

Covering the Uninsured in North Carolina

Focus Group Report



information ➤ insight ➤ impact

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Focus Group Methodology

FGI Research conducted 15 focus groups between March 21 and May 24, 2005. Five groups were comprised of uninsured individuals, eight of the groups were either employers or representatives of an employer and two groups were held with insurance agents and brokers. The purpose of these groups was to learn how decisions are made by individuals and employers with regard to seeking and offering health insurance, and what policy options are favored for expanding coverage by each group.

Discussion topics included factors considered in making decisions about take-up or offering health insurance, consequences of being uninsured/not offering insurance, and the willingness of both individuals and employers to pay for insurance. We also discussed possible trade-offs in lifestyle or benefits to make insurance more affordable. Finally, a number of insurance plans were presented to participants and we examined policy preferences.

Qualitative research methods are designed to help researchers understand people and their social and cultural contexts. Focus groups are an effective qualitative methodology for:

- Obtaining general background information about a topic of interest
- Generating research hypotheses that can be submitted to further research and testing using a quantitative approach
- A reality check on proposed new directions
- Stimulating new ideas and creative concepts
- Diagnosing the potential for problems with a new program, and
- Generating impressions of programs, services, institutions, or other objects of interest

These focus groups were conducted in a manner designed to provide a wide array of experience and opinion. However, the sample is not scientifically representative of the larger population and the data must be approached with this in mind.

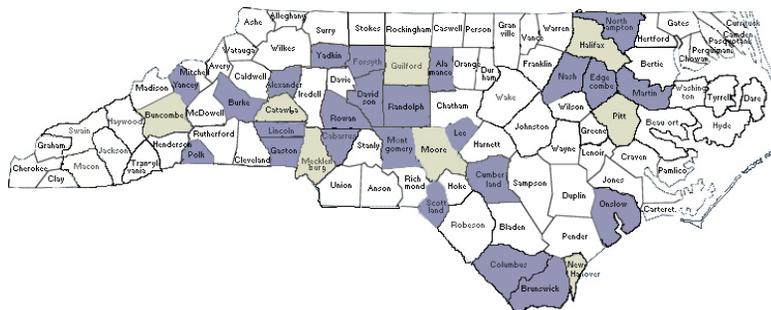
Uninsured individuals were recruited from a random sample of telephone numbers within a 35-mile radius of the group location. In an effort to gain a fair representation of individuals from across the state, groups were held in Beaufort, Cabarrus, Jackson, Robeson and Wake Counties. Thirty-eight people participated, 61% (23) were females and 39% (15) were males. 55 percent (21) were white, 37% (14) were black, 5% (2) were Native American, and one participant was Asian. To qualify for participation individuals had to answer “no” to the following question: Do you currently have any form of health insurance? (This includes employer-based health insurance, private health insurance you buy yourself, Medicaid or Medicare, CHAMPUS or other health insurance coverage).

to obtain sufficient sample size. The focus groups for small employers were held in Catawba, Halifax, Pitt and Moore counties. Medium employer groups were located in Buncombe and New Hanover counties. The large employer groups were held in Guilford and Mecklenburg counties. Participants in these groups represented diverse fields, including agriculture, hospitality, government and construction.

Employer Size and Industry

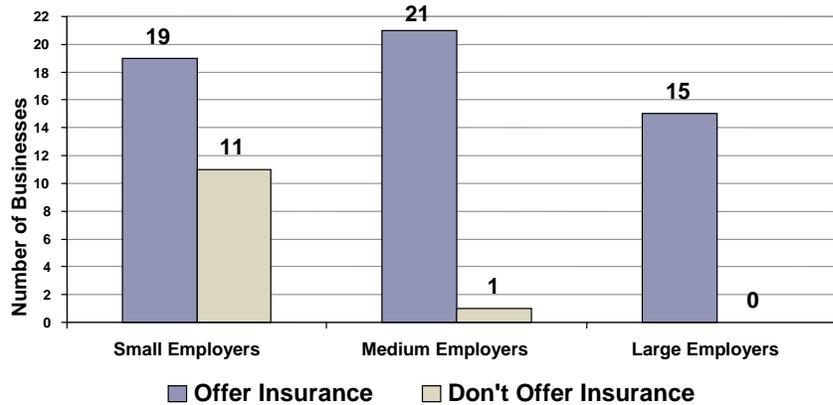
Employer	1	2 - 24	25 - 49	50 - 99	100+
Agriculture			2	2	
Construction			1	1	3
Communications		1			
Distribution/ Trucking			2		1
Government		1	1		
Health Services		3	4	1	4
Hospitality/ Service Industry	2	11	3	1	2
Manufacturing		1	6		5
Professional Services	1	4	2	2	

