

EMPLOYMENT-BASED HEALTH INSURANCE IN NEW MEXICO

**AN ANALYSIS OF THE 2000 HEALTH POLICY COMMISSION STATEWIDE
EMPLOYER SURVEY OF HEALTH INSURANCE**

**BUREAU OF BUSINESS AND ECONOMIC RESEARCH
UNIVERSITY OF NEW MEXICO**

**Lee A. Reynis, Ph.D.
Dolores Busch-DeMarcus, M.A.
Tony Sylvester, M.A.**

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STATE OF NEW MEXICO



HEALTH POLICY COMMISSION

Donald Silva, Chair

Satyra Brown, Vice Chair

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K. Babette Saenz

Marjorie T. Slaten

For more information, please contact:

New Mexico Health Policy Commission
2055 South Pacheco Street, Suite 200
Santa Fe, NM 87505
(505) 424-3200

or

[visit these websites](#)

hpc.state.nm.us

www.healthlinknm.org

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Gilmore Research Group conducted the telephone survey of private sector employers.

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EXECUTIVE SUMMARY

EMPLOYMENT-BASED HEALTH INSURANCE IN NEW MEXICO

This report presents and analyzes the results of a statewide telephone survey of New Mexico businesses and a mail survey of New Mexico's public sector.

2000 Health Policy Commission Statewide Employer Survey

The current survey was designed to update the 1993 survey of employers conducted by the Rand Corporation and Westat with funding from the Robert Wood Johnson Foundation and to provide current information on employment-based insurance in New Mexico. The Health Policy Commission (HPC) was primarily interested in private sector employers, and the decision was made to conduct a telephone survey of these employers. Because government has historically been a very important source of employment for New Mexicans and a leader in the provision of employee health insurance, the study also included a scaled down version of the survey that was mailed to public sector employers and the managers of insurance pools for government entities.

The Gilmore Research Group, using a Computer Assisted Telephone Interviewing (CATI) System in which the actual questions appear on a computer screen, conducted the telephone survey. BBER conducted the mail-out survey.

Both the telephone survey and the mail-out survey sent to governments were designed to collect information on employer characteristics, employee benefits, the health insurance plan with the largest enrollment, and recent changes in employee health insurance plans and programs. In addition, the private sector survey explored opinions, including possible motivations in offering or not offering insurance and policy preferences.

Since HPC was concerned with insurance provision across different firm sizes within the Albuquerque Metropolitan Statistical Area (MSA) and the Rest of the State (ROS), the sample was stratified accordingly. To minimize sample bias and address the primary questions in the most efficient manner, the sample was split into 10 strata, consisting of five different firm size categories for each of the two areas of study: establishments with 2 – 4 employees; 5 – 10 employees; 10 – 24 employees; 25 – 199 employees; and establishments of firms which statewide have 200 plus employees. Within each of the first eight strata for businesses with statewide employment of less than two hundred, the samples were drawn using a simple random sampling methodology that gave all eligible businesses an equal probability of being sampled. All businesses with 200 or more employees were included in the survey, with the particular establishment(s) surveyed chosen at random.

The sample of private businesses was drawn from three databases provided by the New Mexico Department of Labor (DOL): the ES-202 data on filings by employers of workers covered for unemployment insurance for the first quarter of 1999,

supplemented by DOL files on non-profit organizations and on others not covered by unemployment insurance. All employers classified by DOL as being in the government sector were excluded, as were all establishments with less than 2 employees.

The survey was conducted between May 1, 2000, and July 27, 2000. A total of 4,073 businesses were contacted, and 1,963 interviews were completed, for a raw response rate of 48.2 percent. However, the Gilmore Research Group calculated a 59.6% CASRO response rate according to "The most stringent calculation..., as defined by the Council of American Survey Research Organization and the American Association of Public Opinion Research..."

In determining the overall size of the sample to be drawn, BBER set as a minimum the needed precision to stay within a 95 percent confidence level. The actual number of interviews completed is well above the 1,501 required.

Post-stratification weighting was used to adjust the sample distribution across the strata in order to make it conform to the known population distribution. In general, the weighted distribution of sampled businesses across industries provides confidence that the sample represents the underlying population.

AN OVERVIEW OF PRIVATE EMPLOYMENT-BASED HEALTH INSURANCE IN NEW MEXICO

Establishment Analysis

Statewide, slightly over 58 percent of the weighted sample of establishments indicated that they offered a health insurance program to some or all of their employees.

Local labor market conditions have some bearing on whether or not employers offer health insurance benefits: 67 percent of the establishments in the Albuquerque metro area had health plans versus only 53 percent of those in the rest of the state.

The likelihood that an establishment will offer health insurance benefits to employees varies considerably across industries. Statewide, the mining industry had the highest percentage of establishments (84.2%) with health insurance, followed by FIRE (68.5%) and wholesale trade (64.8%). Agriculture (44.3%), retail trade (48.4%), and construction (51.7%) had the lowest percentage of establishments with health plans.

Establishment size makes a difference. All establishments with 200 or more employees had a health plan, and the smaller the size category, the lower the percentage of establishments with health insurance. Statewide, 58 percent of the establishments with less than 200 employees offered a health insurance program. While size of establishment makes a difference, the overall size of a firm's operations in New Mexico may be even more determining. Having multiple branches seems itself to increase the likelihood that health insurance will be offered.

When respondents were asked to choose the most important from a list of reasons for offering health insurance, “employee retention” and “attract higher quality workers” together accounted for about one-third of the responses, while “to offer the same as the competition” added 6 percent. Almost 44 percent of the respondents, however, said they offered insurance because “all workers should have health insurance benefits.”

Sixty-five percent of respondents from establishments not offering insurance indicated that the statement “can’t afford to subsidize health insurance for employees” “definitely applies,” while less than 17 percent said this statement “does not apply.” That cost is a major consideration is further support by the 37 percent who were “definitely” concerned about “future health care costs.” One third felt that they “don’t need to offer health insurance to attract workers,” with 28 percent indicating that “the benefits offered by the company are sufficient,” and 30 percent claiming that “employees prefer higher salaries to health insurance coverage.”

Worker and job characteristics make a difference in whether health insurance is offered. In each of the industries studied, those establishments offering health insurance had a significantly higher percentage of regular employees who were salaried. Additionally, the establishments offering insurance had significantly fewer employees earning below \$20,000. All industries had a higher fraction of salaried employees earning \$40,000 or more. Establishments offering generally made less use of temporary/seasonal (manufacturing and construction are exceptions) and part-time employees (mining and FIRE are exceptions); and, notably in manufacturing, TCU, retail and wholesale trade, those establishments offering insurance often had a lower percentage of female workers. Unionization was significant in whether or not establishments offered insurance, with the exception of agriculture and FIRE.

Some of those not offering health insurance as a benefit assist employees in other ways: about 4 percent contribute toward the health insurance provided by a spouse’s employer and almost 17 percent claimed that they sometimes pay the medical bills for their employees. Almost 13 percent indicated that they compensate employees financially for not offering health insurance.

Even within the same industry, establishments offering health insurance typically pay higher salaries than those that do not. Establishments offering insurance also provide a total benefit package that is richer. They are more likely to offer paid holidays, paid vacations, paid sick days and much more likely to offer life insurance, disability insurance, retirement benefits, and flexible spending accounts.

Employee Analysis

Only about 46 percent of the employees working in establishments with less than 5 employees worked in places which offered health insurance, while 52 percent of those in establishments with 5 to 9 employees, 73 percent of those with 10 to 24 employees, 86 percent of those with 25 to 49 employees, 90 percent in establishments with 50 to 199 employees, and 100 percent of those in establishments with 200 plus employees

worked where health insurance was offered. Across all size classes of establishments, workers in the Albuquerque MSA were more likely to be in establishments that offered health insurance. Also across all size categories of establishments, full-time workers were more likely to be working in establishments with health plans.

The industry analysis of employees in a weighted sample of establishments in firms with less than 200 employees statewide found that 88 percent employees in mining, 86 percent in FIRE and 84 percent in wholesale trade worked in establishments offering insurance as against 48 percent in agriculture and 68 percent in retail trade.

Eligibility and Enrollment

Statewide, an average of 95 percent of the full-time employees who work in establishments offering health insurance are eligible for this benefit, while an average of 34 percent (33.5%) of permanent part-time employees and 12 percent (11.6%) of temporary/seasonal employees in these establishments are eligible. Construction (90.0%), retail and TCU (both 86.6%) have the lowest average percentages of full-time workers eligible for health benefits in establishments offering insurance. Part-time workers have lowest eligibility rates in construction (14.7%) and mining (24.4%) and best in manufacturing (41.6%) establishments.

Statewide, 41 percent of employees working in establishments - those with plans and those without - with less than 5 employees are eligible for health insurance. The percentage eligible increases with the size category of establishment and is 43 percent for all establishments with 5 to 9 employees, 60 percent for those with 10 to 24, 65 percent for the group with 25 to 49, 71 percent for establishments with 50 to 199 employees, and 88 percent for those with 200 plus.

Take-up rates (the average percentage of eligible employees who actually enroll in an establishment health plan) vary greatly depending upon whether the employees are full-time, part-time regular or temporary, upon the number of establishment employees, and upon the industry. Statewide an average of 80 percent of full-time workers eligible for insurance in establishments offering insurance actually enrolled in a plan, versus 36 percent of permanent part-time employees and 52 percent of eligible seasonal or temporary employees. The highest take-up rates for full-time employees were in agriculture (91%), followed by wholesale trade (87%) and FIRE (84%).

According to the employee analysis, 87 percent of the eligible full-time employees in establishments with less than 5 employees opted for a health plan, with almost 47 percent getting single coverage and 40 percent enrolling in family coverage. The total percent enrolled fell with the size category of establishment and was 81 percent for establishments with 50 to 199 employees and 84 percent for the 200 plus. Until reaching 50 employees, the percentage enrolled in single coverage fell with increasing establishment size, while family coverage was in the 40 to 45 percent range.

The percentage of all full-time employees in establishments offering enrolled in health plans through their employers varies depending upon the size of establishment, ranging from 76 percent in establishments with 50 to 199 employees to 85 percent in those with less than five employees. Enrollment of part-time employees is generally 10 percent or less statewide, except for establishments with less than 5 employees where enrollment approaches 19 percent and those with 200 or more, where enrollment is close to 20 percent.

HEALTH INSURANCE PLANS OFFERED EMPLOYEES

About 24 percent of the primary plans offered by the weighted sample of establishments were self-insured, while 9 percent were purchased through a trade or professional association, 1 percent were union plans, and 3 percent were purchased through the New Mexico Health Insurance Alliance.

In terms of benefits offered, 88 percent of the weighted sample of establishments answered that prescription drugs were covered, while another 6 percent indicated limited or partial coverage for prescriptions. Eighty-five percent said routine preventative care was covered, with another 4 percent indicating partial coverage. Maternity and infant care was covered by almost 80 percent of the plans. Less than one quarter of the plans covered vision and dental services, and only about one in five covered alternative care. Alcohol and drug rehabilitation was covered in 51 percent, with another 13 percent indicating partial coverage; mental health, in 58 percent of the plans, with another 15 percent indicating partial coverage. Less than half the plans had any coverage for long-term care.

Pre-existing conditions were covered in plans offered by at least 67 percent of the establishment, with 51 percent of these requiring no waiting period.

In about one fourth of the cases, there is no deductible at all, while another 25 percent impose such a deductible only on care received outside a panel of preferred providers. The median values of the deductibles for single and family coverage are respectively \$300 and \$750. In 46 percent of the plans with some form of deductible, the patient can receive routine preventative care even though the deductible is not met.

Medical services are fully covered, with no patient cost-sharing, in about 5 percent of the plans; they are fully covered with certain providers in another 24 percent of the cases; and, some services are fully covered in about 18 percent. The patient pays part of all costs in 44 percent of the plans, while in 9 percent of the cases the respondent was unsure of the cost-sharing arrangement.

Where there are co-payments required, the median co-payment for a doctor's visit is \$15, while that for a hospital stay is \$250. Where one co-insurance rate is applicable, the median value is 20 percent. For preferred providers the median value is 10 percent, with a median for providers outside the panel of 30 percent.

About 43 percent of the plans put a cap on total annual enrollee out-of-pocket expenses. At least 16 percent of the plans put some limit on the annual amount that the plan would pay, while almost 54 percent indicated there was no such limit. About 40 percent of the plans imposed a lifetime cap, and in almost 50 percent of the plans, the cap was over one million dollars.

Statewide, total premiums for individual coverage averaged \$2,500, while family premiums averaged \$5,200. (Statewide 89 percent of the establishments offering insurance extended coverage to families as well as individuals.) Total premiums were lower for establishments in the Albuquerque MSA than in the rest of the state. Larger establishments were able to obtain health insurance at a lower cost and were also more likely to provide family coverage. Total premiums, for both single and family coverage, were lowest in construction (mean values of \$2,188 and \$4,739 respectively for single and family coverage), and highest in agriculture (mean values of \$2,734 and \$5,499 respectively) and mining (\$2,813 and \$4,968).

Statewide, for full-time employees, employers contribute an average of 79 percent of the total costs of individual coverage and 69 percent of the costs of family coverage. Employers in Albuquerque contribute a slightly smaller percentage and on average a smaller dollar amount toward both individual and family coverage. In terms of industries, agriculture, TCU, mining, and service establishment offering insurance pay the largest percent of total premium costs for full-time employees, while manufacturing and retail pay the lowest.

Only about 12 percent of the weighted sample of establishments on which premium information was provided offered health insurance to part-time workers. Statewide, those contributing to coverage for part-time workers paid an average of 69 percent of the premium for single coverage and about 66 percent of the cost of family coverage. As with full-time employers in Albuquerque typically contributed a smaller percentage of the total premium and on average a smaller dollar amount toward coverage for part-time workers than did their counterparts in the rest of the state.

Most of the establishments offering health insurance to their employees have done so for some time. Indeed, 39 percent had offered insurance for ten or more years, while another 23 percent had been offering it for less than ten years.

Almost 85 percent of establishments have given no consideration to dropping insurance, and less than 2 percent indicated that they would probably drop this benefit "next year." "Premium cost increases" (55.4%) and "premium costs rising faster than profits" (23.7%) were the major reasons given for giving serious consideration to dropping health insurance.

While few establishments had given serious consideration to dropping health insurance, many have made changes in the health care coverage provided to employees over the past couple years. About 46 percent indicated they had enriched the overall benefit package, while 30 percent said they had moved toward providing family coverage or

making it more affordable. About 20 percent had moved toward managed care or HMO's, while 15 percent had moved away from these types of plans. About 22 percent had increased the employee share of total premiums, with only 9 percent reducing it. About 37 percent had plan today with higher co-insurance rates or co-payments, while almost 10 percent have moved in the opposite direction.

PUBLIC SECTOR EMPLOYER HEALTH INSURANCE SURVEY

In general, public sector employees are more likely to be working for entities which offer insurance and are very likely to be eligible for insurance. The major exception to this rule are some small municipalities which do not offer health insurance and conservation districts, which are small and lack the health insurance options of other taxing jurisdictions.

Large insurance pools, such as that offered by the State Risk Management Division, can generally offer more attractive health insurance packages at lower cost than local governments will be able to get on their own.

Public sector employees - full-time and part-time - working for government entities that offer insurance typically have higher rates of eligibility for health insurance benefits than is generally true in the private sector.

Public sector employees are likely to have a richer benefit package.

Governments offering insurance to their employees on average are responsible for a larger percentage of the cost than is true across private sector establishments. However, the median contribution of private sector workers toward single coverage is very small.

COMPARISONS WITH OTHER HEALTH INSURANCE STUDIES

Over time and since the RAND survey in 1993, the percentage of establishments offering insurance has increased – from 51 percent to 58 percent. This trend is consistent with that found over time in the Kaiser surveys.

The percentage of New Mexico establishments offering insurance continues to be well below the national average. The HPC Survey found that only 57 percent of New Mexico establishments with less than 200 employees statewide offered insurance versus the Kaiser finding that 67 percent of U.S. firms with less than 200 employees offered insurance. The MEPS findings similarly show a gap between New Mexico and the U.S.

Except for the largest employers (200 plus), the percentage of employees eligible for health insurance through their employer in New Mexico is likely to be lower than is true for the U.S. as a whole. Take-up rates are generally lower in New Mexico. The state's

lower percentage of establishments offering insurance combined with generally lower rates of eligibility and lower take-up rates mean that a smaller percentage of the workforce gets health insurance coverage through their employer.

The benefit packages offered New Mexico workers today compare unfavorably with what was offered in the past and with what is offered elsewhere in the U.S.

