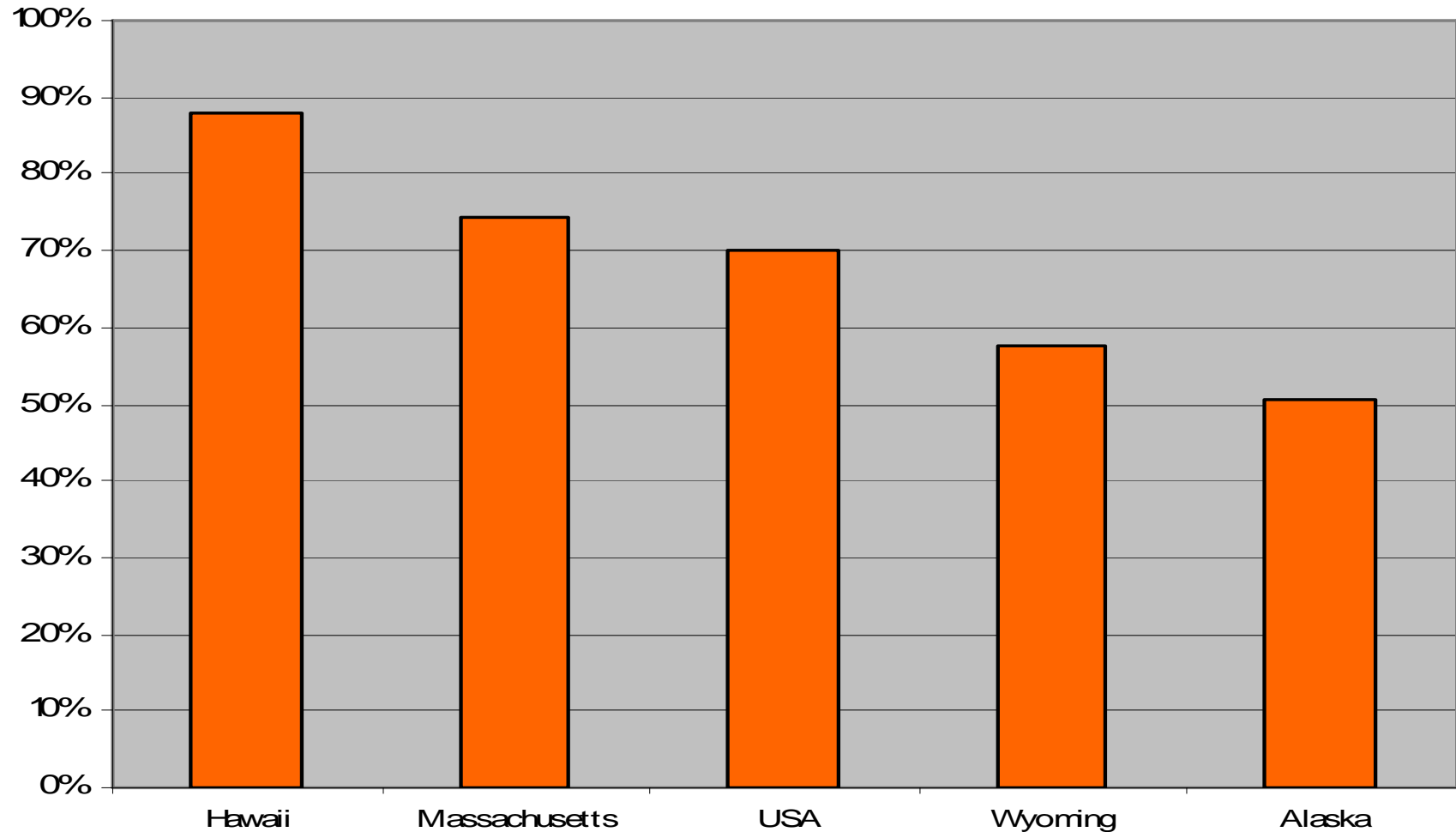


Alaska Private Sector Wage and Salary plus Fish Harvesting Employment 2004-2005