Employer Focus Group Locations



The majority of employers represented at the focus groups did offer health insurance to their employees. Of sixty-seven businesses, only twelve (18%) did not have employee health coverage. Most frequently the businesses without coverage were small employers.

Employer: Offer of Insurance



Agents and brokers were recruited from listed sample within a 35-mile radius of the group location. Thirteen agents and/or brokers participated in a group in Mecklenburg County. The group in Wake County had ten participants. To qualify for participation, health insurance had to be a major line of business for their agency and they had to focus on the small group market, the individual market or both. Among participants there was a good distribution of policies sold in rural and urban areas.

Factors in deciding whether to take-up/offer health insurance

Cost is the main concern in decisions to buy health insurance for both individuals and employers.

For the uninsured participants cost was the principal reason that they did not have health coverage. The majority of these respondents expressed concern about not having health insurance, yet the overriding sentiment was that insurance was a necessity they could not afford. About half of the employed participants had insurance available through their employer, but felt they couldn't afford the portion they would be required to pay to participate in the plan. With the exception of two respondents, answers to what they could afford to pay for an individual policy per month fell between \$40 - \$150. The price point given most often as affordable was \$50 a month.

I don't think insurance is a choice. It you don't have insurance it's because you can't afford it.

It's something that you have to have. It's like food and shelter, we really need health insurance; it's just a necessity.

At the grocery store I work for, they have insurance, but I can't afford it. Between my wife and me we make too much to qualify for Medicaid, but not enough to pay for insurance.

Employers also see cost as the primary problem in providing coverage for the uninsured. Participants representing businesses reported skyrocketing yearly premium increases, creating difficulties for both the business and the employee. Having older employees or employees with health problems contributes to rising costs. A few employers admitted they are making hiring decisions based on health insurance costs.

I just know if you knew or my employees knew, how much of their pay was going to health care they would be screaming and you would have the population in an uproar and the pressure would cause a correction in health care delivery.

\$1,700 a month I pay for just 4 people right now. Next month I have 2 other guys added on. I know it's insurance just in case, well just in case we don't get sick, I'm paying \$1,700 a month out the door and it's already gone.

I have girls working for me that if they had to pay that premium, even half of that premium, it would be 25% of what they make a month. How could they pay anything else? How could they feed their children, pay the daycare so they can work?

We do surveys of why people don't take our coverage and I haven't had anyone say that 'I just don't like it.' Every single one of them said they couldn't afford it. It costs too much.

By the time they do family coverage, they're paying over \$100 a week and that's a lot of money coming out of somebody's paycheck.

It's a sad state of affairs to get back to where I have an employee that comes to me and says I can feed my family this week or I can have health insurance. I've had some of them enroll in the plan and had to pull out because they can't afford it. That's sad.

We looked into offering insurance, but it wasn't even an option because you have to be healthy and not have anybody with a pre-existing condition.

With older employees in a group, the insurance company is not going to take any chances at all. They're just going to max rate the policy.

As an employer, I know that I want insurance and I know the employee needs it too, but I look at it sometimes and say, gee, it would be easier to hire a younger person.

The catastrophic event, the transplant, that's what kills you. We aren't self-insured because that's our first choice. We're self-insured right now because that is our only choice.

Retention & Attraction

For the businesses offering health insurance to their employees it's all about attracting and retaining good workers. Employers cited competition and the cost of training as important factors in their decisions. Additionally, health benefits are a cost effective method of offering employees greater compensation. However, these benefits are seen as much more important to the skilled and/or older worker. Employers paying low wages and/or hiring younger workers spoke of the difficulties of convincing these employees to take up the offer of insurance.