New Mexico total premiums for family coverage are lower than found nationally. The evidence is less conclusive for single coverage. New Mexican employees on average pay a larger percentage of the premiums both for single and family coverage.

New Mexicans enrolled in health insurance through their employers generally face higher deductibles than their counterparts elsewhere in the country; they also generally have higher co-payment amounts and co-insurance rates.

ENCOURAGING EMPLOYERS TO OFFER HEALTH INSURANCE

This chapter has explored factors causing employers who offer insurance to make changes in the insurance they offer or to give serious consideration to dropping health insurance. Most of the chapter, however, has focused on the responses of employers who currently do not offer insurance to a series of policy questions aimed at understanding how the state might intervene to encourage more businesses to offer and to continue to offer health insurance as a benefit for employees.

Rising health insurance premiums and the need to control costs were the primary reasons cited by over half the businesses making changes to their health plans. Of the 8.2 percent who had given serious consideration to dropping health insurance as a benefit, almost 80 percent cited rising costs as the impetus.

Almost 26 percent of those not offering health insurance as a benefit did offer this benefit in the past, and some 30 percent of these had dropped the program within the past year. Close to half (46%) of those without health insurance had looked into offering the program within the past two years. While the premium quotes received by many were in line with what those offering insurance typically pay, over thirty percent had received premium quotes for single coverage of \$4,000 or more.

Only about 21 percent of the businesses not offering health insurance and eligible to participate in the Health Insurance Alliance had even heard of the program, and over half (52.8%) of these indicated that the program was too expensive.

When asked what they thought would be reasonable total premium for single coverage, almost one fourth of the respondents said “zero,” and another 31 percent said less than \$50 per month. In terms of how much they would be willing to contribute towards this premium, almost 10 percent said zero, while about 50 percent indicated some amount less than \$50 per month.

What can state government do to encourage employers to offer health insurance? Thirty-one percent of the respondents thought subsidies to small employers would be most effective, while another 24 percent thought the State should facilitate pooling arrangements to enable employers to get reduced premiums, and another 20 percent thought refunds or credits on taxes would work the best.

CHAPTER 1: INTRODUCTION

This report presents and analyzes the results of a telephone survey of New Mexico businesses and a mail survey of New Mexico's public sector.

2000 HEALTH POLICY COMMISSION STATEWIDE EMPLOYER SURVEY

During the summer of 1999, the New Mexico Health Policy Commission (HPC) approached the Bureau of Business and Economic Research (BBER) about doing a survey of New Mexico employers regarding employee health insurance. The Rand Corporation and Westat conducted a similar survey of employers in New Mexico and nine other states in 1993 with funding from the Robert Wood Johnson Foundation. The current survey was designed to update that survey and to provide current information on employment-based insurance in New Mexico. HPC was primarily interested in private sector employers, and the decision was made to conduct a telephone survey of these employers. Because government has historically been very important as a source of employment for New Mexicans and a leader in the provision of employee health insurance, the study was to include a scaled down version of the survey that would be mailed out to public sector employers and the managers of insurance pools for government entities.

Survey Instrument

The Gilmore Research Group, using a Computer Assisted Telephone Interviewing (CATI) System in which the actual questions appear on a computer screen, conducted the telephone survey. (The methodology report submitted by Gilmore is reproduced in Appendix A.) A written version of the telephone survey administered to the sample of private sector employers is available but too lengthy for inclusion in this document. The mail-out questionnaires sent to public sector health insurance pools and to government entities not listed as providing insurance through a public employer pool can both be found in Appendix D. Various efforts were made to gather information via the survey from those who administer the health insurance programs for federal government agencies, but in the end all the information we have on these programs is from a federal government web site. A summary of the information on the federal government programs in New Mexico can be found in Appendix E.

Following Rand/Westat and other surveys, the survey of private sector employers was designed to collect information on individual establishments. Suspecting that company policy might govern in multi-establishment businesses and that over-all size might be important, the survey included questions on the business' other operations in New Mexico. The survey was designed to collect information on the following:

- **employer characteristics**, including location, industrial sector, number of employees, composition of the work-force in terms of age and sex, rates of pay, percentage of workforce who were full-time, part-time, or temporary;

- **employee benefits**, including whether or not the business offered employees a health insurance program, total eligibility and enrollment, but also exploring other ways employers might assist workers in meeting their health care needs;
- **the health insurance plan with the largest enrollment**, including plan eligibility and enrollment, cost, employee contributions and cost sharing, plan structure and key features, and benefits;
- **recent changes** business may have made in employee health insurance plans and programs and why;
- **opinions**, including possible motivations in offering or not offering insurance and policy preferences.

Draft versions of the survey were subjected to an in-house review by BBER staff and the revised version was sent to the HPC for review by their staff and the Commissioners. The HPC also sent the survey to stakeholders and to experts in the field for their suggestions. The instrument was revised several times to incorporate the helpful comments and suggestions that resulted from this process. The final version of the questionnaire was then sent to the Gilmore Research Group, who raised further issues, made revisions and programmed the questionnaire into the CATI System that would be used in the field. Gilmore pre-tested the instrument on a sample of New Mexico employers that BBER provided for this purpose. BBER and HPC staff listened in on some of the pre-test. Problem areas were identified and final revisions were made.

Sample Design, Sampling Methodology

The population from which the sample would be drawn had to be determined along with the best stratification and sampling methods to achieve research objectives. (McGlynn *et al.* 1998). Sample design and sampling methodology are driven by the research questions to be addressed. The HPC was specifically interested in how employer provision of health insurance benefits may vary depending upon business size, industry, and location. With respect to location, the HPC wanted to see whether firms operating within the Albuquerque metro area, defined here as the Albuquerque MSA and consisting of Bernalillo, Sandoval and Valencia Counties, are more generous in their provision of health care benefits than businesses in the rest of the state.

The Rand/Westat study had generally used the Dun and Bradstreet data on individual establishments, but reported great difficulty in contacting many of the employers listed. (Westat) BBER has worked with Department of Labor databases in the past and the decision was made to go this route. The sample was drawn from three databases provided by the New Mexico Department of Labor (DOL). The first database is the ES-202 data on filings by employers of workers covered for unemployment insurance, about 97 percent of all workers in New Mexico. The data used were for the first quarter of 1999. This database was supplemented by DOL files on non-profit organizations and

others not covered by unemployment insurance. All employers classified by DOL as being in the government sector were excluded, as were all establishments with less than 2 employees.

Since the HPC was concerned with insurance provision across different firm sizes within the Metropolitan Statistical Area (MSA) and the Rest of the State (ROS), the sample was stratified accordingly. To minimize sample bias and address the primary questions in the most efficient manner, the sample was split into 10 strata, consisting of five different firm size categories for each of the two areas of study. A disproportionate stratification strategy was chosen to address under-representation in particular strata. The use of disproportionate sampling allows for over-sampling or equal sampling of each strata so that there will be sufficient observations for meaningful inference (Kalton, 1983).

The present study grouped firms into five different size categories:

- 2 to 4 employees
- 5 to 10 employees
- 10 to 24 employees
- 25 to 199 employees
- 200 plus employees

The sampling structure is very similar to that employed in the Rand/Westat study except that study lumped larger employers together into one category with 25 or more employees. As larger employers are more likely to provide benefits, the Rand/Westat stratification obscured important or potentially important relationships. The decision was made to identify New Mexico companies employing 200 or more people. As the total number of such businesses was found to be relatively small the decision was made to include all these businesses in the sample. These businesses occupy strata 9 and 10.

The Albuquerque MSA comprises only 38 percent of the State's population. To ensure adequate observations for analysis, the samples to be drawn for the first four strata for Albuquerque were made identical in size with those drawn for the rest of the state.

In determining the overall size of the sample to be drawn, BBER set as a minimum the needed precision to stay within a 95 percent confidence level. Following the procedure set out by Kalton (1983), we calculated that at least 1,501 completed interviews would be required and set as our desired target 2,300 completed interviews, to allow for lower than expected response rates and higher than expected rates of ineligibility in incompletes. We targeted 250 completed surveys for each of the first four strata in each of our areas and targeted 150 each for the 200 plus strata 9 and 10. Table 1.1 illustrates the disproportionate sampling strategy used in this study.

Table 1.1
DISPROPORTIONATE SAMPLING OF NEW MEXICO EMPLOYERS

	Number of Employees					Total
	2 to 4	5 to 9	10 to 24	25 to 199	200+	
Targeted Interview Completions						
Albuquerque MSA						
Frequency	250	250	250	250	150	1,150
Percent	21.7%	21.7%	21.7%	21.7%	13.0%	100.0%
Rest of State						
Frequency	250	250	250	250	150	1,150
Percent	21.7%	21.7%	21.7%	21.7%	13.0%	100.0%
Department of Labor Database						
Albuquerque MSA						
Frequency	4,112	2,738	2,141	1,594	197	10,782
Percent	38.1%	25.4%	19.9%	14.8%	1.8%	100.0%
Rest of State						
Frequency	7,403	4,615	3,375	1,919	162	17,474
Percent	42.4%	26.4%	19.3%	11.0%	0.9%	100.0%

In drawing the sample, a simple Random sampling (SRS) methodology was used, giving all eligible businesses within each of the first eight strata an equal probability of being sampled. A total of 625 firms were Randomly drawn from the DOL database from each of the first eight strata using a Random number generator. Given the churning that occurs due to business closures, name changes, mergers and relocations, it was necessary to clean the sample before administering the survey. Current mailing addresses were also needed so that introductory letter could be sent prior to administering the phone survey. The process of cleaning the sample, and particularly the 200 plus proved to be far more time consuming and laborious than had been anticipated.

As the unit of analysis in most cases would be the establishment, an additional step was required for the 200 plus with multiple establishments. Establishments were identified and listed in Random order for each of the 200 plus with multiple establishments.

The Telephone Survey

The Gilmore Research Group conducted the telephone survey using CATI system. Gilmore describes themselves as providing a “final check...in the areas of sample design, pre-testing and interviewing controls...[through]

- Systematically working a sample to assure that all first attempts are made before second and third attempts are begun.
- Multiple attempts spread throughout the interviewing period in order to maximize response rate.
- Close sample management, allowing refusal call-backs and difficult respondents to be handled by specially assigned interviewers.
- Call-backs to initial and “soft” refusals are standard (unless sensitivity of study dictates otherwise).
- Strict adherence to question wording.
- Word-for-word recording of open-end responses.
- Monitoring each interviewer for a full interview, each shift, and more frequently if quality needs improvement.
- Monitors interviewers to ensure questions are being asked verbatim, the interviewer fully understands the questions, responses are being fully probed and clarified, the interviewer’s tone and attitude are positive and professional.
- Reviews interviewer’s work for accuracy and legibility
- Monitors sample and individual interviewer’s completion rate and refusal rate.
- All telephone interviews are conducted under supervised conditions.”

The survey was conducted between May 1, 2000, and July 27, 2000. A total of 4,073 businesses were contacted, and 1,963 interviews were completed, for a response rate of 48.2 percent. The final sample disposition by strata is given in Table 1.2.

Post-Stratification Weighting

Post-stratification weighting is used to adjust the sample distribution across the strata in order to make it conform to the known population distribution. Typical problems with sample distributions are chance fluctuations, non-response and non-coverage, which can lead to sample bias. The object of this weighting is to alleviate these problems. The survey process yielded 1,963 completes, which considerably exceeds the minimum number needed of 1,501 completed interviews to ensure a sampling error of no more than 5 percent for the state as a whole. The primary concern is sample bias resulting from under-representation within the strata. With a Randomly drawn sample, this can be remedied by post-stratification weighting. In the case of non-proportionate stratification, gains in precision will accrue to the extent that there is heterogeneity, or variability, between strata (Kalton, 1983). The procedure with non-proportionate stratification is to give each cell or strata it’s own individual weight. Assuming

homogeneity within the strata, the observations when weighted should accurately reflect the population.

TABLE 1.2
FINAL SAMPLE DISPOSITION

	Area/Number of Employees										Total
	1	2	3	4	5	6	7	8	9	10	
Completed Interviews	182	174	209	223	248	242	241	245	108	91	1963
Remainder of the Sample											
Respondent not available	24	24	30	20	31	25	23	25	26	29	257
Appointment Arranged	3	1	4	0	1	4	3	4	2	1	23
No Answer/Answering Machine/Voice Mail	30	27	22	18	16	16	22	15	2	6	174
Busy	2	1	2	1	0	0	1	5	0	0	12
Incomplete Interview- Call Back	0	0	1	0	0	0	1	0	2	3	7
Referred to Different Number	0	0	0	0	0	0	0	0	0	0	0
Wrong Company/Wrong #, no one by that name	17	9	16	10	3	3	9	5	1	0	73
Goes into a home/not associated with Co.	6	5	10	7	2	6	5	13	0	0	54
Fax/Modem	4	9	9	7	3	4	7	5	0	0	48
Will call Gilmore Research	4	2	9	5	5	2	7	10	1	1	46
Refusal at Reception/ Refusal to Identify Correct											
Person/Refusal to Cooperate	57	61	58	53	40	32	46	27	8	4	386
Refusal by Correct Respondent	17	14	16	28	24	32	18	20	1	1	171
Company Policy No Surveys	19	19	19	12	17	14	28	12	19	8	167
Disconnect	36	24	36	24	8	19	31	25	5	1	209
Language Barrier/Hearing Problem, etc.	13	10	5	7	6	2	2	1	0	0	46
Respondent Gone through survey	3	1	5	6	3	2	4	2	1	0	27
Duplicate Listing or # Repeat	16	31	15	15	12	12	23	30	14	5	173
NQ - Self-employed	30	39	13	13	2	1	2	0	0	0	100
NQ -No longer operates/no employees in NM	10	3	0	2	0	10	1	3	2	1	32
NQ -Out of business	2	4	0	5	6	2	5	1	0	1	26
NQ - Miscellaneous--still to be determined	5	7	5	3	6	6	9	8	5	5	59
Problem Sample	2	3	0	2	1	2	2	2	0	5	19
Total Sample	482	468	484	461	434	436	490	458	197	162	4073

Comparison with DOL Population

Table 1.3 presents the weighted sample by industry and offers a comparison with the original DOL population by industry. The fit is quite good. There is some over-representation of particular industries, e.g., mining, but these industries are quite small relative to the total. In general, the weighted distribution of sampled businesses across industries provides confidence that the sample represents the underlying population. While we developed industry weights, we decided against adding this additional complexity to the analysis after studying Table 1.3 and in view of the fact that the industry codes for our sample are self-reported.

While the unit of analysis is the establishment, the sample was designed to include all businesses with two hundred or more employees statewide. Because of this, for any given company with two hundred or more employees, at most one establishment – or branch -- in each the MSA and the rest-of-the-state was surveyed. The branches to be surveyed were chosen from random lists of company establishments inside and outside the MSA from the DOL database.

**TABLE 1.3
DISTRIBUTION OF OF ESTABLISHMENTS BY INDUSTRY BY STRATA**

DOL Establishment population by industry	Number of Employees					Total
	2 to 4	5 to 9	10 to 24	25 to 199	200 +	
	Frequency					
Agric., For., Fish.	270	264	230	101	3	868
Mining	177	86	109	76	18	466
Construction	1,497	963	641	350	9	3,460
Manufacturing	416	304	299	243	31	1,293
TCU	496	318	261	204	29	1,308
FIRE	1,197	508	307	195	17	2,224
Retail Trade	2,073	1,725	1,493	1,103	105	6,499
Wholesale Trade	893	607	455	209	13	2,177
Services	4,496	2,578	1,721	1,032	134	9,961
Total	11,515	7,353	5,516	3,513	359	28,256

	Percent					
Agric., For., Fish.	2.34%	3.59%	4.17%	2.88%	0.84%	3.07%
Mining	1.54%	1.17%	1.98%	2.16%	5.01%	1.65%
Construction	13.00%	13.10%	11.62%	9.96%	2.51%	12.25%
Manufacturing	3.61%	4.13%	5.42%	6.92%	8.64%	4.58%
TCU	4.31%	4.32%	4.73%	5.81%	8.08%	4.63%
FIRE	10.40%	6.91%	5.57%	5.55%	4.74%	7.87%
Retail Trade	18.00%	23.46%	27.07%	31.40%	29.25%	23.00%
Wholesale Trade	7.76%	8.26%	8.25%	5.95%	3.62%	7.70%
Services	39.04%	35.06%	31.20%	29.38%	37.33%	35.25%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Weighted Sample by Industry

	Frequency					
Agric., For., Fish.	340	101	162	123		726
Mining	343	275	190	146	22	976
Construction	722	644	634	362	7	2,369
Manufacturing	524	450	460	266	40	1,740
TCU	694	528	356	225	29	1,832
FIRE	300	315	326	72	5	1,018
Retail Trade	2,099	1,804	1,180	882	87	6,052
Wholesale Trade	1,739	424	239	255	9	2,666
Services	4,669	2,812	1,954	1,168	139	10,742
Total	11,430	7,353	5,501	3,499	338	28,121

	Percent					
Agric., For., Fish.	2.97%	1.37%	2.94%	3.52%	0.00%	2.58%
Mining	3.00%	3.74%	3.45%	4.17%	6.51%	3.47%
Construction	6.32%	8.76%	11.53%	10.35%	2.07%	8.42%
Manufacturing	4.58%	6.12%	8.36%	7.60%	11.83%	6.19%
TCU	6.07%	7.18%	6.47%	6.43%	8.58%	6.51%
FIRE	2.62%	4.28%	5.93%	2.06%	1.48%	3.62%
Retail Trade	18.36%	24.53%	21.45%	25.21%	25.74%	21.52%
Wholesale Trade	15.21%	5.77%	4.34%	7.29%	2.66%	9.48%
Services	40.85%	38.24%	35.52%	33.38%	41.12%	38.20%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

For purposes of analysis, the sub-stratification weighting for establishments in the ninth and tenth strata – businesses with 200 or more employees – assigned each branch an individual weight based on the probability of selection. If the company had only one establishment, then the sub-stratification weight for that establishment would be one. If, on the other hand, the DOL database indicated that the business had 5 branches in the MSA, then the sub-stratification weight on the branch actually surveyed would be 5 based on the assumption that each branch had a one-in-five chance of being surveyed. For many purposes, the branch surveyed may be considered as representative of company branches. Homogeneity among company establishments must be assumed if employee numbers from the survey are to be seen as reflective of the underlying population.