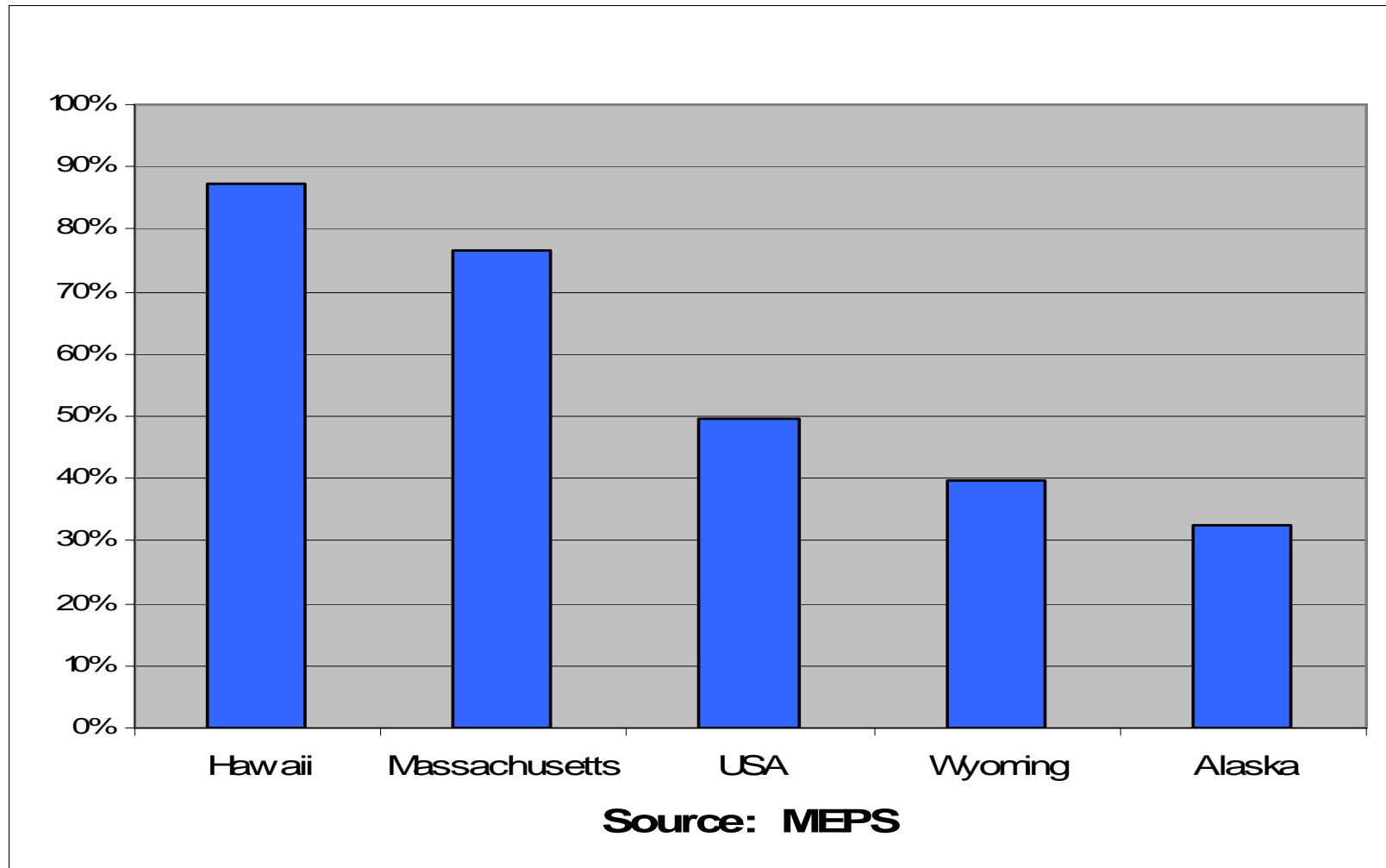
Source: Alaska Department of Labor and Workforce Development