A salary or a wage will get an employee to come to work for you but employee benefits will make him stay.

I don't think we have a choice. I think in order to be competitive and retain our labor force we have to offer insurance.

If you're hiring people for a career, health insurance is a very important factor. They know they're going to spend a number of years and possibly the rest of their lives at this job.

It's something we want to do for our employees. We feel it's very important for them to have health care.

I'd give up a lot before giving up health insurance. Small businesses make a lot of emotional decisions.

I have a younger work force and they started to drop the insurance. They said I don't need it. They're astute and understand there is a whole list of bill collectors calling and they can't afford this expense.

Nobody can afford health care for part-timers. If GM can't afford it, how in the world can the rest of us?

Trends in coverage

Insurance agents, brokers, and employers cite a number of factors as contributors to the lack of affordable health insurance. A decrease in the number of insurance companies in the state and the resulting lack of competition were blamed in part for rising costs. Increases in required participation rates were noted as a problem for small employers. Across the board we heard that benefits were being cut in order to keep costs down. Whether buying as an individual or through a group, people are paying more for less coverage than they did 5 years ago.

You might use another company if you're down east or up in the mountains. They might have a network. But there are really only four companies out there and everybody's using those four. So it's very hard to slip in there with something new because there's nothing new out there.

How many people had a 7% increase in revenue last year? This year we're expecting a 26% increase in health insurance costs. Because we're out in rural North Carolina, there's only one hospital, there's only one network. The reduction of competitive insurance companies in North Carolina is one more challenge that we face.

We've got problems in North Carolina right now getting the insurance industry and the insurance companies to write small groups.

The employer has to come up with 50% of the premium for the employee. So the way the rates are going up every year, the employers are getting out of it because it's costing them so much money.

Insurance companies have switched on their participating rates. Two years ago it was 50% and now it's 75%. When you go that high you eliminate a lot of people, a lot of companies.

I want to provide it but I just can't because the profit margin isn't there to allow it to happen. Insurance companies expect you to hit 75% participation in a program and they expect you as the employer to pay 50% of that cost.

Over the last five years, you go over there at renewal time and it's more premium based than benefit based... they're increasing doctor co-pays, prescription drug co-pays, the hospital deductibles and what employees have to pay to try to keep the premiums down.

Consequences of being uninsured or not offering insurance

Barriers for the uninsured

Numerous uninsured respondents reported health problems for which they were currently receiving less than adequate treatment. For uninsured participants with no ongoing health issues, many said they were not getting check-ups or other routine preventative care. Some people said this was due to the cost, others reported trouble finding doctors who would treat them without insurance coverage. A number of participants reported feeling embarrassed when having to tell health care providers that they did not have health insurance.

If it's a hospital, or a doctor's office or a pharmacy, they treat you different with insurance or if you don't have insurance. If you don't have insurance, I feel like you get less than adequate care and if you have insurance, you get more than enough.

My wife had to be in the hospital in 2003 and I ended up having to pay the whole bill. I was fortunate though that I had some funds from a 401(k) that I rolled into an IRA when I lost my job, but that devastated my IRA. She was in the hospital for eight days and I got the itemized bill and I went over it. You know what the highest thing on that

bill was for eight days in the hospital? It was medicine. It was ten thousand dollars for medicine. That was the highest charge. She had surgery, anesthesia, she had room and board but the medicine was the highest of it all. That's unbelievable. But I was fortunate, I had cash, and I went around to each of these medical providers and I bargained with them. I said "I can pay you within 30 days if you'll give me the insurance rate or some kind of discount" and the hospital knocked off thirty-five percent. So, I negotiated discounts with everybody except anesthesia. They wouldn't take a discount. So I might have saved seven or eight thousand dollars doing that.

Well, it's been a while since I've been to the doctor but my wife, she has to go every three months so I told them about my situation because my wife really likes her doctor so they gave us a discount. I'm supposed to go have blood work done every so often to check my cholesterol levels and things like that but now I've skipped that. I've had to concentrate more on the wife than me because she's got more pressing needs than I do.

If I had insurance I would not have these pre-existing conditions. No matter how many years I've worked, no matter how hard I've worked I can't get health insurance.

