

Focus Groups with North Dakota Employers

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Center for
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University of North Dakota
School of Medicine and Health Sciences

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What did we want to learn?

- What factors do employers consider when deciding what health insurance to offer employees?
- How important is offering health insurance in attracting and retaining employees?
- Briefly describe your vision of adequate (employee only) health insurance and what it might cost.
- Can your organization provide adequate insurance coverage at the present cost?
- Looking ahead 3 years into the future, what might health insurance look like at your place of employment?

What was done?

- 1,200 invitations to participate in focus groups were mailed.
 - Approximately 300 were mailed to each community
 - Mailed two weeks prior
 - Post card and phone call reminders
- Four focus groups
 - Grand Forks (May 17th) (7 participants)
 - Fargo (May 21st) (11 participants)
 - Grafton (June 4th) (10 participants)
 - Bismarck (June 18th) (8 participants)
- Participants given a light meal
- Completed a brief survey



Who was there?

(preliminary results)

- 36 total participants – (Demographic data available for GF, Grafton and Fargo n=28)
- Is your org non profit? Yes=50%, No=42%, missing=8%
- Average # of employees in org = 590
 - Range from 3 to 6200
 - How long has your organization been in operation?
52.5 years average

Who was there?

What is the main focus of your organization?

7	Health Care
3	Services
3	Financial/Banking
3	Other
2	Education
2	Construction/Manuf
2	Wholesale
2	Retail
2	Government
1	Agriculture

What did they say in the survey?

(preliminary results)

- Does your org contribute to any type of health insurance program?

Yes=71%

No= 8%

Missing=21%

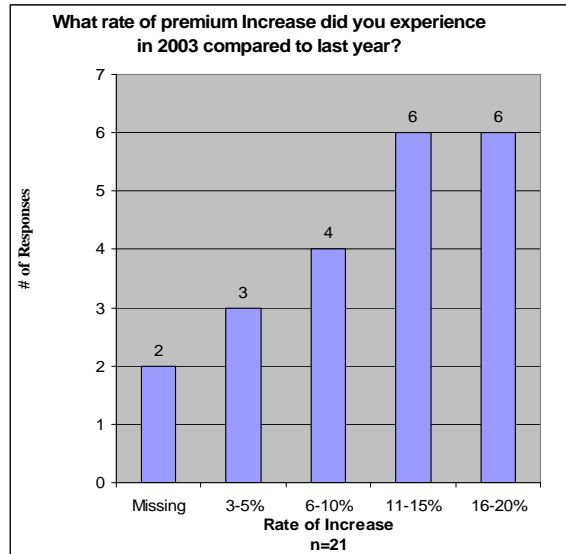
- Compared to last year, have your premiums increased?

Yes=75%,

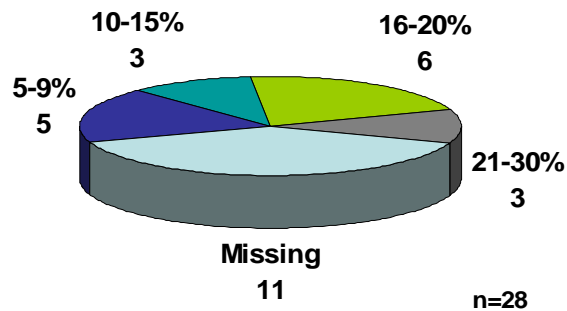
No=10%

Missing=14%

What did they say in the survey? (cont)



What percent of your budgeted payroll expense is spent on healthcare per year?



What did they say in the survey? (cont)

(preliminary results)

- During the past 12 months was there any time that you did not offer any health care insurance coverage?
 - No=93%
 - Missing=7%
 - Yes=0%
- How are your health care benefits funded?
 - Fully Insured=61%
 - Self Insured=29%
 - Other=3% (both self and fully)
 - Missing =7%

What did they say in the groups?

- What factors do employers consider when deciding what health insurance to offer employees?
 - Cost, cost, cost
 - Benefits, coverage, etc.
- How important is offering health insurance in attracting and retaining employees?
 - “Health insurance is a right today its not a benefit package.”
 - Helps ensure stability, minimize turnover costs

What did they say in the groups? (cont)

- Briefly describe your vision of adequate (employee only) health insurance and what it might cost.
 - Protect against catastrophe
 - Additional choices
 - Don't know
 - Protect/maintain the policy we have
 - We have great insurance
 - Depends on individual circumstances

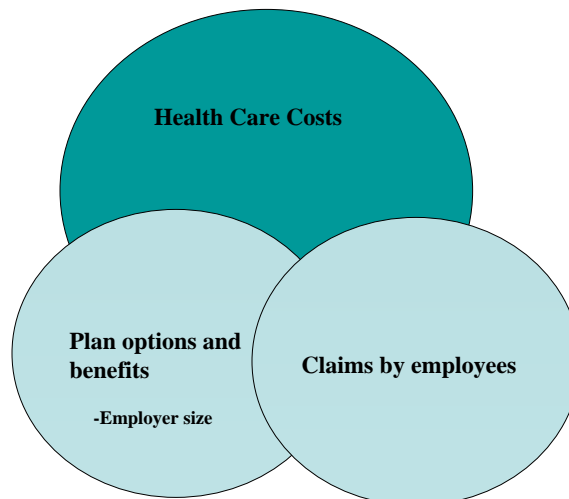
What did they say in the groups? (cont)

- Can your organization provide adequate insurance coverage at the present cost?
 - Yes
 - Impacting salaries
 - Lack of competition
 - Insurance company not proactive
 - Loose employees if inadequate
 - Not too wise to offer great benefits