Percent Private Sector Firms Offering Health Insurance: Mining and Manufacturing

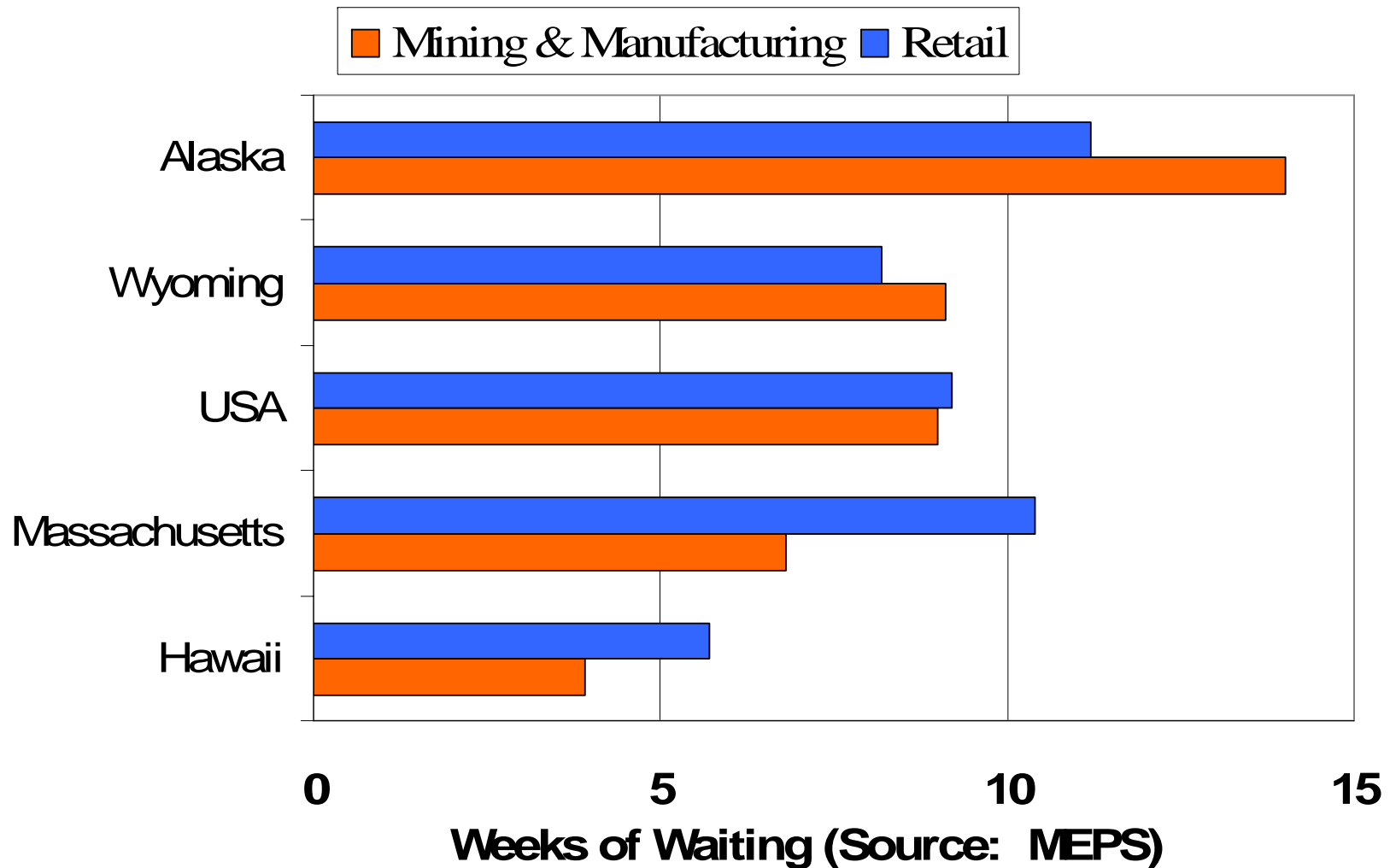


Source: MEPS

Percent Private Sector Firms Offering Health Insurance: Retail and Services