They told me that this operation would cost me about \$3,500 and if I could come up with half of it they would go ahead and operate. I'm out of work. I'm disabled. I can't work. How am I going to come up with \$1,500? And they didn't operate.

I went to the doctor's office and was told, 'I'm sorry, we can't see your daughter because you owe us too much money.' I ended up going to Virginia under an assumed name just so I could get my daughter seen so she could get medication for her seizures.

And they'll say 'We can't take any more patients that don't have any insurance.' I feel like nobody cares. It really breaks your heart to think that nobody cares about you. God made us just like he made the millionaire.

My primary care physician refuses to see me because I have unpaid bills. I didn't have insurance and I couldn't pay. It's really hard when you can't afford it and you start getting bills. [a 23 year-old insulin dependent diabetic]

Usually when I go for a checkup it costs around \$300 and you let other things go which sometimes leads to bigger, worse things.

Losing employees

Employers who did not provide health insurance for their employees have also experienced negative consequences, largely losing good employees.

The full-time employee that I had for eight years left in order to have better benefits because I could not offer her health insurance, 401K, some of the things that she could get at a larger business.

I think its basic fairness to do what's right by an individual and in so many industries, if you want to at least attempt to eliminate turnover, you have to offer things other than just a salary.

It comes down to cost/benefit. If you can afford the cost of the insurance for your employees, the benefit is retaining employees. But, when the cost outweighs the benefit...

Alternatives to health insurance

Insurance agents, employers, and uninsured individuals all spoke of the importance of the emergency room in meeting the health care needs of the uninsured. It is clearly the “safety net” for those without the resources to pay for health insurance. While a lot of participants recognized that the use of the ER for primary health care is a driver in rising health care costs, uninsured participants often viewed this as a viable health care choice. Other avenues that were mentioned included urgent care centers, county clinics and doctors with sliding scale fee systems.

If I get sick, I'll go to the emergency room maybe one time and I'll just pay \$190 maybe or whatever it is. It's easier and more convenient; it appears to be that way.

It's cheaper to pay a hospital bill than it is to pay an insurance company every month.

We have universal coverage now. Nobody gets denied at the hospital. So we have, in effect, a system that is working.

You go to the doctor's office, there's a sign at the doctor's office that says payment due when services rendered. When you got to the hospital, they're required to treat first, ask for money later.

I was at [a hospital] a couple of weeks ago in the emergency room and it just so happened that I looked up and I saw this sign that said we cannot refuse anybody that comes in here. That you have to be treated as equal as the next person and I still wondered how true that is.

We go to [blank] County. They have a clinic called the Free Clinic. And if you don't have insurance and you qualify income wise, you get to be in the program. They have a setup where they have physicians volunteer their services. If there's a health issue that they can't handle right there, they refer you to a physician in the county and it's taken care of and if you have to have surgery that's all paid for through the clinic.

Impact of uninsured on health care costs

All groups recognized the adverse impact of the uninsured on health care costs. Participants discussed the negative consequences of inadequate health care for uninsured individuals and how the result is higher costs for both insurance and health care for everyone.

This is the whole point, if you had more people insured; the doctors and the hospitals are going to come out with the same amount of money because the people that are uninsured don't pay it. The people would go to the doctor and they wouldn't line up at the hospital.

So the more people we have uninsured in North Carolina, the higher the cost of medical care is for people who are insured. There's a lot more people visiting emergency rooms than there used to be.

I don't think emergency rooms should be your primary care physician but unfortunately for a lot of people it is.

And of course what happens is one of the reasons our health care costs is so high is because we have so many people who cannot afford health insurance and they get sick and they go to the emergency room because they don't have any other access to medical care and the cost of providing medical care for somebody with a mild infection or cold in the emergency room is outrageous.

Trade-offs for affordable coverage

Trade-offs for individuals

Frequently participants recognized that trade-offs would be necessary if more people are to have access to health insurance; some expressed concern about restrictions on their ability to utilize health care. Younger participants without current health problems were more likely to accept a limited benefit policy than older respondents or those with current health problems. The cost of prescription medications was a recurring concern for participants. A few respondents had found that even higher deductibles didn't bring premiums in line with what they could afford.

