WISCONSIN STATE PLANNING GRANT

ADDENDUM TO THE FINAL REPORT TO THE SECRETARY

MARCH 25, 2002

FOR THE PERIOD OCTOBER 1, 2001 – MARCH 1, 2002

Addendum Section 1. Summary of Findings: Uninsured Individuals and Families

Access to Health Insurance: Farmer Focus Groups

Methods

The Wisconsin Office of Rural Health was contracted to conduct research for the State Planning Grant on farmers' access to health insurance coverage.

To organize each focus group, the Wisconsin Office of Rural Health (WORH) contacted a local representative for farmers in each participating county. For four of the five counties, this representative was the Agriculture Agent at the University of Wisconsin Extension Office. In one county, it was the Natural Resource Conservationist.

In two of the five counties, the agents chose to speak to farmers and gather participants themselves. The WORH staff member then followed up with the agent periodically to make sure the group would proceed as planned.

In three of the five counties, agents provided lists of names and telephone numbers of between 20 and 40 individuals who might participate in the focus groups.

Preference was given to those who were either actively farming or who had farmed for a long period of time and to those who had expressed concerns about the quality of their health insurance.

When contacting potential participants, WORH asked to speak with the adult responsible for the family's health insurance decisions. Of those contacted, approximately one third expressed an interest in participating in the focus groups. Participants were paid a $25 stipend.

Prior to beginning the focus group discussion, each participant was given a survey that asked detailed questions about each participant's health insurance coverage and preferences. The survey also gathered information that could be considered sensitive in an open group discussion.

Findings

The comments made by participants in all of the focus groups shared many common themes. These themes can be broadly broken down into the following sections.

Cost

Cost emerged as a major theme of the focus groups, with participants suggesting that both medical costs and health insurance premiums are too high for average working families. Participants specifically drew a link between medical costs and premium prices, stating that increasing medical costs are passed on to consumers in the form of ever increasing health insurance premiums.

Participants in all of the focus groups expressed frustration that they have trouble affording health insurance despite being employed and asserted that high premiums and the rapid rate at which they have increased (and are increasing) have resulted in many Wisconsin farmers choosing to go without health insurance.

Practices of Insurance Companies

Participants listed a host of practices insurance companies use that they feel are unfair to consumers.

Insurance companies are perceived to discriminate against older applicants for coverage and those applicants who have had any type of health problem by charging high ($1000 per month or more) premiums or by denying coverage altogether. Focus group participants expressed a belief that insurance companies are only willing to insure people who are young and healthy.

Farmers also questioned the practices of insurance companies towards policyholders. Many felt that insurance companies would deliberately discourage older (between the ages of 50 and 65) policyholders from holding their policy raising premiums dramatically. Farmers often continued to pay very high premiums to keep their insurance, because they were afraid no other insurance company would accept them after they disclosed their pre-existing health conditions.

Additional complaints against insurers included insurance companies frequently changing their approved network of providers, and insurance companies providing disability insurance only after a 30-day waiting period.

Farmers' Perspective

Focus group participants believe that individual farmers have little control over their health insurance, and that only by forming or joining large groups, possibly along with small business owners, could they lower premiums to an affordable rate. In addition, farmers often explained that their dependency on fixed product prices for their annual income made them even more vulnerable, as individuals, to health insurance price increases.

Every group agreed that spouses leaving the farm to get health insurance through an employer represented a major decline in the family-farming way of life.

Government's Role

Despite suggestions on the possible roles that government could play, farmers in most of the focus groups expressed a desire to avoid too much government involvement, particularly federal government involvement. They were cautiously accepting of the government providing limited assistance. But few wanted to see government-administered programs for health care or health insurance.

The most commonly suggested role for the government to play in improving health insurance for farmers was to control medical costs through some type of price standardization. Participants in every group remarked that medical costs were out of control and that these costs translated into higher insurance premiums.

Some saw a more active role for the government in providing some type of insurance or monetary assistance. Participants suggested that the government could offer a certain amount of assistance or reimbursement for health insurance costs, based on an individual's or family's taxable income. Others thought the government could offer the option of coverage to everyone based on their income level. There was a strong sentiment, in most cases, that no one who works should have to go without health insurance.