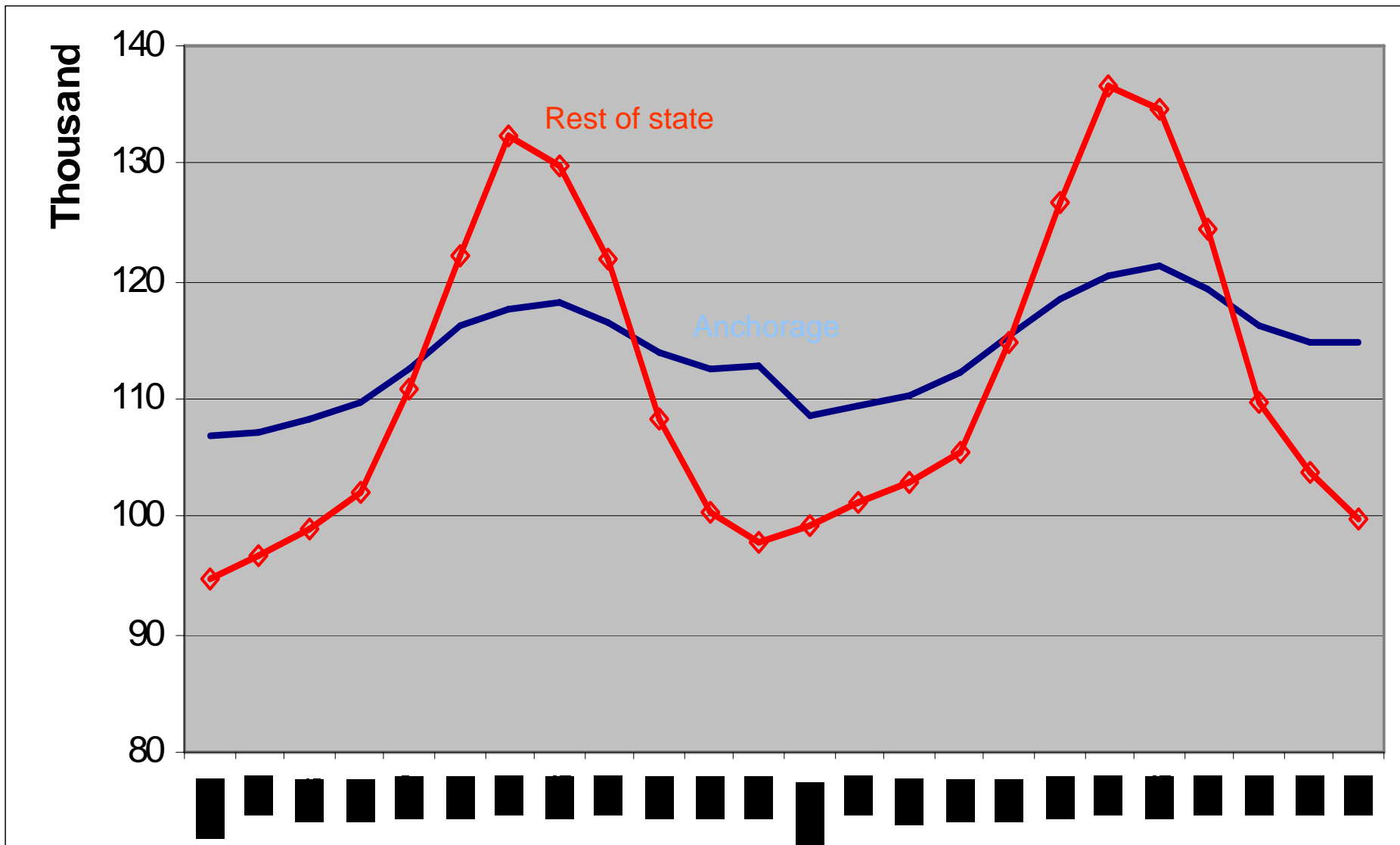


Average Weeks Wait for Eligibility for Health Insurance - Selected Industries



Private Sector Employment Anchorage and Rest of Alaska 2004-2005:

Excludes self employed

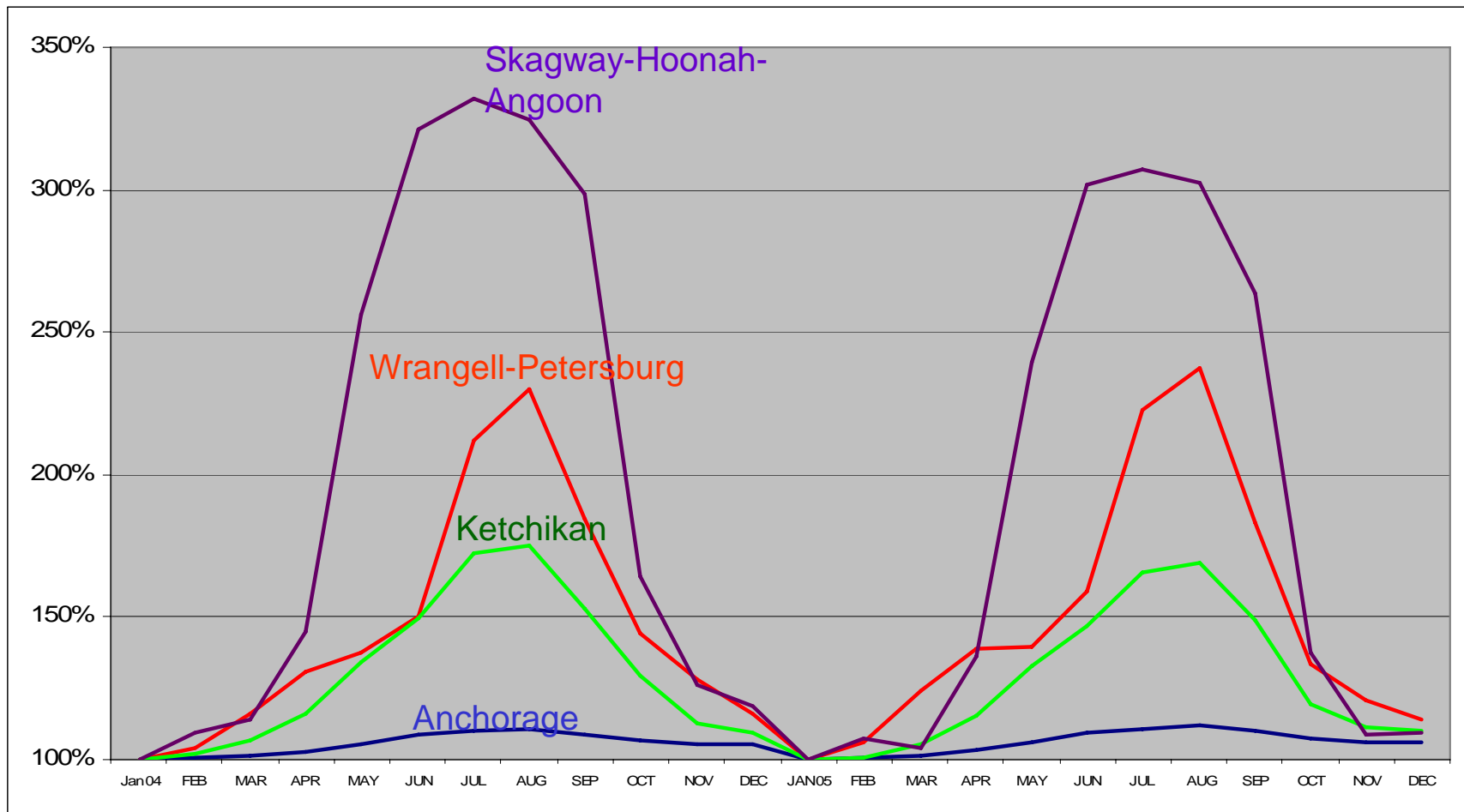


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Source: Alaska Department of Labor and Workforce Development

Percentage Variation from January Private Sector Employment 2004-2005

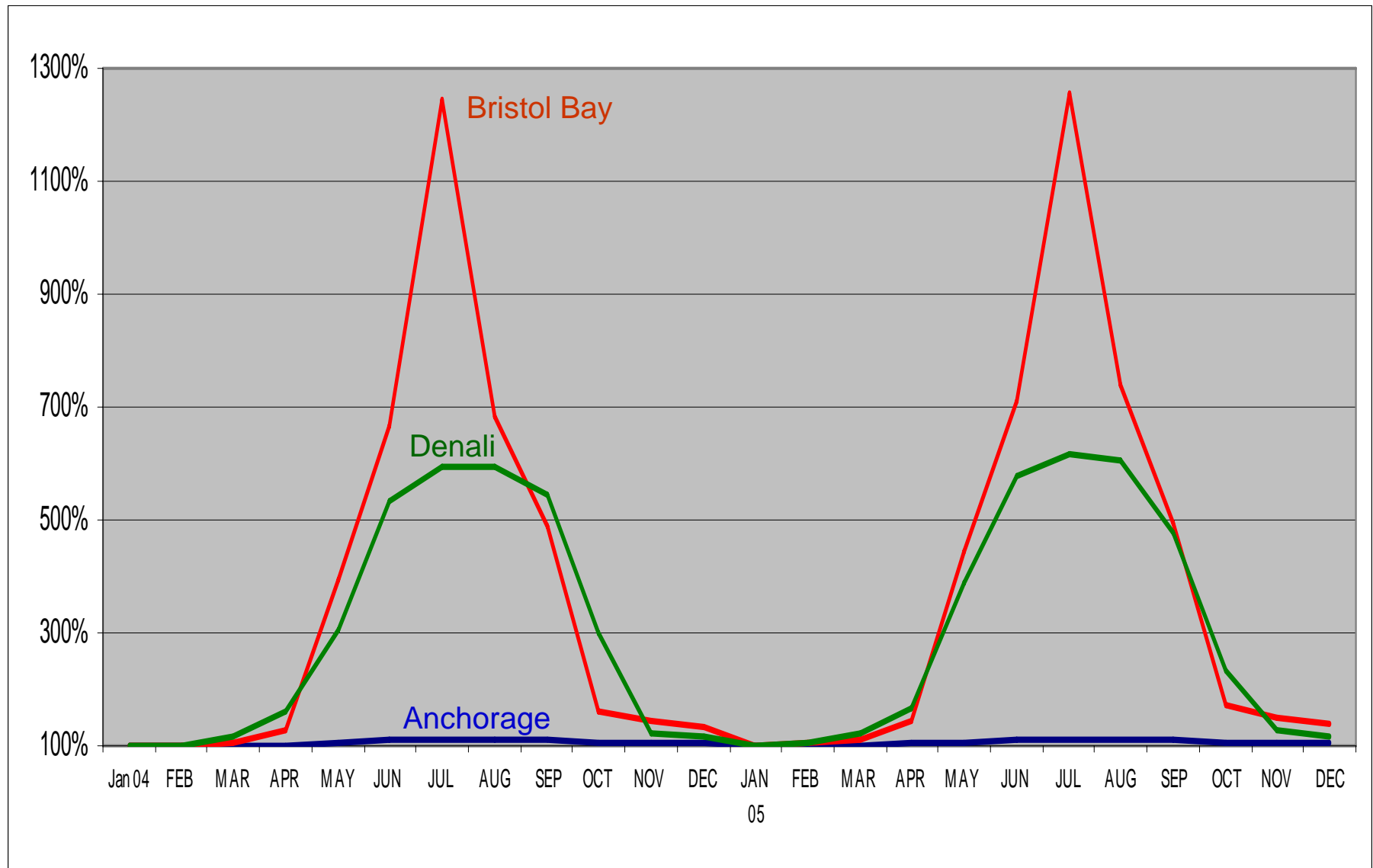
Selected Areas (Excludes self employed)



