

**Texas State Planning Grant  
Focus Group Summary  
Waco, Texas – October 9, 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 Waco 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. This applies especially to single income households.
- Rapid premium increases required upon renewal prevent people from maintaining coverage.
- Many jobs requiring 35-40 hours per week are considered part-time, and thus do not offer health benefits.
- Part-time and temporary workers rarely qualify for health coverage through their employers.
- People aged 50-65 and those with pre-existing conditions cannot find affordable coverage.
- Unreasonably high deductibles and co-payments must often be met in addition to monthly premiums.
- The "asset test" disqualifies numerous people from Medicaid who would qualify based on income alone.

- Many low-wage workers view insurance as unimportant since free clinics and emergency rooms provide free coverage when they become ill.
- The general public is simply not educated regarding the importance and value of health insurance or the credit ramifications of being unable to pay for medical costs.
- The current minimum wage is too low for people to even consider purchasing health insurance.
- Consumers do not understand the complex language used in insurance policies, and worry that insurance companies will not honor covered expenses that arise.
- The length of both contract commitments and waiting periods discourage people from seeking coverage.

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

- Employers should offer several plans with different benefits to allow employees more freedom.
- 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 state should provide a basic, no frills plan to cover accidents and catastrophic illness.
- A given percentage should be deducted from each person's paycheck based on his or her salary, and this money should be matched with state and federal funds to cover the cost of health insurance.
- Low-income workers should form a purchasing pool to make premiums more affordable.
- The profitability of insurance companies, drug companies and hospitals should be more closely regulated to make them more service oriented than business oriented.
- Supplemental insurance should be made available to older citizens.
- Coverage should be guaranteed to all children under age 10, veterans and handicapped people.
- CHIP should be expanded to apply to the families of covered children, and a similar program should be offered to other low-wage workers as well.
- Free clinics should be more readily available and accessible.

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?
- Is there a limit on the number of doctor or hospital visits I can make within a given month or year?
- Will I be required to pay a deductible, co-payment or fee for certain tests, and how much are they?
- In simple terms, what types of coverage are available to me and what does a given policy cover?
- What impact will pre-existing conditions have on my premium, and will these conditions be excluded from coverage?
- Can I depend on this coverage during a major injury or long-term illness?
- Will I have the freedom to choose my own doctor and hospital?
- Will I experience a large amount of paperwork or red tape when I make a claim or visit a specialist?
- Will my insurance be transferable to another state if I decide to move?
- Are dental and vision expenses covered?
- Are there any limitations to the preventive care or screenings that I can receive?
- Will companies be prohibited from refusing to hire pregnant women due to possible health insurance increases?

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

- A public office should be created where insurance information is available and consumers can receive help in choosing a policy that best meets their cost and benefit needs.
- Pamphlets should be available at unemployment offices outlining the CHIP and Medicaid programs.
- The state should establish a central clearinghouse hotline to provide neutral information and answer all consumer questions.
- “Insurance fairs” should be held around the state where consumers can meet with representatives from several different insurance companies and compare available policies.
- Insurance should be publicized via television and radio commercials, billboards, and the internet.
- Insurance agents should provide plain-English handouts detailing all possible policy options and general insurance information.
- Insurance companies should offer free trials, limited time specials and two-for-one discounts.
- Employers should be required to provide health insurance, but have government assistance if needed.
- Telemarketing insurance agents should call uninsured individuals and offer basic coverage plans.
- Insurance application and claims processing should be available online to reduce time and paperwork.

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?