I could live with whatever deductible you want but you need to get the monthly price down.

I don't mind paying a co-pay if the premium is cheap enough.

Now, someone who has to pay a co-pay they may be cautious about going to the doctor's office every single time because it's \$30 and, you know, you tend to respect it more.

I would rather pay a lower premium for being able to go to the doctor only once or twice a year. But, I want them to pay for my monthly medication.

Because for people like a lot of us who have those ongoing problems, seeing a doctor only a couple of times a year is still not going to help the problems that we do have.

Chronic problems are a pain. If you have a problem that requires treatment once a week every week and you're saying you can only see the doctor so many times a year but you have to see a doctor once a week. That's part of my mother's problem is that she can only see one of her doctors 30 times a year but if she required once a week, she's out of luck. Sometimes these services are necessary...

I've looked at going up with higher deductibles to try to get the cost down but it gets to the point that I'm paying out \$1,700 every three months for health insurance that I never use.

Willingness to pay

Low-wage workers don't see how they could pay much more than \$50 a month for health insurance. However, most were reluctant to trade amenities like cable TV or cell phones to offset the price of coverage.

Yeah, quit smoking, that's a big one right there.

...getting rid of my cell phone.

I could cut back to basic cable, but it would be hard. Once you get used to things it's hard to give them up. And taking cartoons away from a 5 year-old would be hard.

I've already cut back. I don't have a cell phone. I shop at thrift stores. I don't get my hair done. I haven't had new glasses in 4 years. Sometimes you can't cut back.

We'd probably have to get rid of our cats. We take care of three homeless cats that live on our porch. We live in a trailer park.

Trade-offs by employers

Generally the employers we talked with described changing plans, restricting benefits and/or raising deductibles in order to manage premium increases. Many participants said that their companies no longer paid any portion of the family coverage. Some respondents said that they actively discouraged employees from taking up family coverage because of the costs. Employers are shifting benefits packages around, letting go of profit-sharing plans or postponing raises to offset the increased cost of insurance. Both employers and human resources professionals spoke of having to get creative to continue offering health insurance to their employees.

All we really have now is what should be catastrophic coverage because of all the out of pocket costs.

It's difficult to make benefit changes and we certainly try not to do that but at some point I think some of those things have to happen.

Deductibles? They're up to \$3,000 a year. And the employee is now paying 40% when we used to pay 100%.

The situation our company had run into was that we've had to constantly raise our deductible in order to keep our insurance at a level we could afford.

We consider it part of your salary, so every time that it goes up, you get a raise. Well, insurance went up \$200 a month and that's your raise.

We do pay some for the dependent coverage. Less than we used to, but we still put some money towards it.

As the cost has increased in the family coverage most of the employees have dropped out of that because they just can't afford to pay that. So it's only the employee that's covered.

We actually give employees an incentive so that if they have coverage elsewhere, we will give them 80% of what we would have paid for their premiums if they waive it.

We offer family coverage, but we discourage them from taking it. It affects their income and then they come back because they don't have enough money for the week. It's really a hassle.

Instead of starting benefits on the first day, we start on the 30th day.

... the 60th day

... the 90th day

It seems like every time we renew, we switch companies to try to keep our employee cost down. Our insurance company put a 45% increase on it this past year, so we switched.

Innovations

With the plans that are offered, we'll probably have to split the option so the employees can choose between the traditional plan and some can choose the health care savings account, which we will fund up to a certain portion."

We had to think about other innovative approaches like an HRA.

We are able to make it very financially attractive to get generic drugs, to go to a primary care physician.

The people that we identify as needing resources, cardiac health and fitness, if that person begins the program we give them money in their HRA account. If they graduate they'll get more so that they have an incentive to participate.

We're going to keep our employees insured. Maybe we'll cut back on the profit sharing plan that year. It's got to come from somewhere. We might ask the employee to share some of it or whatever but I think we'd continue to pay additional premiums as long as we can keep the coverage.