Percentage Variation from January

Private Sector Employment 2004-2005:

Selected Areas (Excludes self employed)

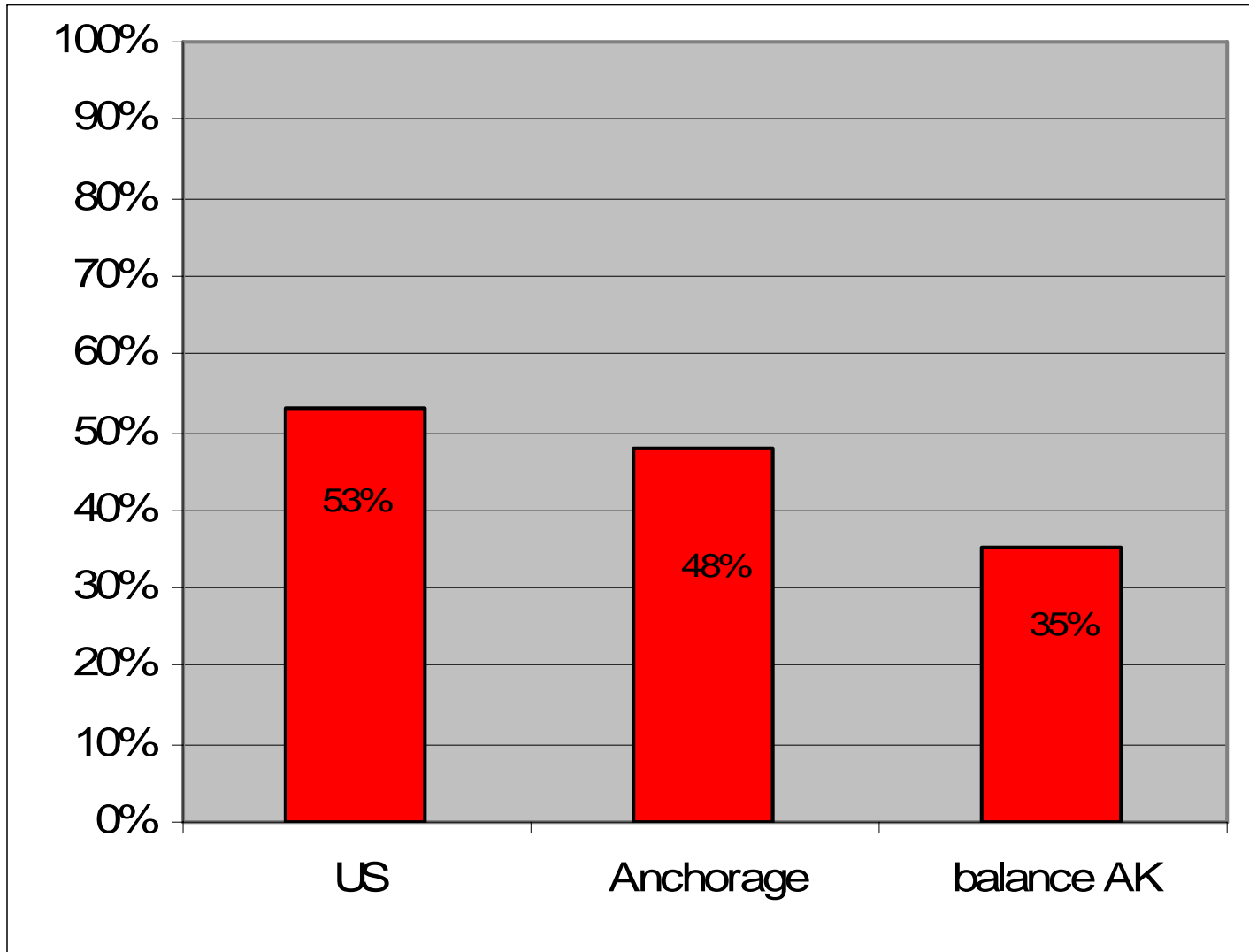


July 2007

36

Source: Alaska Department of Labor and Workforce Development

Percent “Employees” (*annualized jobs*) Covered by Health Insurance



Part II - Focus Groups and Key Informants

- A. **Summary of Focus Groups with Individuals, Small-Business Employers, and Health Insurance Representatives**
Virgene Hanna and Rosylnd Frazier
Institute of Social and Economic Research
University of Alaska Anchorage
- B. **Key Informant Interviews with Business, Political, Academic and Legislative leaders**
McDowell Group, Juneau

The Focus Group as a Research Technique

- Reach people difficult to contact through a telephone survey
- Target specific groups like low income, homeless, and unemployed
- Hear about participants' experiences in their own words
- Test different concepts
- Participants develop new ideas while brainstorming
- Gain understanding of underlying attitudes, perceptions, and opinions

Who were the Focus Groups?