Presentation of Findings

The next two chapters present the findings from an analysis of the telephone survey results. Chapter 2 examines the frequency with which New Mexico businesses offer health insurance to their employees and the factors affecting whether or not they offer insurance. The chapter also looks at the percentages of employees – full-time, part-time and temporary -- working for establishments that offer health insurance and at how these percentages vary depending upon size class of establishment, location, and industry. Finally, the chapter presents the findings regarding eligibility and enrollment of part-time, full-time and temporary workers at New Mexico establishments.

Chapter 3 provides a detailed examination of the provisions in the primary health plans offered by New Mexico businesses. The chapter covers general features and provisions of the plan, including benefits and cost sharing provisions. The chapter also looks at the costs of insurance and how these costs are shared by employer and employee, depending upon whether the employee is full-time or part-time, whether the coverage purchased in individual or family, as well as the location, size of the establishment and industry. The section on plan eligibility and enrollment examines the data for full-time employees and includes estimates for family coverage. A final section looks at continuity and change in the health plans offered by employers.

Chapter 4 presents the results and analysis of the mail survey of the public sector and draws comparisons with the findings of Chapter 2 and Chapter 3. This chapter examines those public entities, such as local governments, schools and conservation districts, which are insured through insurance pools and independently of insurance pools.

Chapter 5 offers a detailed comparison between the findings of this survey and the RAND 1993 survey, the MEPS 1998 Survey, and the Kaiser 2000 Survey.

Chapter 6 presents and summarizes the findings from the survey that bear on the question of what the State of New Mexico might do to encourage employers to offer or to continue offering health insurance as a benefit for their employees.

CHAPTER 2: AN OVERVIEW OF PRIVATE EMPLOYMENT-BASED HEALTH INSURANCE IN NEW MEXICO

This chapter examines the survey findings regarding the availability of employment-based health insurance in New Mexico and the factors influencing whether or not a business will offer health insurance to their employees. The chapter looks at the percentage of establishments offering insurance and the percentages of employees working for establishments which offer insurance, and explores how the likelihood of offering insurance or of working for an establishment which offers insurance may vary depending upon size of workforce, location, industry, and types of workers employed. The chapter also examines eligibility and enrollment in health plans.

ESTABLISHMENT ANALYSIS

The survey asked employers whether the establishment in question had a health insurance program for employees: “Does this location have a health insurance program for employees?” Statewide, 58.2 percent of the weighted sample of establishments indicated that they offered a health insurance program to some or all of their employees. This chapter examines factors influencing whether or not New Mexico businesses offer health insurance to their employees.

Impact of Location, Industry and Size

Local labor market conditions apparently have some bearing on whether or not employees are offered health insurance benefits. Employers in the Albuquerque MSA were much more likely to offer health insurance plans: 66.8 percent of the weighted sample of establishments located in the metro area had plans versus only 52.7 percent of the establishments in the rest of the state.

As indicated in Table 2.1, the likelihood that an establishment will offer health insurance benefits to employees varies considerably across industries. Statewide, the mining industry had the highest percentage of establishments (84.2%) with health insurance programs, followed by finance, insurance and real estate (FIRE), with 68.5 percent, and wholesale trade, with 64.8 percent of establishments offering insurance. Agriculture (44.3%), retail trade (48.4%) and construction (51.7%) had the lowest percentage of establishments offering insurance. With the exception of mining, the percentage of establishments offering insurance was higher in the Albuquerque metro area than in the rest of the state.

Table 2.2 explores the link between establishment size and the likelihood that an establishment will offer a health insurance program to employees. The smaller the size category, the lower the percentage of establishments with health insurance. All of the establishments surveyed with 200 or more employees had a health plan. Once again, the percentage of establishments with a health plan for employees was higher for the Albuquerque MSA for each of the establishment employment size categories below 200 plus.

Table 2.1
ESTABLISHMENTS WITH AND WITHOUT HEALTH INSURANCE
PROGRAMS, PERCENTAGES BY INDUSTRY
ALBUQUERQUE MSA AND REST OF STATE

Weighted Sample	Has a health program		Total
	Yes	No	
Albuquerque MSA			
Agriculture	75.4%	24.6%	61
Mining	83.1%	16.9%	136
Construction	68.4%	31.6%	927
Manufacturing	62.5%	37.5%	838
TCU	66.7%	33.3%	723
FIRE	82.4%	17.6%	427
Retail	58.5%	41.5%	2,171
Wholesale	78.6%	21.4%	1,159
Services	66.2%	33.8%	4,781
Total	66.8%	33.2%	11,223
Rest of State			
Agriculture	41.4%	58.6%	657
Mining	84.4%	15.6%	942
Construction	41.0%	59.0%	1,445
Manufacturing	58.9%	41.1%	911
TCU	51.5%	48.5%	1,210
FIRE	58.4%	41.6%	592
Retail	43.4%	56.6%	4,421
Wholesale	54.5%	45.5%	1,553
Services	56.9%	43.1%	6,090
Total	52.7%	47.3%	17,821
New Mexico			
Agriculture	44.3%	55.7%	718
Mining	84.2%	15.8%	1,078
Construction	51.7%	48.3%	2,372
Manufacturing	60.7%	39.3%	1,749
TCU	57.2%	42.8%	1,933
FIRE	68.5%	31.5%	1,019
Retail	48.4%	51.6%	6,592
Wholesale	64.8%	35.2%	2,712
Services	61.0%	39.0%	10,871
Total	58.2%	41.8%	29,044

Table 2.2
ESTABLISHMENTS WITH AND WITHOUT HEALTH INSURANCE
PROGRAMS
PERCENTAGES BY SIZE OF ESTABLISHMENT

Weighted Sample	Has a health program		Total
	Yes	No	
Albuquerque MSA			
2 to 4	47.5%	52.5%	3,675
5 to 9	64.9%	35.1%	2,886
10 to 24	79.3%	20.7%	2,476
25 to 49	85.4%	14.6%	962
49 to 199	94.4%	5.6%	854
200 and Over	100.0%	0.0%	148
Total	66.9%	33.1%	11,001
Rest of State			
2 to 4	41.7%	58.3%	6,122
5 to 9	43.3%	56.7%	5,669
10 to 24	66.2%	33.8%	3,721
25 to 49	79.3%	20.7%	1,171
50 to 199	86.3%	13.7%	892
200 and Over	100.0%	0.0%	163
Total	52.6%	47.4%	17,738
New Mexico			
2 to 4	43.8%	56.2%	9,797
5 to 9	50.6%	49.4%	8,555
10 to 24	71.4%	28.6%	6,197
25 to 49	82.1%	17.9%	2,133
50 to 199	90.3%	9.7%	1,746
200 and Over	100.0%	0.0%	311
Total	58.1%	41.9%	28,739

While size of establishment thus clearly makes a difference in whether or not employees were offered a health insurance plan, the overall size of a firm's operations in New Mexico may be even more determining. Table 2.3 presents the evidence for the weighted sample of establishments. Note that the existence of more than one branch itself seems to increase the probability that the firm will offer insurance: without exception, for both the Albuquerque MSA and the rest of the state, the probability of offering insurance is higher when total statewide employment exceeds establishment employment. Unfortunately, the questionnaire did not ask whether employers had establishments in other states.

If only smaller firms, with total statewide employment of less than 200, are included in the analysis, the percentage of establishments offering a health insurance program falls to 56.6 percent statewide. In the Albuquerque MSA, 65.9 percent of establishments

Table 2.3

**ESTABLISHMENTS WITH AND WITHOUT HEALTH INSURANCE PROGRAMS
ALBUQUERQUE MSA AND REST OF STATE
PERCENTAGES, BY SIZE OF ESTABLISHMENT, BY SIZE OF COMPANY STATEWIDE**

	Statewide Employment	Employees at Establishment	Has a health program		Total
			Yes	No	
Albuquerque MSA					
	2 to 4	2 to 4	45.9%	54.1%	3,406
	5 to 9	2 to 4	83.1%	16.9%	77
		5 to 9	63.6%	36.4%	2,662
		Total	64.2%	35.8%	2,739
	10 to 24	2 to 4	69.7%	30.3%	76
		5 to 9	78.7%	21.3%	108
		10 to 24	78.2%	21.8%	1,948
		Total	77.9%	22.1%	2,132
	25 to 49	2 to 4	39.5%	60.5%	38
		5 to 9	83.3%	16.7%	54
		10 to 24	91.1%	8.9%	168
		25 to 199	89.5%	10.5%	668
		Total	87.4%	12.6%	928
	50 to 199	2 to 4	86.0%	14.0%	50
		5 to 9	68.3%	31.7%	41
		10 to 24	94.7%	5.3%	133
		25 to 49	100.0%	0.0%	135
		50 to 199	94.5%	5.5%	636
		200 and Over	100.0%	0.0%	2
		Total	93.8%	6.2%	997
	200 and Over	2 to 4	100%	0.0%	7
		5 to 9	100%	0.0%	12
		10 to 24	100%	0.0%	118
		25 to 49	100%	0.0%	38
		50 to 199	100%	0.0%	77
		200 and Over	100%	0.0%	110
		Total	100%	0.0%	362
Rest of State					
	2 to 4	2 - 4	38.0%	62.0%	5,720
	5 to 9	2 - 4	93.3%	6.7%	210
		5 - 9	43.1%	56.9%	5,356
		Total	45.0%	55.0%	5,566
	10 to 24	2 - 4	57.6%	42.4%	33
		5 - 9	52.0%	48.0%	204
		10 - 24	62.0%	38.0%	3,032
		Total	61.4%	38.6%	3,269
	25 to 49	2 - 4	100.0%	0.0%	22
		5 - 9	62.2%	37.8%	37
		10 - 24	62.5%	37.5%	120
		25 - 199	78.9%	21.1%	939
		Total	77.0%	23.0%	1,118
	50 to 199	0 to 4	100.0%	0.0%	36
		5 to 9	43.2%	56.8%	37
		10 to 24	100.0%	0.0%	220
		25 to 49	95.0%	5.0%	159
		50 to 199	84.2%	15.8%	672
		Total	88.2%	11.8%	1,140
	200 and Over	0 to 4	100.0%	0.0%	25
		10 to 24	100.0%	0.0%	131
		25 to 49	0.0%	100.0%	8
		50 to 199	100.0%	0.0%	104
		200 and Over	100.0%	0.0%	130
		Total	98.0%	2.0%	398

with company employment less than 200 statewide, offer insurance. The comparable figure for the rest of the state is 50.9 percent. Ninety-nine percent of establishments in firms with statewide employment exceeding 200 employees offer insurance.

New Mexico Employers Indicate Reasons for Offering or Not Offering Employee Health Insurance

Those offering a health insurance program to workers were queried:

I'm going to list 7 reasons we've heard other employers give for offering health insurance. Please listen to the list and then tell me which ONE reason is the MOST important reason for your organization.

1. Employee retention
2. Attract higher quality workers
3. Promote healthier workforce
4. Reduce absenteeism
5. The tax benefits of offering coverage outweigh the cost of increasing salaries
6. You want to offer the same things as your competition
7. Health insurance is a benefit all workers should have
8. Or some other reason

The frequency distribution of responses for the weighted sample of employers offering insurance is given in Table 2.4:

Table 2.4

MOST IMPORTANT REASON FOR OFFERING HEALTH INSURANCE

Weighted Sample	Frequency	Percent
Employee retention	3,286	19.9%
Attract higher quality workers	2,186	13.2%
Promote healthier workforce	1,398	8.4%
Reduce absenteeism	130	0.8%
Tax benefits outweigh	284	1.7%
To offer the same as competition	953	5.8%
All workers should have health insurance benefits	7,240	43.7%
All of the above	64	0.4%
Employees wanted/requested coverage, employer is obligated	530	3.2%
Other reasons specified	<u>483</u>	<u>2.9%</u>
Total	16,554	100.0%

“Employee retention” and “Attract higher quality workers” together account for about one-third of the responses, while “To offer the same as competition” adds another 6 percent. Almost 44 percent of the respondents, however, said they offered insurance because “All workers should have health insurance benefits.”

Those not offering an insurance program were also queried but in this case there was an effort to assess the salience of various possible factors. Employers were instructed:

I'm going to read you a list of reasons your establishment might have for not offering health insurance. For each one, please tell me if it definitely applies to you, somewhat applies, or does not apply.

The verbatim statements along with the frequencies of different responses for the weighted sample of establishments are given in Table 2.5:

Table 2.5

REASONS FOR NOT OFFERING EMPLOYEE HEALTH INSURANCE

Weighted Sample	Definitely applies	Somewhat applies	Does not apply	Don't know Not sure	Refused	Total
"Can't afford to subsidize health insurance for employees"	64.9%	16.3%	16.6%	2.0%	0.1%	12,231
"Concerned over future health care costs"	36.5%	17.6%	41.8%	3.6%	0.2%	12,252
"Don't need to offer health insurance to attract workers"	33.0%	21.4%	42.0%	2.7%	0.5%	12,282
"Company was denied by a health insurance company"	1.8%	0.3%	95.2%	1.7%	0.5%	12,282
"The benefits offered by the company are sufficient"	28.1%	25.6%	39.9%	5.4%	0.5%	12,282
"Employees prefer higher salaries to health insurance coverage"	30.1%	21.5%	40.4%	7.5%	0.2%	12,249
"Employee turnover is too high to warrant health insurance coverage"	19.8%	14.5%	62.8%	2.6%	0.1%	12,238
"Offering insurance is an administrative hassle"	12.6%	17.6%	64.7%	4.9%	0.1%	12,239
"Health insurance is not the firm's responsibility"	17.4%	25.5%	51.2%	4.8%	0.6%	12,293

Sixty-five percent of the weighted sample of respondents from establishments not offering insurance indicated that the statement "Can't afford to subsidize health insurance for employees" "definitely applies," while less than 17 percent said this statement "does not apply." That cost is a major consideration is further supported by the 37 percent who were "definitely" concerned about "future health care costs." One third felt that they "Don't need to offer health insurance to attract workers," with 28 percent indicating that "The benefits offered by the company are sufficient," and 30 percent claiming that "Employees prefer higher salaries to health insurance coverage." These answers contrast with the views reported above that health insurance may be critical to attracting and keeping a qualified workforce and suggest that businesses may be competing for different types of workers. These issues are explored further in the next section.

Worker and Job Characteristics of Businesses Offering/Not Offering Employee Health Insurance

New Mexico businesses compete in different markets for qualified workers. We have already noted that establishments in some industries, like mining, are far more likely to offer insurance than those in other industries, like retail trade. This section explores

relationships between the types of jobs/kinds of workers that an establishment has and whether or not health insurance is offered.