Solutions

Government interventions

Across all groups there was recognition of a need to increase government involvement in health care. Frequently participants expressed the belief that only increased government involvement would solve the twin problems of a growing uninsured population and rising health care costs. Government interventions mentioned in the groups included: tax credits for businesses or individuals, government creating insurance pools, subsidies towards premium expenses, and government sponsored systems of care. While a number of participants brought it up, a sizable proportion expressed fear of a National Health Care Plan.

Maybe there would be some tax credit to small businesses offering insurance to a person who is below the poverty line.

This may not work for small businesses, but for businesses of our size (over 100 employees) a 10% savings on corporate taxes would just about pay for your employees insurance.

Underwriting is too strict. Small groups should form a giant pool. It should be a trust like it was years ago.

As an employer I would be willing to put my fair share into a kitty for a state run catastrophic pool. Because we could all go the next five years and not have a single worker's comp claim.

*There are all kinds of things the government is involved in to our benefit such as incentives for people to buy homes. I think there are some things they could and should do in health care because **that's why we have government.***

There's no other group that is large enough or all-encompassing enough to really put something into place in a successful way or coordinate through the private sector like the government can.

We could have government-subsidized insurance. That would take it out of the workplace. Everybody pays a certain percentage in. You're given a base and if you want better coverage you pay up.

They should have programs that are according to your income so you can be insured.

Charge each employer a very small amount of money whether it's a fixed dollar amount based on maybe based on the number of employees that kicks into the pool to take care of the uninsured.

I would make it like Social Security where they take a little bit out of your check anyways. Take like \$5 or \$10 out of everybody who's employed and put it into a fund for health care.

People complain that National Health Care offers a lower quality of care. Well, any quality care is more than I have right now.

Regulations

Increased regulation of health care costs, including doctors, hospitals, pharmaceuticals, attorneys and insurance companies was mentioned in all groups. In particular, respondents cited the advertising of prescription drugs and litigation as factors in rising prices. Respondents thought that increased government regulation would bring prices down.

I do think we need more—I hate to say it—price controls, but something needs to be done. We need to require insurance companies to insure more people. They got people in Raleigh who regulate what they charge you for automobile insurance. They can't just go raise it. And Duke Power can't just raise the rates.

I know if they could get the insurance rates dropped, they could in turn drop the cost of health care too.

It's got to be the doctors, the hospitals, the drug companies and attorneys. Get those costs down. Employers will do the right thing. They won't be forced to do the wrong thing.

Probably one of the reason hospitals are so expensive is that everything is overpriced. I mean, it's \$5 for a Tylenol when you can buy a bottle of 200 for that price. That doesn't make sense at all.

Make doctors have a set fee.

It seems to me that they advertise a lot of prescription medicine on TV. Doctors ought to know about that medicine. They shouldn't have to advertise. Doctors ought to tell you what to take.

I think we need to get rid of the lawsuits. I think the reason we have such a higher premium, some of the reasons came from the many lawsuits against the doctors and against the hospitals.

Education

Several uninsured participants spoke of lacking a basic understanding of health insurance. Many required explanations of deductibles, co-pays, and co-insurance. A few of the business representatives managed doctor's offices and described spending a great deal of time with patients reviewing their insurance benefits. Other employer participants told of having to spend an increasing amount of time educating their employees on health care issues. They see a need for education to empower people to make wise health care choices.

I think it's about people being educated. People don't realize that you can call your doctors and see if they won't reduce the payment. I did and they cut it in half.

If we knew what things cost it would be helpful. People could plan a bit better instead of going to this doctor and he charges one amount because you're covered by insurance and now that we don't have insurance he charges more.

*We don't teach them all the facts about health insurance and how in most cases they can't afford **not** to have it.*

The \$10 prescription and \$15 doctor visit created a situation where people were not aware of the total cost. We've got to make sure that employees understand the choices they make and how to make them.

We talked to the employees about not running to the doctor every time you have a sniffle.

Product preferences

Towards the end of each focus group participants were presented with five different types of health insurance plans. These plans were typical of products that might be available through an insurance broker. The plans descriptions included an estimated premium for both individual and family coverage. These estimates were provided by Mercer Government Services Consulting and were based on policies currently offered in North Carolina. The five plans discussed were a Preferred Provider Organization (PPO), a Health Savings Account (HSA), two Limited Benefit plans (LBP and LBP with high deductible hospital), and a Hospital Only plan.