- Most people expressed considerable frustration with insurance companies for providing incomplete information, delaying claims and failing to respond promptly to customer questions.
- Policyholders are often forced to pay a higher portion of a given medical procedure, doctor visit or hospital stay than they believed they were responsible for paying.
- Hospitals sometimes bill both a patient and his or her insurance company for the same procedure.
- Companies can deny complete coverage and then refuse to pay for resulting future complications.
- Insurance companies have refused to fully pay for treatment of premature babies, citing that they did not classify this as a “full-term pregnancy.”
- Poor in-network doctors sometimes misdiagnose their patients, causing serious future complications.
- Local independent agents are commonly very helpful in looking out for consumer needs, promptly answering difficult questions, and finding high-value policies with customized benefit packages.
- Necessary out-of-network specialist visits can be difficult to obtain, even when there is not a similar specialist within the network.
- Many companies consider illnesses suffered many years ago as pre-existing conditions, even if there is little to no chance of reoccurrence.

### **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 have a substantial increase in premium upon renewal.
- Small profit margins in many industries force employers to choose between health insurance and workers compensation coverage, because purchasing both is not an option.

- Even when a business covers its employees, the employees cannot afford spouse and child coverage.
- The 75% required ratio of eligible employees who must accept coverage is unreasonable in small businesses due to high turnover, young workers declining coverage, and coverage under spouse plans.
- Insurance for very small businesses (<5 employees) requires paying extremely high premiums.
- The only affordable plans for small employers have poor benefit packages.
- HMO's are not willing to negotiate premiums with small groups.
- Small businesses cannot pool together with one another to obtain more affordable rates.
- 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.
- The legislature won't sufficiently restrict premium increases by insurance carriers.

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

- The maximum amount by which premiums can increase from one year to the next should be reduced.
- Insurance companies should be prevented from raising premiums when no claims were made on a policy or employee deductibles were not met in the previous year.
- TDI should reduce its current requirements to allow more small companies to purchase policies.
- Independent agents should compare the benefit packages and premiums of all policies to determine which policy has the best value for each benefit level.
- All children under the age of five should be covered, regardless of health status or parental income.
- TDI should negotiate contract prices with insurance companies on behalf of small businesses and provide this information to employers for them to evaluate.
- People just over the federal poverty level who cannot afford their own coverage should be offered a similar plan to Medicaid, but with a lower assistance level.
- The CHIP program should be expanded to include the families of enrollees.
- Since easy access to emergency room care and free clinics currently gives people no incentive to seek health coverage, laws discouraging abuse of these facilities should be put in place.
- A sliding scale should be developed where each person pays a given percentage of his or her annual income for health insurance coverage.
- Policies should be standardized among providers to allow easier comparisons between companies.

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

- In plain English, what is and is not covered in a given policy?
- What is the amount of my deductible or co-payment for drugs, doctor visits and medical procedures?
- What time limits, if any, apply to pre-existing conditions?
- How convenient are the doctors, specialists and hospitals in my network?
- Can I freely choose my own provider, or will I be limited to only a few choices?
- How financially stable is a particular insurance company?

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?

- Insurance companies should hold seminars for employees outlining the details of their plans, including premiums, deductibles, co-pays, exclusions and where to go for treatment.
- A generalized internet listing should be available that includes all available policies covering a user's specified benefit package preference.
- Seminars and group discussions should be held where representatives can answer consumer questions and small employers can share their experiences with one another.
- TDI should publish a book outlining all the critical questions that consumers should ask before purchasing a health insurance policy.
- Employers should ask their employees about problems they have experienced in the past.
- TDI should provide the same comprehensive information on the internet for small employers that it currently provides for individuals.

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?

- Insurance companies often circumvent laws by not paying claims on time or underpaying claims.
- Private agents rarely give complete information and frequently only tell you what you want to hear.
- Large insurance companies are often difficult to reach and have poor customer service.
- Local independent agents, as people you already know and trust, provide exceptional customer service and work hard to meet your individual needs.
- Some companies refuse to pay for dental damage sustained in a covered accident if dental expenses are not specifically included in a policy.
- Insurance companies can damage the integrity of employers because of poor service and slow claims payments.
- Insurance companies have been known to cancel agreed-upon coverages before an active policy expires, and this practice should be considered illegal and immoral.