Table 2.6 examines the relationship between the percentage of regular employees who are salaried and whether or not the establishment offers a health insurance program. The comparison is performed by calculating the mean percent of regular employees who were salaried in establishments offering and those not offering insurance within the same industry. (In every industry listed, except transportation, communications and utilities (TCU), those offering health insurance had a significantly higher percentage of regular employees who were salaried (and a significantly lower percentage who were hourly).¹

Table 2.6
AVERAGE PERCENT OF REGULAR EMPLOYEES SALARIED
IN ESTABLISHMENTS BY WHETHER OFFER HEALTH
INSURANCE AND BY INDUSTRY

Weighted Sample Industry	Has a health program	
	Yes	No
Agriculture	44.8%	25.0%
Mining	47.0%	29.0%
Construction	30.2%	19.4%
Manufacturing	27.5%	21.1%
TCU	29.6%	33.3%
FIRE	41.4%	26.7%
Retail	29.1%	16.1%
Wholesale	55.5%	44.9%
Services	41.3%	26.6%
Average	38.5%	24.6%

All differences significant at at least the 5% level

Tables 2.7 and 2.8 continue the analysis by looking at the relationship between the earnings of these salaried workers and whether or not the establishment offers a health insurance program. Table 2.7 presents the average percentages of hourly and salaried employees earning respectively less than \$20,000 calculated for establishments offering and not offering insurance. As before, the comparison is made between establishments within the same industry. Those offering insurance had in all cases significantly fewer salaried employees earning below \$20,000. Table 2.8 shows the average percentages of those salaried employees earning \$40,000 or more annually and shows that those establishments offering insurance had a significantly higher fraction of salaried employees earning \$40,000 or more.

¹ Significant at the 5% level, most at the 1% level.

Table 2.7
AVERAGE PERCENT OF EMPLOYEES EARNING UNDER
\$20,000 AND WHETHER ESTABLISHMENTS OFFER
HEALTH INSURANCE BY INDUSTRY

Industry	Percent of Employees with Annual Earnings less than \$20,000	
	Has a Health Plan	
	Yes	No
Agriculture	45.9%	34.5%
Mining	25.3%	62.1%
Construction	15.6%	27.4%
Manufacturing	26.7%	48.8%
TCU	25.4%	33.9%
FIRE	26.4%	31.6%
Retail	47.0%	53.7%
Wholesale	19.3%	29.1%
Services	23.6%	33.7%
Average	27.9%	39.6%

All differences significant at at least the 5% level

TABLE 2.8
AVERAGE PERCENT OF EMPLOYEES WITH SALARIES
OVER \$40,000 AND WHETHER ESTABLISHMENTS OFFER
HEALTH INSURANCE BY INDUSTRY

Industry	Percent of Salaried Employees with Annual Salaries more than \$40,000	
	Offers Health Plan	
	Yes	No
Agriculture	12.9%	0.2%
Mining	8.2%	1.5%
Construction	13.4%	2.3%
Manufacturing	10.0%	4.0%
TCU	12.5%	5.2%
FIRE	10.6%	2.4%
Retail	5.1%	0.8%
Wholesale	12.3%	6.4%
Services	10.5%	2.3%
Average	9.9%	2.4%

All differences significant at at least the 5% level

Table 2.9 explores the possible impact of unionization on whether or not businesses offer insurance. The average percentage of employees who are unionized is calculated for establishments in each industry that offers insurance and for those which do not. The means are not significantly different only in two industries, agriculture and FIRE. Of note, there is only one industry in which the group of establishments that don't offer insurance has any union members and that is construction.

Table 2.10 further extends the analysis of workforce characteristics and examines whether greater reliance on seasonal and temporary workers makes businesses less likely to offer workers health care coverage. As with the analysis of unionization above, mean percentages of seasonal employees are calculated by industry for businesses offering and not offering health insurance. Those not offering insurance make significantly greater use of temporary/seasonal employees in all industries except manufacturing and TCU (transportation, communication and utilities).

Continuing in the same vein, Table 2.11 looks at the percentage of regular workers, by industry, that are part-time as a factor influencing whether or not health insurance will be offered. All industry establishments without insurance have a higher percentage of part-time workers, although the difference is not always significant.

Table 2.12 examines whether or not the establishment has a health program as a function of the average percentage of regular employees who are female and of those who are 65 or older. With respect to the percentage female, the differences are most striking for manufacturing, TCU, and wholesale. With respect to those over 65, the differences in the means are greatest for TCU and FIRE (finance, insurance and real estate).

Table 2.9
AVERAGE PERCENT OF ESTABLISHMENT
EMPLOYEES THAT ARE UNIONIZED

Weighted Sample	Has a health program	
	Yes	No
Industry		
Agriculture	0.0%	0.0%
Mining *	0.9%	0.0%
Construction *	6.2%	0.8%
Manufacturing *	0.6%	0.0%
TCU *	5.9%	0.0%
FIRE	0.0%	0.0%
Retail *	0.6%	0.0%
Wholesale *	2.2%	0.0%
Services *	0.3%	0.0%
Average	* 1.4%	0.1%

* Difference is significant at at least the 5% level

Table 2.10
AVERAGE PERCENT OF ESTABLISHMENT
EMPLOYEES THAT ARE TEMPORARY/SEASONAL

Weighted Sample	Has a health program	
	Yes	No
Industry		
Agriculture	* 1.6%	10.1%
Mining	* 0.3%	6.5%
Construction	* 5.8%	12.4%
Manufacturing	3.1%	4.0%
TCU	4.7%	5.4%
FIRE	* 3.2%	24.1%
Retail	* 4.6%	7.5%
Wholesale	* 2.9%	0.9%
Services	* 4.3%	6.6%
Average	* 3.9%	7.3%

* Difference is significant at at least the 5% level

Table 2.11
AVERAGE PERCENT OF ESTABLISHMENT
EMPLOYEES THAT ARE PART-TIME

Weighted Sample	Has a health program	
	Yes	No
<u>Industry</u>		
Agriculture	* 4.2%	7.3%
Mining	3.3%	4.2%
Construction	* 3.5%	7.3%
Manufacturing	* 7.2%	19.2%
TCU	* 5.2%	20.1%
FIRE	7.3%	8.8%
Retail	* 23.1%	33.3%
Wholesale	* 8.4%	22.7%
Services	* 16.8%	25.5%
Average	* 13.4%	23.6%

* Difference is significant at at least the 5% level

TABLE 2.12
AVERAGE PERCENT OF ESTABLISHMENT EMPLOYEES
THAT ARE FEMALE AND OVER 65

Weighted Sample	Percent Female		Percent Over 65	
	Has a health program		Has a health program	
	Yes	No	Yes	No
Industry				
Agriculture	* 34.3%	41.1%	* 0.2%	1.4%
Mining	28.1%	29.3%	2.3%	2.4%
Construction	* 20.7%	11.6%	* 0.5%	1.2%
Manufacturing	* 28.4%	42.3%	* 1.9%	0.9%
TCU	* 26.8%	38.1%	* 1.7%	4.5%
FIRE	40.4%	41.6%	* 1.2%	8.9%
Retail	* 47.6%	52.3%	3.3%	3.6%
Wholesale	* 62.7%	71.3%	* 2.2%	1.2%
Services	* 59.9%	58.1%	2.2%	1.9%
Total	* 47.7%	49.3%	* 2.2%	2.5%

* Difference is significant at at least the 5% level

Other Ways of Assisting Employees with Health Care Needs

While offering an affordable health insurance plan is desirable, many of those establishments that do not offer health insurance may assist their employees in other ways. Table 2.13 summarizes the results of the survey regarding the frequency with which establishments extend other types of financial assistance with employee health care needs. Only 4 percent said that they contributed toward the health insurance provided by a spouse's employer, but almost 17 percent of employers not offering insurance claimed that they sometimes pay the medical bills for their employees. Table 2.14 presents the frequency distribution on the maximum amounts these employers pay. Almost 13 percent of those not offering insurance indicated that they compensated employees financially for not providing health insurance. The answers regarding compensation range upward to \$20,000, but 45.7 percent were \$1,000 or less, while a total of 74.1 percent were \$2,500 or less.

Table 2.13
EMPLOYERS NOT OFFERING HEALTH INSURANCE OTHER WAYS
OF ASSISTING EMPLOYEES WITH HEALTH CARE NEEDS

Weighted Sample	Frequency	Percent of "Yes"
Contribute to coverage from spouse's employer	491	4.0%
Sometimes pay medical bills directly	2,038	16.7%
Otherwise compensated for no insurance	1,532	12.5%

Table 2.14
EMPLOYERS NOT OFFERING HEALTH
INSURANCE MAXIMUM WILL PAY TOWARDS
MEDICAL BILLS

Weighted Sample	Frequency	Percent
Dollars		
100 or less	139	19.1%
101 - 250	132	18.1%
251 - 500	132	18.1%
501 - 1,000	128	17.6%
1,001 - 10,000	144	19.8%
25,000 or more	56	7.7%
Total	729	100.0%

Health Insurance within the Total Package of Fringe Benefits

Even within the same industry, establishments that offer health insurance typically pay higher salaries than establishments that do not. As Table 2.15 suggests, they generally provide a total benefit package which is richer. The same picture emerges in Table 2.16 which provides a summary of the reported percentage of total compensation going to fringe benefits for the weighted sample of establishments with and without a health insurance plan for their employees.

Table 2.15
PERCENT OF ESTABLISHMENTS OFFERING OTHER
FRINGE BENEFITS

Weighted Sample Other Fringe Benefits	<u>Has Health Insurance Program</u>	
	Yes	No
Paid holidays	90.2%	62.1%
Paid vacations	93.1%	71.0%
Paid sick days	73.1%	39.4%
Life insurance	55.8%	6.3%
Disability insurance	40.9%	11.8%
Retirement or pension plan	58.2%	12.1%
Retiree healthcare coverage	11.2%	0.0%
Medical Savings Accounts	8.9%	0.0%
Flexible spending accounts	20.2%	2.5%
Pre-tax premium payment	35.0%	0.0%
Total Establishments	17,069	12,193

Table 2.16
FRINGE BENEFITS AS A PERCENT OF TOTAL COMPENSATION

Weighted Sample	Offers Health Plan		Does Not Offer Health Plan	
	Frequency	Percent	Frequency	Percent
No fringe	0	0.0%	2,047	30.7%
1 - 10%	2,413	24.8%	3,198	47.9%
11 - 20%	3,120	32.1%	685	10.3%
21 - 30%	2,007	20.6%	306	4.6%
31 - 40%	1,160	11.9%	121	1.8%
over 40%	1,023	10.5%	320	4.8%
Total	9,723	100.0%	6,677	100.0%

EMPLOYEE ANALYSIS

Employees Working for Establishments Offering Health Insurance

To this point, the analysis has been in terms of employers, or, more precisely, establishments. An alternative perspective is to look at the percentage of employees who work for establishments offering health care coverage. Table 2.17 presents the results for different size classes of establishments. As was true in the establishment analysis, the percentage of employees that work for establishment offering insurance increases with the size of the establishment. Thus only about 46 percent of the employees working in establishments with less than 5 employees are working in establishments that offer insurance, while 52 percent of those in establishments with 5 to 9 employees, 73 percent in establishments with 10 to 24 employees, 82 percent in 25 to 49 employee establishments and 90 percent in establishments with 50 to 199 employees work for establishments offering health insurance. For the largest firms, those with 200 plus establishment employees, the figure is 100 percent. These figures, although computed differently than those in the previous section, are generally in-line with those presented for New Mexico establishments in Table 2.2.

Table 2.18 presents a similar analysis for the Albuquerque MSA and the rest of the state. As was found in the establishment analysis, in each size category, workers in the MSA are more likely to be working in establishments that offer health insurance.

Table 2.19 looks at how the probability of working in an establishment offering health insurance varies depending upon whether the person is working full-time, part-time, or is a seasonal or temporary employee. Note that across size categories, full-time workers are more likely to be working in an establishment with an employee health plan. Temporary and seasonal employees, with the exception of those working for establishments with 25 to 49 employees, are the least likely to be employed at an establishment offering insurance.

Table 2.17
NEW MEXICO EMPLOYEES WORKING IN
ESTABLISHMENTS THAT OFFER HEALTH INSURANCE

Weighted Sample			
Employees at Establishment	<u>Has a Health Program</u>		Total Number of Employees
	Yes	No	
2 to 4	45.8%	54.2%	28,972
5 to 9	51.6%	48.4%	55,252
10 to 24	72.7%	27.3%	88,730
25 to 49	81.5%	18.5%	68,918
50 to 199	90.3%	9.7%	139,685
200+	100.0%	0.0%	238,296

Table 2.20 examines the percentage of employees in each industry that work for establishments offering health insurance. The analysis is for the weighted sample of establishments that have less than 200 employees. Mining has by far the highest percentage of employees working in establishments that offer insurance, followed by FIRE, and wholesale trade. The lowest percentage of workers in establishments offering insurance is agriculture; the next lowest is retail. The above figures, based on total employees, are very similar to those in the establishment analysis presented in the first section of this chapter.

Table 2.18
NEW MEXICO EMPLOYEES WORKING IN
ESTABLISHMENTS OFFERING HEALTH INSURANCE
ALBUQUERQUE MSA AND REST OF STATE

Weighted Sample			
Employees at Establishment	<u>Has a Health Program</u>		Total Number of Employees
	Yes	No	
Albuquerque MSA			
2 to 4	51.4%	48.6%	10,241
5 to 9	66.4%	33.6%	18,373
10 to 24	81.0%	19.0%	35,784
25 to 49	85.2%	14.8%	30,719
50 to 199	93.9%	6.1%	70,614
200+	100.0%	0.0%	125,940
Rest of State			
2 to 4	42.7%	57.3%	18,731
5 to 9	44.3%	55.7%	36,879
10 to 24	67.0%	33.0%	52,946
25 to 49	78.5%	21.5%	38,199
50 to 199	86.7%	13.3%	69,071
200+	100.0%	0.0%	112,356

Table 2.19**NEW MEXICO EMPLOYEES WORKING IN ESTABLISHMENTS THAT OFFER HEALTH INSURANCE FULL-TIME, PART-TIME AND TEMPORARY EMPLOYEES**

Weighted Sample

Employees at Establishment	Full-Time Employees		Part-Time Employees		Temporary Employees	
	Percent where	Total Number	Percent where	Total Number	Percent where	Total Number
	Health Plan	Full-Time	Health Plan	Part-Time	Health Plan	Temporary
2 to 4	49.9%	22,772	32.8%	5,235	19.3%	966
5 to 9	56.2%	41,971	39.7%	9,736	30.0%	3,542
10 to 24	78.9%	67,794	52.8%	14,991	51.6%	5,945
25 to 49	85.1%	52,679	67.4%	11,600	75.9%	4,639
50 to 199	93.7%	102,321	83.8%	22,758	76.9%	14,607
200+	100.0%	206,128	100.0%	17,472	100.0%	14,696

Table 2.20**NEW MEXICO EMPLOYEES IN FIRMS WITH LESS THAN 200 EMPLOYEES STATEWIDE THAT OFFER HEALTH INSURANCE BY INDUSTRY**

Weighted Sample

Industry	Offer Health Insurance		Total Number of Employees
	Yes	No	
Agriculture	47.5%	52.5%	7,771
Mining	88.1%	11.9%	14,439
Construction	67.7%	32.3%	35,443
Manufacturing	77.4%	22.6%	27,537
TCU	75.8%	24.2%	22,762
FIRE	86.3%	13.7%	12,216
Retail	67.9%	32.1%	77,665
Wholesale	83.6%	16.4%	23,770
Services	75.5%	24.5%	123,597
Total	74.0%	26.0%	345,200

Eligibility and Enrollment at New Mexico Private Sector Establishments

This first subsection presents the establishment analysis of eligibility. Table 2.21 summarizes the findings for establishments offering insurance regarding the eligibility of different classes of employees for at least one of the plans offered. Table 2.21 looks at relationship of geography and employer offered health insurance. While location may be important in whether or not an establishment offers insurance, there is little difference between the Albuquerque MSA and the rest of the state regarding eligibility. When establishments offer a health care plan it is typical that most or all full-time employees will be eligible. The median percent of full-time employees eligible is 100 percent -- for the Albuquerque MSA, for the rest of the state, and for the state as a whole. The situation is very different for part-time employees and for

temporary/seasonal employees. The median percent of employees eligible for insurance at establishments with these classes of employees is zero in both instances.

Tables 2.22 and 2.23 present more figures on average eligibility, providing respectively a breakdown of the rates by size of establishment and by industry. The size of establishment has some impact on the numbers of full-time, part-time and temporary workers likely to be eligible for insurance. Part-time employees have a greater likelihood of being eligible for insurance in firms with 200 or more employees and those with less than five employees that offer insurance. By contrast, full-time workers are more likely to be eligible when they work for very small establishments offering insurance. Workers in the construction industry, in TCU and retail trade are less likely to be eligible for insurance even when they work for establishments offering insurance.