Description of Plans

PPO: Comprehensive benefit package with hospitalization coverage. Different out of pocket costs for In-Network and Out-of-Network

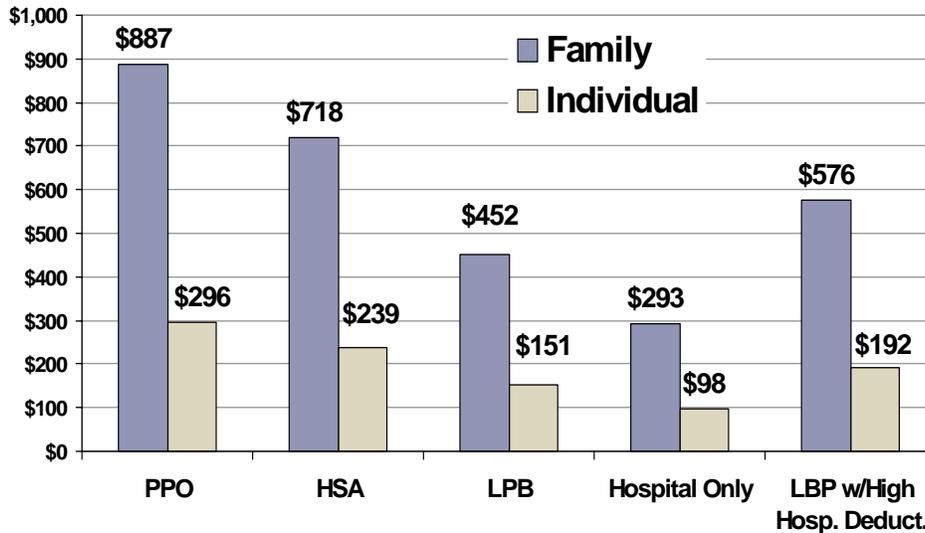
HSA: High deductible comprehensive benefit package which can be paired with a health savings account to defray out-of-pocket costs until deductible is met. Tax advantages for portion of contributions.

LPB: Limited benefit package covering preventive and routine care. Coverage limited to procedures conducted in primary care or specialist office setting. No hospitalization.

Hospital Only: Inpatient hospitalization only.

LPB with High Hospital Deductible: Limited benefit package covering preventive and routing care. Coverage limited to procedures conducted in primary care of specialist office setting. Hospitalization coverage has high deductible

Plan Cost Comparison

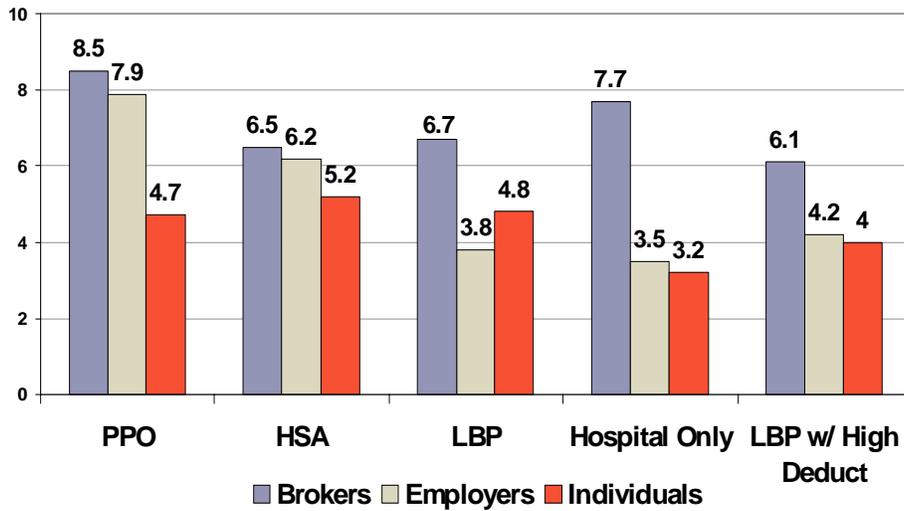


Participants were asked to share their opinions about these products. Additionally, respondents rated their interest in each option on a scale of 1 to 10 (10 being high). In all groups the highest rated plans were the PPO and the HSA, both are plans without restrictions on benefits. Uninsured individuals gave lower ratings to all the plans than did other participants, as they perceived these products as being out of their price range. Employers and