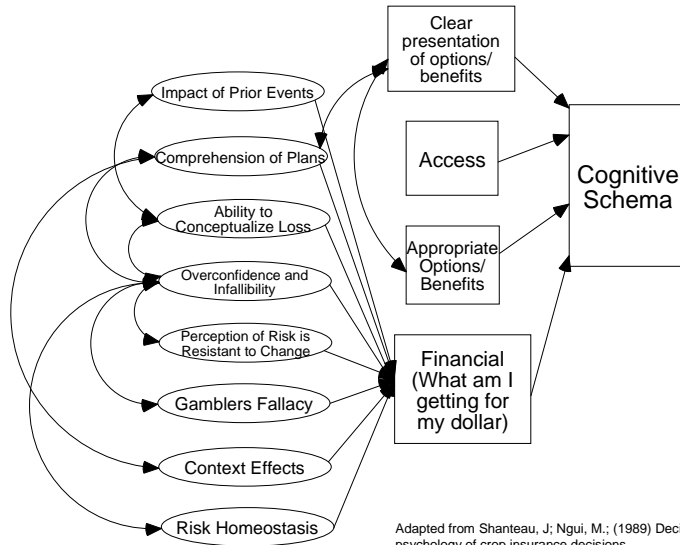
What did they say in the groups? (cont)

- Looking ahead 3 years into the future, what might health insurance look like at your place of employment?
 - Benefits will be based more on tenure
 - Differing tiers
 - Elderly not retiring
 - Age groups will self select out
 - Costs shared, shifted
 - Benefits such as vision and dental will be cut
 - Deductibles raised

What can employers influence when it comes to cost?



Individual Level Factors: Purchasing Insurance



What did they say again in the citizen focus groups?

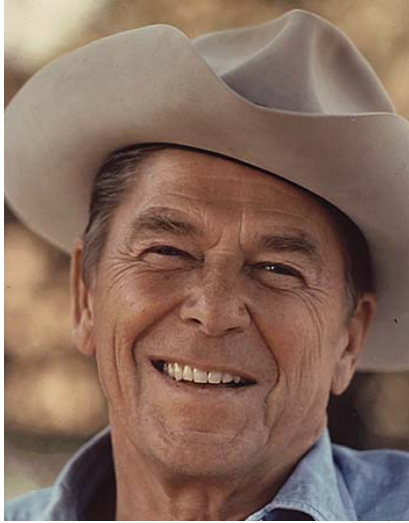
- What do you think can be done to ensure that more people have health care coverage?
 - » Coverage for small things
 - » Education
 - » Fair pricing
 - » Individual savings plans
 - » Individualized policies
 - » Lobby
 - » Lower prescription prices
 - » More competition

What did they say in the groups? (cont)

- Quote-worthy
 - It seems like the healthcare industry doesn't have to be more efficient, they can just add to the cost what it's costing.
 - The only thing that concerns me is the complexity. It isn't just the rate of the plan any more, its also the other things that go along with it, whether it be disease management, [or] a Health Savings Account. That concerns me whether your average employer ... is going to have staff on hand that can really even analyze that.

What did they say in the groups? (cont)

- Quote-worthy
 - employers have got to have somebody to go to that's an expert in it (insurance planning/purchasing) because you just can't do it yourself anymore. It's tougher and tougher.
 - I do know that there comes a limit to what we can offer. It doesn't matter what they [employees] think it's what we can afford at some point. When the rates keep going up and up these last 5-6 years it's just crazy. Were up to a 500\$ deductible now I don't know where else we can go.

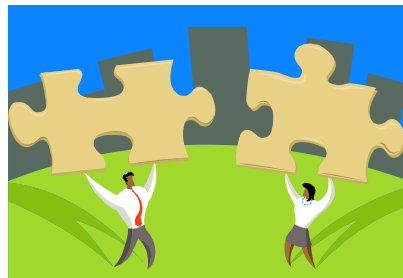


The 'Great Communicator'

1911-2004

Possible Solutions

- Employee education programs
 - Clarifying what health insurance is and what its for
 - Appropriate utilization of medical resources
 - Total value of benefits –possible comparisons to other plans
- Employee wellness programs and incentives
 - 1-800 for a nurse
 - e-mails with health tips
 - Incentives for healthy behavior



Possible Solutions

- Employers are frustrated, there is strong political will to implement changes
- Provide more forums/opportunities for dialogues
 - Employers need to communicate more with one another
 - Talk about health insurance via something akin to Health Insurance Dialogues
 - Neutral, non-competitive forum
 - Need to organize to control costs and implement programs
 - Need to dialogue with BCBS and medical community.



Possible Solutions

- Utilization of health insurance brokers to negotiate best rates –complexity of insurance has grown, so most HR people don't have that level of expertise.
- Health Savings Accounts



Possible Solutions

- “Actuarial Death Spiral”
 - People are working for insurance
 - Explore alternatives that are win/win plans so that employees can retire yet maintain their health insurance.
- Cost sharing critical
 - Minimal cost sharing for even the lowest paid employees
 - Ratings based on ability to pay



What did we learn?

- ND employers are struggling to maintain current levels of coverage
- ND employers are frustrated with rate increases
- Benefit cuts and cost sharing with employees will increase
- Employers are highly motivated to hold costs down and would likely be willing participants in activities do address rising healthcare costs.
- Communication between all parties is crucial



Recommendations

- Where do we go from here?



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