Table 2.24 presents the findings on eligibility for family coverage. The percentage of establishments where all full-time employees eligible for individual coverage are also eligible for family coverage increases with the number of employees at the establishment, ranging from 91.3 percent to 100 percent, where all eligible employees are eligible for individual and family coverage. Part-time employees have slightly less access to family coverage, with an overall average of 91 percent of establishments offering all eligible employees family coverage compared to 95 percent for full-time employees. A similar analysis by industry for full-time employees shows 92 percent in retail, 94 percent in services, and all other industries 97 percent and above. For part-time employees, the average percent of establishments that offer all eligible employees family coverage ranges from a low of 62 percent of establishments in agriculture to 100 percent in FIRE and construction.

Table 2.21
AVERAGE PERCENTAGE OF ESTABLISHMENT EMPLOYEES
ELIGIBLE FOR HEALTH PLANS
ALBUQUERQUE MSA, REST OF STATE AND TOTAL NEW MEXICO

Means calculated for establishments with valid data that offer insurance and have the class of employees. Number of establishments included in the calculation is given in italics

Weighted Sample	Class of Establishment Employees		
	Full-Time Regular	Part-Time Regular	Temporary/ Seasonal
Albuquerque MSA	92.8% <i>7,383</i>	31.6% <i>3,342</i>	9.2% <i>1,099</i>
Rest of State	92.8% <i>9,329</i>	33.6% <i>4,066</i>	12.4% <i>1,438</i>
Total	92.8% <i>16,712</i>	32.7% <i>7,408</i>	11.0% <i>2,537</i>

Table 2.22

**AVERAGE PERCENTAGE OF ESTABLISHMENT EMPLOYEES
ELIGIBLE FOR HEALTH PLANS. BY SIZE OF ESTABLISHMENT**

Means calculated for establishments with valid data that offer insurance and have the class of employees.
Number of establishments included in the calculation is given in italics below mean.

Weighted Sample Employees at Establishment	Class of Establishment Employees		
	Full-Time Regular	Part-Time Regular	Temporary/ Seasonal
2 to 4	97.8% <i>4,164</i>	43.0% <i>1,153</i>	0.0% <i>98</i>
5 to 9	94.9% <i>4,328</i>	33.8% <i>2,006</i>	11.4% <i>594</i>
10 to 24	94.3% <i>4,360</i>	30.9% <i>2,025</i>	8.3% <i>714</i>
25 to 199	92.6% <i>1,698</i>	34.6% <i>913</i>	18.8% <i>350</i>
50 to 199	90.0% <i>1,521</i>	25.4% <i>986</i>	15.5% <i>518</i>
200 and Over	91.7% <i>293</i>	38.3% <i>148</i>	4.5% <i>144</i>
Total	94.7% <i>16,364</i>	33.5% <i>7,231</i>	11.6% <i>2,418</i>

Table 2.23**AVERAGE PERCENTAGE OF ESTABLISHMENT EMPLOYEES ELIGIBLE
FOR HEALTH PLANS BY INDUSTRY**

Means calculated for establishments with valid data that offer insurance and have the class of employees. Number of establishments included in the calculation is given in italics below

Industry	Weighted Sample	Class of Establishment Employees		
		Full-Time Regular	Part-Time Regular	Temporary/ Seasonal
Agriculture		96.6% 318	30.2% 69	20.9% 37
Mining		95.2% 906	24.4% 250	14.5% 37
Construction		90.0% 1,220	14.7% 235	15.4% 207
Manufacturing		95.5% 1,057	41.6% 401	24.5% 199
TCU		86.6% 1,104	34.0% 293	23.7% 156
FIRE		97.7% 697	34.4% 263	0.0% 89
Retail		86.6% 3,067	28.8% 1,846	8.5% 493
Wholesale		98.1% 1,726	34.7% 627	10.2% 203
Services		96.0% 6,446	35.5% 3,340	6.6% 1,095
Total		93.4% 16,542	32.9% 7,325	10.5% 2,516

TABLE 2.24
PERCENT OF ESTABLISHMENTS WHERE ALL
ELIGIBLE EMPLOYEES ARE ELIGIBLE FOR
FAMILY COVERAGE

Weighted Sample		
Employees at Establishment	Full-time Employees	Part-time Employees
2 to 4	91.3%	88.1%
5 to 9	95.1%	85.4%
10 to 24	96.7%	93.6%
25 to 49	95.9%	93.7%
50 to 199	97.7%	97.1%
200 and Over	100.0%	95.3%
Total	95.0%	90.8%

Health Insurance Eligibility of New Mexico Employees

This subsection presents the employee analysis of health care eligibility. Table 2.25 looks at the health insurance eligibility of New Mexico full-time, part time and temporary/seasonal employees at establishments that offer insurance. Part-time and temporary/seasonal employees have a much lower probability of being eligible for insurance at establishments offering insurance than do full-time employees. Eligibility for full-time employees averages in excess of 90 percent for every size category of establishments. Eligibility of full-time and part-time employees is highest at those establishments with less than 5 or more than 200 employees. Eligibility of temporary/seasonal workers is highest at establishments with 25 to 199 employees that offer insurance.

Table 2.25
ELIGIBILITY OF NEW MEXICO EMPLOYEES WORKING IN ESTABLISHMENTS THAT OFFER
HEALTH INSURANCE

Weighted Sample						
Employees at Establishment	Full-Time Employees		Part-Time Employees		Temporary/Seasonal	
	Percent Eligible	Total Number Full-Time	Percent Eligible	Total Number Part-Time	Percent Eligible	Total Number Temporary
	less than 5	97.7%	11,369	41.0%	1,716	0.0%
5 to 9	95.0%	23,604	31.3%	3,762	7.6%	1,063
10 to 24	95.5%	53,354	28.3%	7,669	5.5%	3,066
25 to 49	93.3%	43,915	29.5%	7,786	27.9%	3,520
50 to 199	93.8%	95,146	28.9%	18,555	31.9%	11,228
200 or more	97.3%	206,128	40.4%	17,454	8.5%	14,696

Table 2.26 presents calculations of the percentage of New Mexico employees who are eligible for insurance at all establishments – those offering insurance and those not – for each of the size categories of establishments. The total percentage eligible rises dramatically, from 41 percent for establishments with less than five employees to 88 percent for establishments with 200 plus employees.

Table 2.26
NEW MEXICO EMPLOYEES ELIGIBLE FOR INSURANCE
AS A PERCENT OF ALL EMPLOYEES, BY SIZE OF ESTABLISHMENT

Weighted Sample Employees at Establishment	Eligible for Insurance	Not Eligible for Insurance	Total Number of Employees
less than 5	40.8%	59.2%	28,973
5 to 9	42.9%	57.1%	55,146
10 to 24	60.3%	39.7%	88,323
25 to 49	65.1%	34.9%	67,989
50 to 199	70.9%	29.1%	138,453
200 or more	87.7%	12.3%	238,278

Tables 2.27 and 2.28 examine how eligibility varies across industries. The analysis includes only employees in establishments of firms with less than 200 employees statewide. Table 2.27 presents the figures on eligibility for full-time, part-time and temporary employees. In each case, those eligible are calculated first as a percent of total full-time, part-time or temporary/seasonal employees in establishments offering insurance and then for all establishments, including those which do not offer insurance. Table 2.28 presents the percentage of the workforce eligible (including full-time, part-time and temporary/seasonal employees) for insurance in each industry.

Table 2.27
ELIGIBILITY OF NEW MEXICO EMPLOYEES WORKING IN FIRMS WITH LESS THAN
200 EMPLOYEES STATEWIDE BY INDUSTRY

Weighted Sample Industry	<u>Full-Time Employees</u>		<u>Part-Time Employees</u>		<u>Temporary Employees</u>	
	Percent Eligible where offer	Eligible as Percent of all Full-Time	Percent Eligible where offer	Eligible as Percent of all Part-Time	Percent Eligible where offer	Eligible as Percent of all Temporary
Agriculture	97.2%	53.0%	16.8%	4.5%	29.9%	2.5%
Mining	94.7%	85.2%	22.8%	20.5%	0.0%	0.0%
Construction	87.4%	61.7%	7.8%	2.4%	24.9%	13.9%
Manufacturing	94.9%	77.7%	34.1%	15.1%	25.1%	14.0%
TCU	97.3%	77.7%	49.2%	27.6%	74.2%	57.7%
FIRE	97.2%	86.8%	21.2%	17.7%	0.0%	0.0%
Retail	92.3%	70.8%	31.6%	19.8%	16.5%	10.0%
Wholesale	99.9%	86.8%	34.0%	21.9%	5.8%	5.2%
Services	98.2%	79.3%	26.7%	17.1%	16.8%	11.9%
Total	95.5%	76.0%	29.4%	18.3%	24.2%	15.4%

Table 2.28
ELIGIBILITY OF NEW MEXICO EMPLOYEES WORKING IN
FIRMS WITH LESS THAN 200 EMPLOYEES STATEWIDE BY
INDUSTRY

Weighted Sample Industry	Percent of Employees Eligible	
	in Establishments Offering	of all Employees
Agriculture	93.0%	44.2%
Mining	93.3%	82.2%
Construction	81.1%	54.3%
Manufacturing	89.3%	69.1%
TCU	91.6%	69.5%
FIRE	87.1%	75.1%
Retail	74.6%	50.2%
Wholesale	93.0%	77.3%
Services	80.5%	60.4%
Total	82.9%	61.0%

Enrollment in Health Insurance at New Mexico Establishment

Figures on the average percent of those eligible who are enrolled in an establishment's health plan are presented in Tables 2.29 through 2.31. Table 2.29 presents figures for the Albuquerque MSA, the rest of the state, and the state as a whole. While the percentages of full-time eligible employees who are enrolled are comparable between the metro area and the rest of the state, significantly lower percentages of eligible part-time are enrolled outside the Albuquerque MSA. Temporary/Seasonal employees have a higher enrollment rate in the rest of the state than in the MSA. Note that the number of establishments offering temporary/seasonal workers health insurance is so small that the results reported are not necessarily representative of the population of New Mexico establishments offering this insurance. Table 2.30 presents the figures by size of establishment and the third, by industry. Table 2.31 presents the average percent of eligible employees enrolled by industry.

Table 2.29
AVERAGE PERCENTAGE OF ELIGIBLE ESTABLISHMENT EMPLOYEES
ENROLLED IN HEALTH PLANS
ALBUQUERQUE MSA, REST OF STATE AND TOTAL NEW MEXICO

Means calculated for establishments with valid data that offer insurance and have eligible employees in the class of employees in question. Number of establishments included in the calculation is given in italics below mean.

Weighted Sample	Class of Establishment Employees		
	Full-Time Regular	Part-Time Regular	Temporary/Seasonal
Albuquerque MSA	80.2% <i>5,811</i>	46.6% <i>906</i>	42.2% <i>83</i>
Rest of State	80.0% <i>7,718</i>	28.9% <i>1,244</i>	57.1% <i>146</i>
Total	80.1% <i>13,530</i>	36.3% <i>2,150</i>	51.7% <i>229</i>

Table 2.30
AVERAGE PERCENTAGE OF ELIGIBLE ESTABLISHMENT EMPLOYEES
ENROLLED IN HEALTH PLANS, BY SIZE OF ESTABLISHMENT

Means calculated for establishments with valid data that offer insurance and have eligible employees in the class of employees in question. Number of establishments included in the calculation is given in italics below mean.

Weighted Sample	Class of Establishment Employees		
	Full-Time Regular	Part-Time Regular	Temporary/Seasonal
Employees at Establishment			
2 to 4	86.9% <i>3,464</i>	36.3% <i>436</i>	0.0% <i>0</i>
5 to 9	79.8% <i>3,825</i>	32.2% <i>635</i>	40.3% <i>68</i>
10 to 24	77.8% <i>3,493</i>	40.5% <i>495</i>	100.0% <i>45</i>
25 to 49	74.8% <i>1,423</i>	30.8% <i>313</i>	18.0% <i>55</i>
50 to 199	74.3% <i>1,145</i>	44.6% <i>232</i>	59.8% <i>60</i>
200 and Over	78.6% <i>173</i>	47.6% <i>40</i>	20.0% <i>2</i>
Total	80.1% <i>13,522</i>	36.3% <i>2,150</i>	51.7% <i>229</i>

Table 2.31
AVERAGE PERCENTAGE OF ELIGIBLE ESTABLISHMENT EMPLOYEES
ENROLLED IN HEALTH PLANS, BY INDUSTRY

Means calculated for establishments with valid data that offer insurance and have eligible employees in the class of employees in question. Number of establishments included in the calculation is given in italics below mean.

Industry	Class of Establishment Employees		
	Full-Time Regular	Part-Time Regular	Temporary/Seasonal
Agriculture	90.5% <i>318</i>	100.0% <i>21</i>	0.0% <i>8</i>
Mining	82.4% <i>747</i>	46.1% <i>54</i>	0.0% <i>0</i>
Construction	80.5% <i>1,005</i>	40.3% <i>35</i>	67.8% <i>21</i>
Manufacturing	75.2% <i>916</i>	46.0% <i>148</i>	18.0% <i>35</i>
TCU	82.7% <i>876</i>	32.2% <i>93</i>	48.4% <i>30</i>
FIRE	84.1% <i>621</i>	17.7% <i>67</i>	0.0% <i>0</i>
Retail	72.7% <i>2,220</i>	29.5% <i>523</i>	16.2% <i>36</i>
Wholesale	86.8% <i>1,423</i>	40.2% <i>167</i>	100.0% <i>21</i>
Services	80.1% <i>5,339</i>	36.6% <i>1,027</i>	66.5% <i>65</i>
Total	80.0% <i>13,466</i>	35.9% <i>2,136</i>	48.6% <i>215</i>

Health Insurance Enrollment by New Mexico Employees

This subsection presents the employee analysis of enrollment. Tables 2.32 through 2.34 present figures on enrollment in health plans offered by establishments that offer insurance. Table 2.32 examines full-time workers, Table 2.33 part-time regular employees, and Table 2.34 temporary/seasonal employees. As in previous sections dealing with employees, the data are weighted and are displayed by size category of establishment. Enrollment is presented both as a percent of total eligible and as a percent of the total employees of the particular class of worker in establishments offering insurance. For full-time and part-time employees, the tables also present data

on the percentages of enrolled and of employees in these establishments that have single versus family coverage.

Table 2.32

ENROLLMENT FOR HEALTH INSURANCE OF NEW MEXICO FULL-TIME EMPLOYEES IN ESTABLISHMENTS OFFERING INSURANCE

Weighted Sample

Employees at Establishment	Number Full-Time Eligible	Enrolled as Percent of Total Eligible			Enrolled as Percent of Total Full-Time		
		Total	Single	Family	Total	Single	Family
2 to 4	9,643	87.0%	46.8%	40.2%	85.0%	45.7%	39.3%
5 to 9	20,207	82.7%	42.8%	39.9%	78.6%	40.7%	37.9%
10 to 24	42,232	85.0%	42.1%	42.9%	81.2%	40.2%	41.0%
25 to 49	36,105	82.4%	37.2%	45.3%	76.9%	34.7%	42.2%
50 to 199	70,815	80.8%	37.4%	43.4%	75.8%	35.1%	40.7%
200+	92,789	83.6%	41.6%	42.1%	81.4%	40.4%	41.0%

Table 2.33

ENROLLMENT FOR HEALTH INSURANCE OF NEW MEXICO PART-TIME EMPLOYEES IN ESTABLISHMENTS OFFERING INSURANCE

Weighted Sample

Number of Employees	Number Part-Time Eligible	Enrolled as Percent of Total Eligible			Enrolled as Percent of Total Part-Time		
		Total	Single	Family	Total	Single	Family
0 to 4	568	40.7%	15.3%	25.4%	16.7%	6.3%	10.4%
5 to 9	1,058	31.1%	16.9%	14.2%	9.7%	5.3%	4.4%
10 to 24	1,567	29.6%	15.8%	13.8%	8.4%	4.5%	3.9%
25 to 49	2,186	17.2%	13.5%	3.7%	5.1%	4.0%	1.1%
50 to 199	3,752	25.1%	16.8%	8.3%	7.2%	4.9%	2.4%
200+	3,734	49.3%	32.9%	16.4%	19.9%	13.3%	6.6%

Table 2.34

ENROLLMENT FOR HEALTH INSURANCE OF NEW MEXICO TEMPORARY/SEASONAL EMPLOYEES IN ESTABLISHMENTS

Weighted Sample

Employees at Establishment	Number Temporary/Seasonal Eligible	Enrolled as Percent of Total Eligible	Enrolled as Percent of Total Temporary/Seasonal
2 to 4	0	0.0%	0.0%
5 to 9	81	42.0%	3.2%
10 to 24	127	100.0%	5.5%
25 to 49	646	24.5%	6.8%
50 to 199	1,598	67.3%	21.5%
200+	178	20.2%	1.7%

RESEARCH FINDINGS

Establishment Analysis

Statewide, slightly over 58 percent of the weighted sample of establishments indicated that they offered a health insurance program to some or all of their employees.