Insurance companies could also be more closely regulated, in the opinion of some participants. They suggested that insurance costs and practices should be carefully evaluated. Some also suggested that the government could require insurance companies to include some percentage of high-risk individuals in their pool, so that risk was spread out evenly.

All the groups agreed that farmers should be able to deduct medical costs as business expenses. They saw themselves as business owners and wanted to have the options of business owners on their income taxes.

Respondent Data

Twenty-seven focus group participants completed surveys that yielded the following results:

Demographics

- 10 were male, 15 were female, and 2 did not respond.
- Average age was 53, ranging from 34 to 73.
- Average annual household income was $42,000, ranging from $11,000 to $200,000; 9 people did not disclose this information.

Health Insurance History

Fifteen of the households represented purchased at least some health insurance independently; 12 did so through a private employer. Three received coverage from Medicare, 3 from veterans' benefits, and none from other public programs (e.g. BadgerCare). One was not insured.

For those who purchased health insurance independently, the average premium was $510, ranging from $54 to $1200, and the average deductible was $1,621, ranging from $100 to $5000.

- 10 had been refused private coverage at some point. 15 were never refused. 2 chose not to respond.

- 12 of the households represented had at least one member with a job off the farm. 14 did not. 1 participant chose not to respond.

? 22 households had never had health insurance coverage through a public program; 4 had coverage through a public program. 1 participant chose not to respond.

Health Insurance Preferences

In response to the question, "What health care services would you use the most, if you had comprehensive primary health care coverage today?," participants responded as follows:

? Regular physical exams: 20
? Routine blood tests: 10
? Mammograms: 10
? Cancer scanning: 9
? Immunizations: 7
? Well-child exams: 6
? Emergency care: 4

The average monthly premium participants indicated they would be willing to pay for comprehensive coverage was $349, ranging from $0 to $800.

Addendum to Section 6

6.9 How did your State's political and economic environment change during the course of your grant?

Since the end of the initial grant period, September 30, 2001, the state's economic picture has significantly worsened and caused the Administration and Legislature to adjust the state's 2001-2003 biennial budget. Action on the budget adjustment bill has not been completed at the time of this report.

In particular, projected state general fund tax collections have been significantly lowered. The current state biennial budget (July 1, 2001 through June 30, 2003) was developed and enacted assuming general tax fund revenues would increase by 5.9% in the first year and 4.4% in the second year while the revised growth projections for each year are for 1.5% and 3.1%, respectively. As a result, the total projected state deficit exceeds $1.1 billion in the current budget period.

Despite revenue shortfalls, public insurance programs including Medicaid and BadgerCare have been strongly supported by the Administration and Legislature in the current budget debate. In fact, the Governor has proposed an additional $75 million in state revenue to support increased Medicaid caseload and expenditures.

It is expected that State agencies, including DHFS, will be required to reduce their operation expenditures by 10 % in fiscal year 2002 and by 11.5% in fiscal year 2003. This represents an increase in operations cuts of 3.5% in FY 2002 and 5% in FY 2003

over cuts already incorporated in DHFS operating budgets as a result of previous administrative and legislative directives in the current biennium.

6.10 How did your project goals change during the grant period?

Projects funded under the State Planning Grant did not change appreciably during the grant period. The Wisconsin State Planning Grant was focused on building improved data infrastructure and enhanced qualitative research on the insured, particularly among specific sub-populations at high risk of being uninsured.

6.11 What will be the next steps of this effort once the grant comes to a close?

As mentioned, key SPG projects will become ongoing functions, e.g. the new Wisconsin Family Health Survey and as such continue to provide new information about the insured and uninsured populations. In particular, policy analysts, researchers, and state policymakers will use this information throughout the next biennium. Research findings completed under the SPG will be readily accessible to the public including through the Department's website.