brokers gave the PPO the highest ratings. Interestingly, quite a few of these respondents thought this plan was under-priced. Agents and brokers expressed a high level of interest in all the plans. Their sentiment appeared to be that variety was currently lacking in the marketplace. Small businesses also found the variety more attractive than did larger businesses. A number of participants representing small employers expressed a wish for a tiered product that would allow employees limited benefits with an opportunity to “buy up.”

Average Ratings of Plans

Where 10 is “like it a lot” and 1 is “don’t like it at all”



Reactions to Plans

For all the plans, think in terms of a higher deductible, to bring the costs down a little bit because I’m going to give them sticker shock anyway.

There’s a big push in high deductible plans that start at \$1,000. If the employer does not participate in any of the \$1,000 where is that person getting the money?

Are any of these guaranteed issue plans?

When it comes to the low-income person, they’re not interested in an HSA. They don’t care about the tax saving they just want insurance.

Do we really believe that these limited benefit plans or the HSA are going to help the system or is it just going to save money to the company that is providing the benefit?

I don’t think our employees have the education to work with a HSA. And I think you’ll end up with more people with more serious illnesses because they have chosen not to spend the money and go in for check-ups.

If you're going to take this limited plan, they ought to be open to more lenient underwriting. The people that can't get through underwriting are the people that would buy this kind of plan if they know they can get in there. Then you give them incentives so they can take care of the problems and get back in shape.

If you don't cover preventative care, all this is a waste of time. Preventative care just pays for itself.

The problem with the catastrophic plan is that people don't do the primary stuff.

I want a health care plan where I can pick and choose what options I want. If I don't want prescription drugs, I shouldn't have to pay for it.

Until you get to the limited benefit plan they're all more than my house payment. You can't afford to pay that for coverage. With the limited benefit plans the thing that concerns me is I'll have a heart attack or get cancer and there's no coverage.

Conclusions

Cost is the main driver in regards to health insurance take-up by individuals and offers of insurance by employers. All parties consulted in these focus groups; agents, employers and uninsured individuals expressed concern about rising health care costs and the lack of affordable health insurance. There was recognition on the part of almost every respondent that this problem is growing and has consequences for our whole society.

Employer sponsored health insurance has been the backbone of the industry in America for the better part of the last century. Insurance and other employee benefits are important in attracting and retaining the best employees. However, employers are finding it difficult to maintain benefit levels. They have had to resort to a number of ways to cut costs. Thus, employees are paying more for less coverage than they did just 5 years ago. Small businesses are feeling the pinch more than their larger counterparts. Age banding and the increased participation rate requirements have hit this group hard. They report having few choices when it comes to insurance offers.

A few individuals, mainly young people, don't value health insurance, believing it is not worth the price and that they can get by without it. However, uninsured respondents worry about their ability to get the care they need without insurance. We heard the experience of older individuals and those with existing health problems. A number of these participants felt that they had received inadequate care due to being uninsured. We also heard employers describe their difficulty paying the high cost of insuring these groups. So while low-wage workers don't see how they could pay more than \$50 a month for health insurance, middle class workers with pre-existing conditions can also be priced out of the market.

The emergency room is seen as the ultimate safety net for the uninsured. While many focus group participants recognized that the use of the ER for anything other than “emergency” care adds to rising health care costs, it is often the only choice readily available to the uninsured. Although some of the participants in this study found other avenues of care, the ER was mentioned consistently.

There is near universal recognition that the cost of health care for the uninsured has an adverse impact on insurance and other health care costs. By providing affordable insurance to those in need, especially people with pre-existing conditions, dependent spouses and children, low wage workers, employees and owners of small businesses, we can go a long way towards creating a solution. As the focus group members recognized, real solutions must involve all interested factions, including individuals, employers, health care providers, hospital administrators, pharmaceutical manufacturers, insurance companies, trial lawyers and the government.