- Sixteen focus groups were held in Anchorage, Palmer, Kodiak, and the Kenai Peninsula.
- Of the 16 groups, 11 consisted of individuals; three were composed of Alaska Natives – two in Anchorage and one in Kodiak.
- Four groups consisted of small business employers from Anchorage, Palmer, Kodiak, and the Kenai Peninsula.
- One group consisted of health insurance representatives from Anchorage.

What Does It Mean to Be Healthy?

- People see health insurance not just as a way to pay for care, but as an important component of a healthy lifestyle. They want to be able to maintain health through access to affordable care and are keenly interested in preventive care.
- They are willing to accept some personal responsibility for paying for health insurance
- Small businesses want to make money and expand; but also feel a social responsibility to offer insurance to employees.

What Is Your Definition of Health Insurance, Health Benefits, and Access To Care?

- People tend to see no difference between health insurance and the availability of health care.
- Even if health care is accessible, if people can't afford it, they feel it is not available to them.

What Are the Benefits of Health Insurance?

- ***Individuals:*** affordable care for their children and themselves; doctor visits, preventive care, diagnostics, maintenance, medications
- ***Small-business employers:*** attract new employees; retain employees

What Keeps You and Other People from Having Health Insurance?

- **Individuals: cost**
 - It's too expensive!
 - There's no room in the monthly budget for health insurance premiums.
 - Factors keeping people from obtaining health insurance:
 - Pre-existing conditions such as being pregnant or diabetic or having heart trouble.
 - Being a seasonal worker, self employed or working in small businesses.
- **Small-business employers: cost**
 - Insurance isn't cost effective when there is high employee turnover.
 - Employers look for the most benefit for the least cost.
 - Employers stop offering health insurance during times of economic downturn.
 - "Purchasing alliances" hoped to provide access to lower rates -- Health insurance representatives disagreed.

What are people willing to pay for insurance?

- People tend not to think of health insurance as an entitlement.
- They are willing to pay what they can. An average is \$100 per month per person.
- Some suggest a sliding fee or percentage based on household income to determine a premium.
- Some are willing to pay more for full coverage that includes dental, vision, and medications.

How do the uninsured obtain medical care?

- Hospital emergency rooms.
- Clinics with sliding fee schedules.
- Paying out of pocket and incurring huge debt.
- Traveling outside of Alaska to find cheaper health care.
- Some uninsured simply do not obtain the care they need.

What Is Your View of the Coverage Offered by Medicaid and Denali KidCare?

- Denali KidCare helped many families that could otherwise not afford health care for their children.
- Individuals also participated in the Alaska Comprehensive Health Insurance Association (ACHIA) and Medicaid.
- The income eligibility requirement was the biggest barrier to participation in public programs. Often people make too much money to qualify.
- Qualifying is difficult for seasonal workers.
- People resort to selling possessions and even divorce to qualify for public programs because of the income eligibility requirement.

What Would You and Your Family Value in a Good Insurance or Benefits Program?

- Routine exams and preventative care.
- Maintenance care for chronic conditions.
- Diagnostic screening.
- Prescriptions and medications.
- Dental and eye care.
- Catastrophic care.
- Well-child checks
- Additional benefits discussed
 - emergency services for broken bones or other urgent care needs
 - Ambulance
 - Prenatal care and delivery
 - Transportation to doctor appointments
 - Extended care and assisted living
 - Holistic, alternative health care.
 - Lab tests, X-rays and procedures such as colonoscopy.

Findings from Focus Groups for Alaska Natives

- Indian Health Service (IHS) coverage requires that Alaska Natives go to the facility in their service area.
- Travel to receive care at a larger facility can be costly.
- Quality of services varies because of high staff turnover.
- Waiting time to obtain appointments and receive services can be lengthy.
- Obtaining payment for services at a nonservice-area facility can be difficult.
- Some services are not offered through IHS.
- Case managers help eligible Alaska Natives enroll in public programs such as Medicaid and Denali KidCare.
- Some Alaska Natives have private insurance.
- Non-Natives in communities where there are only tribally managed medical facilities have to go outside their communities for treatment and medication.

Conclusions

What Did Participants Tell ISER?

- Many believed that federal or state government should play a role in paying for health insurance.
- They cited health care systems in countries such as Canada, New Zealand, Mexico and Australia as plans that might work here.
- Alaskans without health insurance often just don't get care when they need it. Some participants talked about delaying treatment until their condition became so serious they had to go to the emergency room—and then incurred huge bills they couldn't pay.
- People shared their experiences being underinsured.
 - In spite of making high out-of-pocket payments, coverage was not adequate.
 - People felt they were paying for more coverage than they had received.