SPG research may also support possible legislative initiatives aimed at improving the operation or design of current public coverage programs. For example, an SPG analysis of the BadgerCare Health Insurance Premium Program (HIPP) supports the statutory modifications necessary to improve access and enrollment of low-income working families with access to employer-based insurance in the program. Finally, the SPG program has proven a useful demonstration of the applicable research and policy uses of state-led projects to improve qualitative research and methodology, as well as developing new qualitative research capacity.

As stated in the Final Report, "Absent federal initiatives to expand access to health insurance coverage, future State policies will most likely seek to strengthen partnerships with local government and community agencies to provide basic primary health care services and prevention programs." Given the fiscal pressures facing the state, the recent expansions of coverage, and the strong interest in maintaining the current level of access, this statement should be given added emphasis.

Addendum to Section 6 and Appendix III. – Data Sources

Wisconsin Family Health Survey - Research Activities

Between October 2001 and March 2002, the Wisconsin Family Health Survey (FHS) was revised, delivered to the survey contractor, and programmed into the computer-assisted telephone interviewing (CATI) system.

In order to prioritize and complete all of the survey revisions, Bureau of Health Information staff compiled and reviewed all comments received from groups interested in FHS content. These groups included:

- Attendees at four Technical Panel meetings held with survey stakeholders throughout the Department of Health and Family Services, including both data users and policy development staff;
- Stakeholders external to the Department, including advocacy groups and the research community;
- Attendees at the statewide State Planning Grant conference held in September 2001;
- Department staff involved in identifying measurable objectives for the Department's 2010 health plan in key program areas; and,
- Technical consultants, including survey research experts who reviewed the FHS, consultants who summarized the content of other state's health surveys, and consultants who assisted in communicating with various stakeholders.

SPG staff reviewed the current FHS instrument, along with all of the input from stakeholders, and developed guidelines for the revisions. Staff drafted sections of the FHS instrument, drawing from several health survey resources, including the National Health Interview Survey (conducted by the National Center for Health Statistics) and the National Survey of America's Families (conducted by the Urban Institute). Staff also drafted extensive "data dictionaries" describing the data set to be created from the completed FHS interviews by the survey contractor. After reviews and revisions, final survey questions and data dictionaries for each section of the FHS for 2002 were delivered to the survey contractor.

The contractor programmed the instrument into a computer-assisted telephone interviewing (CATI) system. An extensive testing phase started in early March; this phase will include a field test of 100 random interviews in April. Final revisions to the instrument will be based on the results of these tests.

For the first time, the Family Health Survey will be completely translated into Spanish. In order to obtain a high-quality translation, two independent translators will prepare Spanish translations of the questions and interviewer instructions. Then the two translators will meet to decide on optimal wording wherever they differed in their original translation. The Department selected a translation agency to translate the entire instrument and all interviewer materials into Spanish. The second translation will be completed under the auspices of the survey contractor. Staff wrote the translation specifications in February 2002. The master English document for translation was delivered to both contractors on March 1, 2002.

The 2002 sample design will include an oversample of Hispanic households, in order to better represent this growing segment of the state's population. Both the English and Spanish versions of the FHS 2002 instrument will be ready for use by the first week of May. Production interviewing will continue from then until the end of the year.

Special questions about employment and employer-sponsored health insurance had been added to the survey in January 2001; preliminary findings were reported at the statewide State Planning Grant conference in September 2001. The extension of State Planning Grant fund period also supported additional data collection with these new questions between October 1 and December 31, 2001. This will enable the Department to prepare a calendar-year report on the results of these questions.

Contracts

SPG-funded staff developed six contracts for Family Health Survey redesign and analysis activities during the original project period of October 1, 2000 -- September 30, 2001. Four of these contracts were completed by September 30, 2001, with results reported to the Health Resources and Services Administration in the October 2001 report. One consultant contract was extended until mid-November 2001 and completed.

There are currently two open contracts, one with the translation agency and another with the survey research agency. The contract with the translation agency will be completed prior to June 30, 2002. The original contract with the survey research agency to work on the FHS redesign and implementation was restructured. A revised contract, which ends on June 30, 2002, specifies additional tasks including programming and testing the Spanish-language instrument, drawing a special sample of Hispanics, and completing 850 household interviews.