Local labor market conditions have some bearing on whether or not employers offer health insurance benefits: 67 percent of the establishments in the Albuquerque metro area had health plans versus only 53 percent of those in the rest of the state.

The likelihood that an establishment will offer health insurance benefits to employees varies considerably across industries. Statewide, the mining industry had the highest percentage of establishments (84.2%) with health insurance, followed by FIRE (68.5%) and wholesale trade (64.8%). Agriculture (44.3%), retail trade (48.4%), and construction (51.7%) had the lowest percentage of establishments with health plans.

Establishment size makes a difference. All establishments with 200 or more employees had a health plan, and the smaller the size category, the lower the percentage of establishments with health insurance. Statewide, 58 percent of the establishments with less than 200 employees offered a health insurance program. While size of establishment makes a difference, the overall size of a firm's operations in New Mexico may be even more determining. Having multiple branches seems itself to increase the likelihood that health insurance will be offered.

When respondents were asked to choose the most important from a list of reasons for offering health insurance, "employee retention" and "attract higher quality workers" together accounted for about one-third of the responses, while "to offer the same as the competition" added 6 percent. Almost 44 percent of the respondents, however, said they offered insurance because "all workers should have health insurance benefits."

Sixty-five percent of respondents from establishments not offering insurance indicated that the statement "can't afford to subsidize health insurance for employees" "definitely applies," while less than 17 percent said this statement "does not apply." That cost is a major consideration is further support by the 37 percent who were "definitely" concerned about "future health care costs." One third felt that they "don't need to offer health insurance to attract workers," with 28 percent indicating that "the benefits offered by the company are sufficient," and 30 percent claiming that "employees prefer higher salaries to health insurance coverage."

Worker and job characteristics make a difference in whether health insurance is offered. In each of the industries studied, those establishments offering health insurance had a significantly higher percentage of regular employees who were salaried. Additionally, the establishments offering insurance had significantly fewer employees earning below \$20,000. All industries had a higher fraction of salaried employees earning \$40,000 or more. Establishments offering generally made less use of temporary/seasonal

(manufacturing and construction are exceptions) and part-time employees (mining and FIRE are exceptions); and, notably in manufacturing, TCU, retail and wholesale trade, those establishments offering insurance often had a lower percentage of female workers. Unionization was significant in whether or not establishments offered insurance, with the exception of agriculture and FIRE.

Some of those not offering health insurance as a benefit assist employees in other ways: about 4 percent contribute toward the health insurance provided by a spouse's employer and almost 17 percent claimed that they sometimes pay the medical bills for their employees. Almost 13 percent indicated that they compensate employees financially for not offering health insurance.

Even within the same industry, establishments offering health insurance typically pay higher salaries than those that do not. Establishments offering insurance also provide a total benefit package that is richer. They are more likely to offer paid holidays, paid vacations, paid sick days and much more likely to offer life insurance, disability insurance, retirement benefits, and flexible spending accounts.

Employee Analysis

Only about 46 percent of the employees working in establishments with less than 5 employees worked in places which offered health insurance, while 52 percent of those in establishments with 5 to 9 employees, 73 percent of those with 10 to 24 employees, 86 percent of those with 25 to 49 employees, 90 percent in establishments with 50 to 199 employees, and 100 percent of those in establishments with 200 plus employees worked where health insurance was offered. Across all size classes of establishments, workers in the Albuquerque MSA were more likely to be in establishments that offered health insurance. Also across all size categories of establishments, full-time workers were more likely to be working in establishments with health plans.

The industry analysis of employees in a weighted sample of establishments in firms with less with less than 200 employees statewide found that 88 percent employees in mining, 86 percent in FIRE and 84 percent in wholesale trade worked in establishments offering insurance as against 48 percent in agriculture and 68 percent in retail trade.

Eligibility and Enrollment

Statewide, an average of 95 percent of the full-time employees who work in establishments offering health insurance are eligible for this benefit, while an average of 34 percent (33.5%) of permanent part-time employees and 12 percent (11.6%) of temporary/seasonal employees in these establishments are eligible. Construction (90.0%), retail and TCU (both 86.6%) have the lowest average percentages of full-time workers eligible for health benefits in establishments offering insurance. Part-time workers have lowest eligibility rates in construction (14.7%) and mining (24.4%) and best in manufacturing (41.6%) establishments.

Statewide, 41 percent of employees working in establishments - those with plans and those without - with less than 5 employees are eligible for health insurance. The percentage eligible increases with the size category of establishment and is 43 percent for all establishments with 5 to 9 employees, 60 percent for those with 10 to 24, 65 percent for the group with 25 to 49, 71 percent for establishments with 50 to 199 employees, and 88 percent for those with 200 plus.

Take-up rates (the average percentage of eligible employees who actually enroll in an establishment health plan) vary greatly depending upon whether the employees are full-time, part-time regular or temporary, upon the number of establishment employees, and upon the industry. Statewide an average of 80 percent of full-time workers eligible for insurance in establishments offering insurance actually enrolled in a plan, versus 36 percent of permanent part-time employees and 52 percent of eligible seasonal or temporary employees. The highest take-up rates for full-time employees were in agriculture (91%), followed by wholesale trade (87%) and FIRE (84%).

According to the employee analysis, 87 percent of the eligible full-time employees in establishments with less than 5 employees opted for a health plan, with almost 47 percent getting single coverage and 40 percent enrolling in family coverage. The total percent enrolled fell with the size category of establishment and was 81 percent for establishments with 50 to 199 employees and 84 percent for the 200 plus. Until reaching 50 employees, the percentage enrolled in single coverage fell with increasing establishment size, while family coverage was in the 40 to 45 percent range.

The percentage of all full-time employees in establishments offering enrolled in health plans through their employers varies depending upon the size of establishment, ranging from 76 percent in establishments with 50 to 199 employees to 85 percent in those with less than five employees. Enrollment of part-time employees is generally 10 percent or less statewide, except for establishments with less than 5 employees where enrollment approaches 19 percent and those with 200 or more, where enrollment is close to 20 percent.

CHAPTER 3: HEALTH INSURANCE PLANS OFFERED TO EMPLOYEES

The survey collected detailed information on the insurance plans offered by the sample of establishments. Eighty-nine percent of the weighted sample of establishments that offer their employees health insurance plans offer only one plan. Where the establishment offered more than one plan offered, respondents were asked to provide information on the plan with the largest enrollment of establishment employees.² This chapter summarizes the findings regarding the health plans offered by New Mexico employers.

SOURCE OF INSURANCE FOR HEALTH CARE PLANS

Information was requested on whether the plan was self-insured. About 4 percent of the respondents did not know whether the plan was self-insured. Of those who did, 23.5 percent answered to the affirmative, that the plan was self-insured. This is a lower rate of self-insurance than has been found in national surveys and may reflect the predominance of smaller businesses in New Mexico.

Many of those businesses that do not self-insure obtain health insurance for their workers through other organizations. Table 3.1 below summarizes the findings regarding plan sponsorship. Note that over 9 percent of all the establishments with plans have, as the major source of health insurance for their employees, a plan that is sponsored by a trade or professional association.

Table 3.1
SPONSORSHIP OF PLANS

weighted sample of establishments	Frequency	Percent of Y/N Responses	Percent of Establishments with Plans	Total Establishments with Plans
Sponsored by a Trade or Professional Association?	1,601	13.1%	9.3%	17,069
Sponsored by a union?	138	46.9%	0.8%	17,069
Sponsored by the Health Insurance Alliance?	471	90.2%	2.7%	17,069

Only those businesses with statewide employment of 50 or less are eligible to participate in the program offered by the New Mexico Health Insurance Alliance. From the survey, we estimate that 88.4 percent of establishments are eligible. Only about 27 percent of businesses eligible to participate in the Health Insurance Alliance were aware

² As noted in Chapter 2, a number of the establishments are part of a larger company with other operations in New Mexico. Ninety-one percent of the respondents with multiple establishments indicated that the health plan options available to workers at the establishment in question were also available at their other facilities.

of this option. About 90 percent of those familiar with the New Mexico Health Insurance Alliance and eligible to participate actually participated in the program and had a Health Insurance Alliance plan as the primary source of insurance for their employees. In a small number of establishments with unionized workers, the primary plan was a union sponsored plan.

GENERAL PROVISIONS OF HEALTH PLANS OFFERED

Benefits

Table 3.2 summarizes the findings regarding services included and services not included in the benefit package offered employees and included in the health insurance premium. The list appears in the order in which the questions were asked respondents. The list itself was developed by Health Policy Commission staff and was not meant to be comprehensive but to assess coverage provided in areas where other studies have indicated potential access problems. Pre-tests of this question identified the need to give respondents the option of indicating that the plan provided limited or partial coverage of the service.

Table 3.2

Weighted Sample	Services Covered by the Plan and Included in Premium					
	Yes	Limited/Partial	No	Don't know Not sure	Refused	Total
Health Care Services Covered						
In-patient or out-patient rehabilitation	76.5%	3.9%	2.3%	17.3%	0.0%	17,069
Routine preventative care	84.8%	3.8%	4.2%	7.2%	0.0%	17,069
Maternity or pre-natal care	79.2%	1.1%	12.7%	7.1%	0.0%	17,069
Home health care	49.0%	7.2%	11.0%	32.8%	0.1%	17,069
Durable medical equipment	50.7%	6.9%	7.1%	35.3%	0.0%	17,069
Prescription drugs	87.7%	5.6%	4.3%	2.4%	0.0%	17,069
Hospice care	49.2%	3.5%	9.1%	38.2%	0.0%	17,069
Chiropractic care	55.6%	7.3%	19.1%	18.0%	0.0%	17,069
Long term care	43.1%	6.3%	21.6%	28.8%	0.2%	17,069
Alcohol and drug rehabilitation	50.7%	13.1%	13.7%	22.6%	0.0%	17,069
Mental health care	58.0%	14.8%	10.1%	17.0%	0.0%	17,069
Alternative practitioners (eg acupuncture)	20.3%	6.3%	46.2%	27.1%	0.0%	17,069
Vision care	24.1%	4.0%	67.0%	4.9%	0.0%	17,069
Dental care	23.9%	1.4%	71.7%	2.9%	0.0%	17,069

Coverage for Pre-Existing Conditions

Pre-existing conditions were covered in the plans offered by 67.7 percent of the weighted sample of establishments offering insurance and were not covered in the plans offered by 14.4 percent. Of those providing coverage, 51.1 percent had no waiting period, while 34.2 percent indicated that there was a waiting period. Table 3.3 provides the frequency distribution on the length of the waiting period.

Table 3.3
LENGTH OF WAITING PERIOD

Weighted Sample	Frequency	Percent
1 - 3 months	966	29.3%
6 months	1,022	31.0%
7 - 12 months	987	29.9%
13 - 24 months	171	5.2%
more than 2 years	150	4.6%
	<u>3,296</u>	<u>100.0%</u>

First Dollar Coverage and Deductibles

Respondents were asked:

As you know, a deductible is the amount that enrollees must pay out of pocket before the plan begins paying for most or all covered services. Please tell me which of the following best describes how the plan deals with deductibles. . .READ 1-3

1. - A deductible may apply when the service is provided by someone outside the panel of preferred doctors, hospitals or clinics;
2. - A deductible may apply regardless of who provides the service; or
3. - There is no deductible.

Table 3.4 provides the frequency distribution of responses for the weighted sample of establishments.

Table 3.4
**ROLE OF DEDUCTIBLES IN PLANS
OFFERED BY NM ESTABLISHMENTS**

Weighted Sample	Frequency	Percent
Apply outside panel of preferred doctors, hospitals, clinics, etc.	4,260	25.0%
Apply regardless of provider	7,057	41.3%
There is no deductible	4,172	24.4%
Other	569	3.3%
Don't know/Not sure	1,009	5.9%
Total	<u>17,067</u>	<u>100.0%</u>

Table 3.5 provides a frequency distribution on the deductibles that respondents said must be met before a plan would pay for physician services. The responses are grouped separately for single coverage and for family coverage. Note that some of the

plans offered have extremely high deductibles and really provide catastrophic coverage. The inclusion of catastrophic plans brings up the mean value of the deductibles. Across all those who responded, the average applicable deductible for physician services is \$437 for single coverage and \$1,211 for family coverage. Median values for single and family coverage are respectively \$300 and \$750.

Table 3.5
DEDUCTIBLES APPLICABLE BEFORE PHYSICIAN SERVICES
ARE COVERED

Weighted Sample Dollars	Single Coverage		Family Coverage	
	Frequency	Percent	Frequency	Percent
0	354	4.4%	271	4.4%
1 - 200	1,557	19.5%	348	5.6%
250	2,062	25.9%	392	6.3%
300	399	5.0%	267	4.3%
301 - 499	91	1.1%	256	4.1%
500	2,492	31.3%	1,306	21.0%
501 - 1000	722	9.1%	1,326	21.3%
1,001 - 2,499	149	1.9%	1,496	24.1%
2,500 - 4,999	117	1.5%	369	5.9%
5,000 or more	22	0.3%	183	2.9%
	7,965	100.0%	6,214	100.0%

The only respondents to the question on applicable deductibles are those who indicated that deductibles always or sometime apply. Most of the zeros in the Table correspond to cases where there is no deductible on physician services within the preferred or approved panel of providers.

Sometimes, however, plans with deductibles will waive the deductible and pay for certain types of care even though the deductible has not yet been met. Respondents were asked whether the plan in question would “pay for routine preventative care even though the deductible has not been met?” The responses are presented in Table 3.6.

Table 3.6

**PLAN PAYS FOR ROUTINE PREVENTATIVE CARE
EVEN THOUGH DEDUCTIBLE HAS NOT BEEN MET**

Weighted Sample	Frequency	Percent
Yes	5,307	44.7%
No	3,941	33.2%
Don't know/ Not Sure	2,536	21.3%
Refused	101	0.8%
	<hr/>	
	11,885	100.0%

Cost Sharing for Services

To describe the general cost sharing arrangements of the plan, respondents were asked the following:

Assume that the health care needed is covered by insurance, or that if there are deductibles they have been met and that no maximum has been reached. Which of the following best describes the cost sharing arrangement of this plan. . .READ 1-4

- 1 - Service costs are fully covered. There is no patient co-payment.
- 2 - Services are fully covered only as long as the patient uses certain providers.
- 3 - Some services are fully covered. Patient will have to pay the cost of other services, or
- 4 - Patient will pay part of the costs of all of the services.

The responses, tabulated in Table 3.7 below, indicate that employee patients and their families are responsible for part of all costs of health care services in at least 43.8 percent of the establishments offering plans. Service costs are fully covered in only about 5 percent of the establishments, but in another 42 percent costs are fully covered for certain providers and/or for certain services.

Table 3.7

PATIENT RESPONSIBILITY FOR HEALTH SERVICE COSTS

Weighted Sample	Frequency	Percent
Service costs are fully covered, no co-payments	845	4.9%
Service costs fully covered with certian providers	4,228	24.8%
Some services are fully covered.	2,863	16.8%
Patient pays part of all costs of services	7,483	43.8%
Don't know/Not sure	1,630	9.5%
Refused	22	0.1%
Total	<hr/>	
	17,071	100.0%

Many of the health insurance plans, including but not limited to HMO's and POS plans require patients to pay a (usually) small co-payment amount. Table 3.8 provides a frequency distribution of the co-pays for a doctor's visit. Excluding responses of \$500 and more (the next lower answer being \$50), the mean co-payment amount is \$14.23. The median co-pay for a doctor's visit is \$15.

Table 3.9 presents the frequency distribution of co-pays for a hospital stay for the weighted sample of establishments with plans that include dollar co-pays. The mean co-payment amount for a hospital stay is \$276.84. The median co-pay is \$250.