Key Informant Interviews

- 50 “Key Informants”
- Rich variety of responses
- Biggest Challenges – major issues raised by Informants:
 - Costs – high cost of health care and insurance
 - Attitudes – resistance to change, “failure to recognize the issue”
 - Insurance not being a priority for some
 - Legal/Political system – “the issue not being on the radar”
 - Need to address critically important access and availability of care (seen by some as more important than insurance)
 - Payment system – various payers wanting to be “payers of last resort”
 - Employment based insurance model does not work well in our state’s economy

Part III

Examples of What Other
States are Doing to Reform
Health Insurance and Ensure
Access to Care

Comprehensive Reform

Universal Coverage: Single Risk Pool, Single Payer.

California Universal Health Care System

- *Creates state agency that collects all premiums pays all benefits. Premiums based on income.*
- *Status: California SB 840: Passed both houses 2006. Vetoed by Governor. Reintroduced 2007 by Senator Sheila Kuehl.*
- *Outlook: Possible passage 2007. More likely compromise with Governor's proposed mandated three pay bill.*

Universal Coverage Mandated Three Pay System

- *Massachusetts: Commonwealth Care. 2006*
 - *Requires all residents to acquire and provide proof of insurance.*
 - *Employers who employ more than 11 workers must offer insurance plan to workers.*
 - *Individuals and employers who do not acquire or provide insurance must pay into state pool or face fines.*
 - *The Commonwealth Health Insurance Connector will help small employers and low income workers find private insurance.*
 - *The Connector provides sliding scale subsidies to individuals with incomes below 300 % Federal Poverty Level.*
 - *By pooling non group and small group markets, the Connector hopes to lower rates by 25%.*

Universal Coverage Voluntary System

- *Maine: DirigoChoice. 2003*
 - *Extends low cost, subsidized health insurance offerings to small business and low income individuals. Sliding scale subsidies to those with incomes below 300% FPL. Enrollment is voluntary.*
 - *Funded by employer and individual contributions and cost reductions negotiated with hospitals, doctors.*
 - *The savings achieved are charged to private sector insurance companies as “Savings Offset Charges”.*
 - *State had contracted with Anthem to provide coverage, but recently passed legislation allowing self insurance.*

Universal Coverage Voluntary System

- *Vermont: Catamount Health. 2006*
- *Subsidies to those with incomes below 300% FPL.*
- *Subsidies to workers who cannot afford employer offerings.*
- *Employers must provide coverage or pay assessment.*
- *Employers must pay assessment for workers ineligible to participate in employer offered insurance plan.*
- *Sets specific service costs and benefits that must be included.*
- *Currently coordinated through private providers, but state reserves right to self insure if provider costs deemed too high.*
- *Funding sources include employer assessments, enrollee premiums, increased tobacco tax and waiver allowing Medicaid funds to be used.*
- *Incentives for healthy life styles.*

Incremental Programs

- *Public-Private Partnerships:*
- *Programs to assist small businesses in providing employer based insurance: Rhode Island, Montana, Oklahoma, Arkansas*
- *Programs to expand coverage to low income workers: Utah, New Mexico.*
- *Program to cover all children, working uninsured, assist small business and to provide insurance for high risk pool. Tennessee.*
- *Expanded Child Coverage:*
- *Illinois, Tennessee, Pennsylvania, Connecticut, Oregon, Washington, Wisconsin, New Mexico*
- *Medicaid Redesign: West Virginia, Kentucky, Idaho, Kansas.*

Part IV. Economic Analysis

- Overview of Alaska Health Expenditures
- Costs of the un-insured
- Defining “under-insured” and estimating costs associated
- Potential costs of covering everyone - several scenarios
- Several models will be evaluated/examined

(Economic analysis contractor: Dr. Robert Logan, UAF faculty)

Wrap-up and Transition

- Information gathering through this grant concludes August 31, 2007
- Reports will be posted
- Governor's Health Care Strategies Planning Council will have access to the information
- On-going work will draw on the studies

Thank you for coming!

Where to Find Information

For links to information about insurance, links to data and research on the uninsured, and information about the State Planning Grant:

[www.hss.state.ak.us/commissioner/healthplanning/
planninggrant/default.htm/](http://www.hss.state.ak.us/commissioner/healthplanning/planninggrant/default.htm/)

Posted or soon to be posted: data briefs on employer survey, household survey; report on focus groups; CPS and MEPS analysis; National Child Health Survey and Behavioral Risk Factor Surveillance Survey analysis of children's coverage and use of services (Alaska data); key informant interview report; notes from May and December Forums

Email: infohealthplanning@health.state.ak.us

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