Table 3.8
REQUIRED CO-PAYMENT AMOUNT
FOR A DOCTOR'S VISIT

Weighted Sample Dollars	Frequency	Percent
5 or less	363	3.0%
6 - 10	4,596	37.9%
11 - 15	4,194	34.5%
16 - 20	2,502	20.6%
21 - 25	373	3.1%
26 - 30	84	0.7%
More than 30	27	0.2%
	12,139	100.0%

Table 3.9
REQUIRED CO-PAYMENT AMOUNT
FOR A HOSPITAL STAY

Weighted Sample Dollars	Frequency	Percent
25 or less	562	6.6%
50	1,081	12.6%
51 - 99	116	1.4%
100	1,395	16.3%
101 - 249	733	8.6%
250	2,696	31.5%
251 - 499	209	2.4%
500	1,355	15.8%
501 - 1000	275	3.2%
Over 1,000	129	1.5%
	8,551	100.0%

Many of the plans have co-insurance rates. In some cases, like fee-for-service plans, one rate may apply to virtually all services and for any providers. In other cases, there

may be a rate that applies only to providers outside the panel of preferred providers. Finally, many PPO plans structure the co-insurance rates so that one rate will apply to preferred providers, with a different rate applying to other providers. Table 3.10 summarizes the findings regarding co-insurance rates. Excluding those responses in excess of 50 percent, the mean co-insurance rate for those where one co-insurance rate applies is 24.6 percent, while the median value is 20 percent. For preferred providers, the mean co-insurance percent is 15.3 percent and the median value is 10 percent, while the comparable percentages for providers outside the panel are respectively 33 percent for the mean and 30 percent for the median.

Table 3.10
CO-INSURANCE RATES APPLICABLE IN ESTABLISHMENT PLANS

Weighted Sample Percent	One Percentage (applies to most services)		Preferred Providers		Other Providers	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
10 or less	165	8.4%	83	43.9%	0	0.0%
15	9	0.5%	12	6.3%	0	0.0%
20	1,109	56.7%	36	19.0%	15	8.0%
25	24	1.2%	0	0.0%	5	2.7%
30	105	5.4%	0	0.0%	86	45.7%
40	23	1.2%	0	0.0%	2	1.1%
50	276	14.1%	7	3.7%	28	14.9%
over 50	244	12.5%	51	27.0%	52	27.7%
	1,955	100.0%	189	100.0%	188	100.0%

It should be noted that those plans which have a combination of co-payments and co-insurance rates (e.g., some POS plans) may have only answered the co-payment questions. Per Table 3.7, there are some 4,228 establishments that offer plans where the services within the panel of approved providers are free.

Maximum Out-of-Pocket Costs

Almost 43 percent of the establishments with plans had plans that put a cap on total annual enrollee out-of-pocket expenses for health care services covered by the plan. Table 3.11 provides the breakdown of responses for individual enrollees, while Table 3.12 provides the frequency distribution for family out-of-pocket costs.

Table 3.11**MAXIMUM ANNUAL INDIVIDUAL OUT-OF-POCKET COST**

Weighted Sample Dollars	Frequency	Percent
250 or less	189	3.9%
251 - 500	524	10.8%
501 - 1,000	984	20.3%
1,001 - 2,000	1,754	36.1%
2,001 - 3,000	762	15.7%
3,001 - 5,000	574	11.8%
Over 5,000	67	1.4%
	<hr/> 4,854	100.0%

Table 3.12**MAXIMUM ANNUAL FAMILY OUT-OF-POCKET COST**

Weighted Sample Dollars	Frequency	Percent
500 or less	120	3.1%
501 - 1,000	361	9.4%
1,001 - 2,000	692	18.1%
2,001 - 3,000	1,000	26.1%
3,001 - 5,000	963	25.1%
Over 5,000	697	18.2%
	<hr/> 3,833	100.0%

Maximum Amounts Plan Will Pay

About 16 percent of the establishment plans limited the annual amount the plan would pay for an enrollee's care, while almost 54 percent placed no such limit on the plan's liability to pay for covered services. The frequency distribution for those with limits is given in Table 3.13.

Table 3.13**MAXIMUM ANNUAL COVERAGE FOR INDIVIDUAL**

Weighted Sample Dollars	Frequency	Percent
2,000 or less	136	15.9%
2,001 - 10,000	179	20.9%
10,001 - 100,000	203	23.7%
100,000 - 1,000,000	249	29.1%
Over 1,000,000	89	10.4%
	<hr/> 856	100.0%

About 40 percent of the plans imposed a lifetime cap on what they would pay for covered services over an individual's lifetime. The frequency distribution of the maximums these plans will pay is given in Table 3.14.

Table 3.14
MAXIMUM PLAN WILL PAY OVER INDIVIDUAL'S LIFETIME

Weighted Sample Dollars	Frequency	Percent
25,000 or less	195	4.7%
25,001 - 100,000	120	2.9%
100,001 - 1,000,000	1754	42.7%
1,000,001 - 5,000,000	976	23.7%
more than 5,000,000	1067	25.9%
	4112	100.0%

COST OF INSURANCE

Premium Costs

Respondents were asked to provide information on the total cost of the primary insurance plan:

What is the total ANNUAL premium for the average employee enrolled in the plan with individual coverage, that is, the total cost of health insurance under this plan, including employer AND employee contributions?

What is the total ANNUAL cost for family coverage that would insure two adults and two children 18 or under living at home for this plan? IF NEEDED: Total premium, including both employer and employee contribution?

The frequency distributions for the weighted sample of establishments are given in Table 3.15, which presents the findings for individual coverage, and in Table 3.16, which presents the data for family coverage. High and low (under \$100) outliers have been removed.

Table 3.15

**TOTAL COST PER EMPLOYEE ENROLLED FOR
INDIVIDUAL COVERAGE, EMPLOYEE AND
ESTABLISHMENT CONTRIBUTION COMBINED**

weighted sample	Frequency	Percent
Less than 1,000	761	6.2%
1,000-1,499	1,362	11.1%
1,500-1,999	2,876	23.4%
2,000-2,499	3,289	26.7%
2,500-2,999	1,351	11.0%
3,000-3,999	1,351	11.0%
4,000-4,999	325	2.6%
5,000 and Over	984	8.0%
Total	12,299	100.0%

Table 3.16

**TOTAL COST PER EMPLOYEE ENROLLED FOR FAMILY
COVERAGE, EMPLOYEE AND ESTABLISHMENT
CONTRIBUTION COMBINED**

Weighted Sample Dollars	Frequency	Percent
Less than 1,500	685	6.5%
1,500-2,499	506	4.8%
2,500-3,999	1,546	14.6%
4,000-4,999	2,063	19.4%
5,000-5,999	2,197	20.7%
6,000-6,999	1,955	18.4%
7,000-8,999	1,147	10.8%
9,000 and Over	521	4.9%
Total	10,620	100.0%

Table 3.17, 3.18 and 3.19 present statistics on the mean and median cost of health insurance for the weighted sample of establishments. Table 3.17 presents the data by region, Table 3.18 by size of establishment and Table 3.19 by industry. In all cases, outliers have been removed to present a more representative picture of total premiums. Statewide, total premiums for individual coverage averaged almost \$2,500, while family premiums approached \$5,200. Median values were respectively \$2,162 and \$5,334. Total premiums were lower for establishments in the Albuquerque MSA than in the rest of the state. Note that statewide about 89 percent of the establishments offering health insurance to their workers extended coverage to families as well as individuals.

Table 3.17

**TOTAL COST (TOTAL PREMIUM) FOR EMPLOYEE
HEALTH INSURANCE TOWARD INDIVIDUAL AND
FAMILY COVERAGE**

AVERAGE AND MEDIAN COSTS (OUTLIERS REMOVED)			
ALBUQUEURQUE MSA, REST OF STATE, AND NEW MEXICO			
Weighted Sample		Total Premium for Individual	Total Premium for Family
MSA			
	Mean	\$2,310	\$4,861
	Median	\$2,000	\$4,836
	Number	5,146	4,426
	Std. Deviation	\$1,264	\$1,550
Rest of State			
	Mean	\$2,657	\$5,470
	Median	\$2,400	\$5,640
	Number	6,080	5,529
	Std. Deviation	\$1,310	\$1,863
Total			
	Mean	\$2,498	\$5,199
	Median	\$2,162	\$5,334
	Number	11,226	9,955
	Std. Deviation	\$1,301	\$1,757

The figures presented in Table 3.18 are generally consistent with the hypothesis that larger establishments are able to obtain health insurance for their employees at a lower cost than smaller establishments. Larger establishments are also more likely to provide family coverage. Thus, only 77 percent of the establishments offering insurance with less than 5 employees provided family as well as single coverage, while 79 percent of the establishments with 5 to 9 employees, 98 percent of those with 10 to 24 employees, and 100 percent of those with 25 to 199 employees provided family coverage. Family coverage for the smallest of establishments appears relatively inexpensive in part because a limited number of these establishments offer such coverage.

Finally, Table 3.19 looks at differences between and among industries. In the case of some industries, like agriculture, the number of observations (unweighted) is too small to be reliable.

Table 3.18
TOTAL COST (TOTAL PREMIUM) FOR EMPLOYEE HEALTH
INSURANCE FOR INDIVIDUAL AND FAMILY COVERAGE

AVERAGE AND MEDIAN COSTS BY ESTABLISHMENT SIZE
(OUTLIERS REMOVED)

Weighted Sample Employees at Establishment		Total Premium for Individual	Total Premium for Family
2 to 4	Mean	\$2,606	\$5,048
	Median	\$2,160	\$4,800
	Number	2,476	1,903
	Std. Deviation	\$1,600	\$1,991
5 to 9	Mean	\$2,506	\$5,291
	Median	\$2,300	\$5,500
	Number	2,864	2,249
	Std. Deviation	\$1,212	\$1,735
10 to 24	Mean	\$2,532	\$5,133
	Median	\$2,160	\$5,232
	Number	2,977	2,916
	Std. Deviation	\$1,310	\$1,752
25 to 199	Mean	\$2,380	\$5,307
	Median	\$2,100	\$5,300
	Number	2,455	2,411
	Std. Deviation	\$1,100	\$1,639
200 and Over	Mean	\$2,274	\$4,681
	Median	\$2,240	\$4,798
	Number	172	205
	Std. Deviation	\$705	\$1,563
Total	Mean	\$2,504	\$5,187
	Median	\$2,163	\$5,300
	Number	10,945	9,683
	Std. Deviation	\$1,310	\$1,772

Table 3.19

**TOTAL COST (TOTAL PREMIUM) FOR EMPLOYEE HEALTH
INSURANCE, INDIVIDUAL AND FAMILY COVERAGE**
AVERAGE AND MEDIAN COSTS FOR BY INDUSTRY
(OUTLIERS REMOVED)

Weighted Sample Industry		Total Premium for Individual	Total Premium for Family
Agriculture	Mean	\$2,734	\$5,499
	Median	\$2,171	\$6,000
	Number	191	248
	Std. Deviation	\$1,388	\$1,878
Mining	Mean	\$2,813	\$4,968
	Median	\$2,400	\$5,018
	Number	650	536
	Std. Deviation	\$1,392	\$1,470
Construction	Mean	\$2,188	\$4,739
	Median	\$1,800	\$4,553
	Number	783	755
	Std. Deviation	\$1,078	\$1,605
Manufacturing	Mean	\$2,464	\$5,026
	Median	\$2,160	\$5,100
	Number	813	810
	Std. Deviation	\$1,362	\$1,814
TCU	Mean	\$2,402	\$5,908
	Median	\$2,004	\$6,000
	Number	818	777
	Std. Deviation	\$1,102	\$1,641
FIRE	Mean	\$2,525	\$5,127
	Median	\$2,248	\$5,300
	Number	465	490
	Std. Deviation	\$981	\$1,720
Retail	Mean	\$2,366	\$4,938
	Median	\$2,107	\$5,000
	Number	1,989	1,692
	Std. Deviation	\$1,146	\$1,641
Wholesale	Mean	\$2,563	\$4,943
	Median	\$2,317	\$5,500
	Number	1,022	1,003
	Std. Deviation	\$1,425	\$1,941
Services	Mean	\$2,557	\$5,419
	Median	\$2,232	\$5,400
	Number	4,325	3,490
	Std. Deviation	\$1,340	\$1,785
Total	Mean	\$2,495	\$5,204
	Median	\$2,163	\$5,376
	Number	11,057	9,800
	Std. Deviation	\$1,281	\$1,767

EMPLOYER AND EMPLOYEE CONTRIBUTIONS

Full-Time Employees

Table 3.20, 3.21 and 3.22 present the percentage contributions by employers and employees for individual and family coverage. As in the previous section, Table 3.20 presents mean and median values, along with weighted number of establishments and the standard deviation, for Albuquerque, the rest of the state and New Mexico. Table 3.21 presents the data by size of establishment and Table 3.22 looks at industry.

Table 3.20
EMPLOYER AND EMPLOYEE PERCENTAGE CONTRIBUTIONS
TOWARD INDIVIDUAL AND FAMILY COVERAGE FOR FULL-TIME
EMPLOYEES

AVERAGE AND MEDIAN PERCENTS				
ALBUQUERQUE MSA, REST OF STATE, NEW MEXICO (OUTLIERS REMOVED)				
Weighted Sample	Percent Contribution for Individual Coverage		Percent Contribution for Family Coverage	
	Employer	Employee	Employer	Employee
Albuquerque MSA				
Mean	77.3%	22.7%	65.4%	34.6%
Median	83.9%	16.1%	60.0%	40.0%
Number	5,795	5,795	4,161	4,161
Std. Deviation	24.5%	24.5%	26.0%	26.0%
Rest of State				
Mean	79.7%	20.3%	71.8%	28.2%
Median	95.0%	5.0%	75.0%	25.0%
Number	6,963	6,963	5,423	5,423
Std. Deviation	24.5%	24.5%	27.4%	27.4%
Total New Mexico				
Mean	78.6%	21.4%	69.0%	31.0%
Median	88.2%	11.8%	70.0%	30.0%
Number	12,758	12,758	9,584	9,584
Std. Deviation	24.5%	24.5%	27.0%	27.0%

Statewide, employers contribute on average 79 percent of the total cost of individual coverage for full-time employees, with employees kicking in 21 percent. The median percentage contribution of employers is 88 percent; that of employees, 12 percent. Employers in Albuquerque contribute a slightly smaller percentage toward individual coverage than do employers in the rest of the state: 77 percent versus 80 percent in the rest of the state.

With respect to family coverage for full-time workers, the average percent contributed by employers is 69 percent, with the individual employee paying 31 percent. As with single coverage, employers in the rest of the state pick up a somewhat higher percent (71.8% versus 65.4% in Albuquerque).

Table 3.21 presents the percentage contributions for full-time employees by size of establishment. The percentage contribution of the employer generally falls as the size of the establishment increases. Establishments with 200 plus employees on average pay a slightly smaller percent of the total premium for individual coverage for full-time

Table 3.21
EMPLOYER AND EMPLOYEE PERCENTAGE CONTRIBUTIONS TOWARD
INDIVIDUAL AND FAMILY COVERAGE
AVERAGE AND MEDIAN PERCENTS BY SIZE OF ESTABLISHMENT
(OUTLIERS REMOVED)

Weighted Sample		Percent Contribution for Individual Coverage		Percent Contribution for Family Coverage	
		Employer	Employee	Employer	Employee
Employees at Establishment 1 to 4	Mean	80.9%	19.1%	78.7%	21.3%
	Median	100.0%	0.0%	100.0%	0.0%
	Number	2,701	2,701	1,664	1,664
	Std. Deviation	26.3%	26.3%	26.4%	26.4%
5 to 9	Mean	81.6%	18.4%	72.1%	27.9%
	Median	100.0%	0.0%	75.0%	25.0%
	Number	3,411	3,411	2,288	2,288
	Std. Deviation	23.8%	23.8%	27.4%	27.4%
10 to 24	Mean	78.5%	21.5%	66.6%	33.4%
	Median	84.1%	15.9%	60.0%	40.0%
	Number	3,399	3,399	2,806	2,806
	Std. Deviation	23.3%	23.3%	26.0%	26.0%
25 to 199	Mean	75.0%	25.0%	63.0%	37.0%
	Median	75.0%	25.0%	60.0%	40.0%
	Number	2,725	2,725	2,369	2,369
	Std. Deviation	22.0%	22.0%	26.4%	26.4%
200 and Over	Mean	72.0%	28.0%	68.7%	31.3%
	Median	81.3%	18.8%	75.0%	25.0%
	Number	234	234	182	182
	Std. Deviation	34.0%	34.0%	22.6%	22.6%
Total	Mean	79.0%	21.0%	69.3%	30.7%
	Median	90.0%	10.0%	73.4%	26.6%
	Number	12,470	12,470	9,308	9,308
	Std. Deviation	24.2%	24.2%	27.0%	27.0%

employees. As indicated in Table 3.22, agriculture, mining, wholesale trade, and services pay the largest percent of total premium costs for full-time employees among the industries – 87 percent, 82 percent and 83 and 82 percent respectively for single coverage; 87 percent, 75 percent, 68 and 69 percent for family coverage. Manufacturing and retail pay the lowest – 73 and 72 percent respectively for single coverage, and 67 percent in each case toward family coverage.

Table 3.22

**EMPLOYER AND EMPLOYEE PERCENTAGE CONTRIBUTIONS TOWARD
INDIVIDUAL AND FAMILY COVERAGE FOR FULL-TIME EMPLOYEES**
AVERAGE AND MEDIAN PERCENTS BY INDUSTRY (OUTLIERS REMOVED)

Industry	Weighted Sample	Percent Contribution for Individual Coverage		Percent Contribution for Family Coverage	
		Employer	Employee	Employer	Employee
Agriculture	Mean	86.7%	13.3%	87.4%	12.6%
	Median	100.0%	0.0%	100.0%	0.0%
	Number	220	220	248	248
	Std. Deviation	18.6%	18.6%	20.2%	20.2%
Mining	Mean	81.5%	18.5%	74.5%	25.5%
	Median	90.0%	10.0%	75.0%	25.0%
	Number	748	748	600	600
	Std. Deviation	21.4%	21.4%	25.3%	25.3%
Construction	Mean	78.4%	21.6%	70.6%	29.4%
	Median	99.5%	0.5%	65.0%	35.0%
	Number	916	916	695	695
	Std. Deviation	24.6%	24.6%	26.3%	26.3%
Manufacturing	Mean	72.9%	27.1%	66.7%	33.3%
	Median	75.0%	25.0%	70.2%	29.8%
	Number	828	828	705	705
	Std. Deviation	22.8%	22.8%	25.5%	25.5%
TCU	Mean	74.8%	25.2%	69.1%	30.9%
	Median	95.0%	5.0%	68.0%	32.0%
	Number	855	855	729	729
	Std. Deviation	30.5%	30.5%	25.5%	25.5%
FIRE	Mean	81.0%	19.0%	69.0%	31.0%
	Median	100.0%	0.0%	65.0%	35.0%
	Number	526	526	470	470
	Std. Deviation	22.7%	22.7%	28.2%	28.2%
Retail	Mean	71.5%	28.5%	66.7%	33.3%
	Median	71.0%	29.0%	60.0%	40.0%
	Number	2,392	2,392	1,688	1,688
	Std. Deviation	26.3%	26.3%	26.7%	26.7%
Wholesale	Mean	83.1%	16.9%	68.0%	32.0%
	Median	91.7%	8.3%	70.0%	30.0%
	Number	1,188	1,188	1,004	1,004
	Std. Deviation	19.9%	19.9%	27.2%	27.2%
Services	Mean	81.8%	18.2%	68.8%	31.2%
	Median	100.0%	0.0%	75.0%	25.0%
	Number	4,927	4,927	3,289	3,289
	Std. Deviation	23.6%	23.6%	28.2%	28.2%
Total	Mean	78.7%	21.3%	69.2%	30.8%
	Median	90.0%	10.0%	72.2%	27.8%
	Number	12,601	12,601	9,427	9,427
	Std. Deviation	24.6%	24.6%	27.1%	27.1%

Tables 3.23, 3.24 and 3.25 present the mean and median employer and employee dollar contributions toward the total insurance premium for full-time workers with and without family coverage.

Table 3.23

**EMPLOYER AND EMPLOYEE DOLLAR CONTRIBUTIONS TOWARD
INDIVIDUAL AND FAMILY COVERAGE FOR FULL-TIME EMPLOYEES
AVERAGE AND MEDIAN PAYMENTS
ALBUQUERQUE MSA, REST OF STATE, NEW MEXICO (HIGH OUTLIERS REMOVED)**

Weighted Sample	Contribution for Individual Coverage		Contribution for Family Coverage	
	Employer	Employee	Employer	Employee
Albuquerque MSA				
Mean	\$1,895	\$426	\$3,186	\$1,695
Median	\$1,618	\$140	\$2,852	\$1,608
Number	5,349	5,229	4,378	4,130
Std. Deviation	\$1,384	\$688	\$1,825	\$1,450
Rest of State				
Mean	\$2,041	\$442	\$3,660	\$1,626
Median	\$1,818	\$0	\$3,500	\$1,164
Number	6,289	6,338	5,561	5,401
Std. Deviation	\$1,321	\$809	\$2,012	\$1,782
Total New Mexico				
Mean	\$1,974	\$435	\$3,451	\$1,656
Median	\$1,700	\$0	\$3,204	\$1,414
Number	11,638	11,567	9,939	9,531
Std. Deviation	\$1,352	\$757	\$1,946	\$1,646

Table 3.24
EMPLOYER AND EMPLOYEE DOLLAR CONTRIBUTIONS TOWARD
INDIVIDUAL AND FAMILY COVERAGE FOR FULL-TIME EMPLOYEES
AVERAGE AND MEDIAN PAYMENTS BY SIZE OF ESTABLISHMENT
(OUTLIERS REMOVED)

Weighted Sample		Contribution for Individual Coverage		Contribution for Family Coverage	
		Employer	Employee	Employer	Employee
1 to 4	Mean	\$2,125	\$322	\$3,664	\$1,150
	Median	\$1,800	\$0	\$3,600	\$0
	Number	2,470	2,437	1,830	1,664
	Std. Deviation	\$1,481	\$574	\$1,902	\$1,678
5 to 9	Mean	\$2,168	\$454	\$3,512	\$1,506
	Median	\$1,900	\$0	\$3,182	\$1,052
	Number	3,076	3,119	2,358	2,252
	Std. Deviation	\$1,580	\$1,063	\$2,053	\$1,615
10 to 24	Mean	\$1,926	\$423	\$3,387	\$1,761
	Median	\$1,680	\$120	\$3,000	\$1,554
	Number	3,101	3,068	2,879	2,782
	Std. Deviation	\$1,236	\$656	\$1,939	\$1,666
25 to 199	Mean	\$1,720	\$518	\$3,307	\$1,973
	Median	\$1,575	\$427	\$3,000	\$1,920
	Number	2,494	2,481	2,405	2,376
	Std. Deviation	\$994	\$565	\$1,905	\$1,553
200 and over	Mean	\$1,702	\$246	\$3,440	\$1,386
	Median	\$1,800	\$119	\$3,240	\$1,312
	Number	217	183	192	182
	Std. Deviation	\$1,015	\$292	\$1,738	\$1,025
Total	Mean	\$1,985	\$428	\$3,451	\$1,636
	Median	\$1,700	\$0	\$3,204	\$1,380
	Number	11,358	11,288	9,664	9,256
	Std. Deviation	\$1,355	\$759	\$1,952	\$1,642

Table 3.25
EMPLOYER AND EMPLOYEE DOLLAR CONTRIBUTIONS TOWARD
INDIVIDUAL AND FAMILY COVERAGE FOR FULL-TIME EMPLOYEES
AVERAGE AND MEDIAN PAYMENTS BY INDUSTRY (OUTLIERS REMOVED)

Industry	Weighted Sample	Contribution for Individual Coverage		Contribution for Family Coverage	
		Employer	Employee	Employer	Employee
Agriculture	Mean	\$2,359	\$290	\$4,439	\$538
	Median	\$1,500	\$0	\$5,351	\$0
	Number	205	220	290	248
	Std. Deviation	\$1,660	\$392	\$2,358	\$813
Mining	Mean	\$2,660	\$704	\$3,312	\$1,409
	Median	\$2,294	\$180	\$3,011	\$960
	Number	685	707	537	600
	Std. Deviation	\$1,898	\$1,700	\$1,564	\$1,611
Construction	Mean	\$1,738	\$351	\$3,028	\$1,465
	Median	\$1,524	\$0	\$2,880	\$1,375
	Number	826	818	702	695
	Std. Deviation	\$1,210	\$478	\$1,608	\$1,465
Manufacturing	Mean	\$1,768	\$586	\$3,368	\$1,602
	Median	\$1,500	\$512	\$2,900	\$1,380
	Number	765	744	715	705
	Std. Deviation	\$1,111	\$658	\$2,107	\$1,396
TCU	Mean	\$1,945	\$484	\$4,129	\$1,732
	Median	\$1,680	\$0	\$3,835	\$1,805
	Number	832	819	752	729
	Std. Deviation	\$1,573	\$646	\$2,161	\$1,473
FIRE	Mean	\$1,997	\$426	\$3,454	\$1,901
	Median	\$1,980	\$0	\$3,791	\$1,680
	Number	484	488	471	470
	Std. Deviation	\$1,003	\$735	\$1,621	\$1,743
Retail	Mean	\$1,748	\$491	\$3,193	\$1,714
	Median	\$1,466	\$348	\$2,988	\$1,500
	Number	2,137	2,043	1,800	1,688
	Std. Deviation	\$1,181	\$614	\$1,876	\$1,604
Wholesale	Mean	\$1,895	\$414	\$3,257	\$1,649
	Median	\$1,993	\$48	\$3,240	\$1,424
	Number	1,099	1,145	1,004	990
	Std. Deviation	\$889	\$694	\$1,806	\$1,721
Services	Mean	\$2,079	\$358	\$3,569	\$1,742
	Median	\$1,831	\$0	\$3,499	\$1,414
	Number	4,449	4,427	3,496	3,250
	Std. Deviation	\$1,424	\$669	\$2,019	\$1,795
Total	Mean	\$1,981	\$434	\$3,463	\$1,650
	Median	\$1,700	\$0	\$3,227	\$1,400
	Number	11,481	11,410	9,768	9,374
	Std. Deviation	\$1,358	\$761	\$1,958	\$1,658

Part-Time Employees

Tables 3.26, 3.27, and 3.28 present the findings regarding employer and employee percentage contributions for part-time employees. The first thing to note is that the weighted number of establishments offering insurance to part-time workers on which have data on premiums is very small – about 1,433 versus the 11,773 statewide that offered single coverage to full-time workers for which there is data for premiums. Table 3.26 examines the average and median percentage contributions for individual and family coverage by location. Table 3.27 presents similar statistics by size of establishment. Finally, Table 3.28 presents the figures by industry. Note that some of the cells (e.g., family coverage for agriculture) have very few observations and so the means and medians may not be reflective of the underlying population.

Table 3.26
EMPLOYER AND EMPLOYEE PERCENTAGE CONTRIBUTIONS
TOWARD INDIVIDUAL AND FAMILY COVERAGE FOR PART-TIME EMPLOYEES
AVERAGE AND MEDIAN PERCENTS (OUTLIERS REMOVED)
ALBUQUERQUE MSA, REST OF STATE, NEW MEXICO

Weighted Sample	Percent Contribution for Individual Coverage		Percent Contribution for Family Coverage	
	Employer	Employee	Employer	Employee
Albuquerque MSA				
Mean	68.6%	31.4%	61.8%	38.2%
Median	70.0%	30.0%	53.6%	46.4%
Number	770	770	520	520
Std. Deviation	24.1%	24.1%	25.8%	25.8%
Rest of State				
Mean	69.8%	30.2%	71.5%	28.5%
Median	71.4%	28.6%	73.4%	26.6%
Number	662	662	487	487
Std. Deviation	28.5%	28.5%	25.1%	25.1%
Total New Mexico				
Mean	69.2%	30.8%	66.4%	33.6%
Median	70.0%	30.0%	60.0%	40.0%
Number	1,433	1,433	1,007	1,007
Std. Deviation	26.2%	26.2%	25.9%	25.9%

The percentage paid by the employer for individual coverage is generally lower for part-time workers than for full-time employees, but the differences are less pronounced for family coverage, and in some instances it is reversed. Also, this is not true for retail since very few offer family coverage. This may reflect the limited number of firms offering family coverage to part-time workers. Those offering family coverage to part-time workers probably generally assume a higher proportion of plan costs. Differences may be observed between the Albuquerque MSA and the rest of the state, where employers typically contribute a higher percentage. While there are differences

between and among different size classes of establishments and between and among industries, the number of observations is frequently too small to draw conclusions.

Table 3.27

Weighted Sample Establishment Employees		Percent Contribution for Individual Coverage		Percent Contribution for Family Coverage	
		Employer	Employee	Employer	Employee
		TOWARD INDIVIDUAL AND FAMILY COVERAGE FOR PART-TIME EMPLOYEES			
AVERAGE AND MEDIAN PERCENTS BY SIZE OF ESTABLISHMENT (OUTLIERS REMOVED)					
1 to 4	Mean	69.3%	30.7%	92.2%	7.8%
	Median	100.0%	0.0%	100.0%	0.0%
	Number	136	136	34	34
	Std. Deviation	34.4%	34.4%	9.9%	9.9%
5 to 9	Mean	77.4%	22.6%	76.5%	23.5%
	Median	80.0%	20.0%	80.0%	20.0%
	Number	379	379	252	252
	Std. Deviation	23.9%	23.9%	26.8%	26.8%
10 to 24	Mean	66.3%	33.7%	58.6%	41.4%
	Median	53.5%	46.5%	50.0%	50.0%
	Number	353	353	230	230
	Std. Deviation	24.4%	24.4%	22.5%	22.5%
25 to 199	Mean	65.3%	34.7%	64.5%	35.5%
	Median	64.6%	35.4%	66.0%	34.0%
	Number	450	450	391	391
	Std. Deviation	26.1%	26.1%	24.1%	24.1%
200 and Over	Mean	66.6%	33.4%	65.9%	34.1%
	Median	75.0%	25.0%	63.6%	36.4%
	Number	51	51	49	49
	Std. Deviation	27.8%	27.8%	21.5%	21.5%
Total	Mean	69.4%	30.6%	67.3%	32.7%
	Median	70.0%	30.0%	63.7%	36.3%
	Number	1,369	1,369	956	956
	Std. Deviation	26.6%	26.6%	25.3%	25.3%

Table 3.28

**EMPLOYER AND EMPLOYEE PERCENTAGE CONTRIBUTIONS
TOWARD INDIVIDUAL AND FAMILY COVERAGE FOR PART TIME EMPLOYEES**

Weighted Sample Industry		Percent Contribution for Individual Coverage		Percent Contribution for Family Coverage	
		Employer	Employee	Employer	Employee
Agriculture	Mean	68.7%	31.3%	59.4%	40.6%
	Median	50.0%	50.0%	50.0%	50.0%
	Number	21	21	21	21
	Std. Deviation	24.8%	24.8%	12.4%	12.4%
Mining	Mean	67.7%	32.3%	73.7%	26.3%
	Median	66.0%	34.0%	73.4%	26.6%
	Number	46	46	46	46
	Std. Deviation	6.9%	6.9%	1.3%	1.3%
Construction	Mean	42.4%	57.6%	50.0%	50.0%
	Median	50.0%	50.0%	50.0%	50.0%
	Number	23	23	14	14
	Std. Deviation	9.9%	9.9%	0.0%	0.0%
Manufacturing	Mean	52.5%	47.5%	69.2%	30.8%
	Median	50.0%	50.0%	78.0%	22.0%
	Number	100	100	53	53
	Std. Deviation	36.7%	36.7%	31.9%	31.9%
TCU	Mean	66.8%	33.2%	54.3%	45.7%
	Median	75.0%	25.0%	50.0%	50.0%
	Number	63	63	47	47
	Std. Deviation	21.0%	21.0%	18.3%	18.3%
FIRE	Mean	77.8%	22.2%	74.8%	25.2%
	Median	85.0%	15.0%	66.0%	34.0%
	Number	43	43	34	34
	Std. Deviation	20.4%	20.4%	16.3%	16.3%
Retail	Mean	74.8%	25.2%	63.7%	36.3%
	Median	75.0%	25.0%	53.6%	46.4%
	Number	249	249	187	187
	Std. Deviation	25.0%	25.0%	20.5%	20.5%
Wholesale	Mean	75.0%	25.0%	60.9%	39.1%
	Median	75.0%	25.0%	53.6%	46.4%
	Number	131	131	111	111
	Std. Deviation	20.6%	20.6%	19.1%	19.1%
Services	Mean	71.8%	28.2%	72.0%	28.0%
	Median	75.0%	25.0%	75.0%	25.0%
	Number	724	724	462	462
	Std. Deviation	24.9%	24.9%	29.1%	29.1%
Total	Mean	70.6%	29.4%	67.7%	32.3%
	Median	70.0%	30.0%	66.0%	34.0%
	Number	1,400	1,400	975	975
	Std. Deviation	25.6%	25.6%	25.3%	25.3%

TYPE OF HEALTH INSURANCE PLANS AND MANAGED CARE FEATURES

Respondents were asked to provide the name of the plan, which is frequently but not always revealing about the type of plan. Because health insurance plans are evolving and may display hybrid features, the decision was made to also ask about the features rather than classify into types based solely on name and possibly miss key aspects of the plans. While the interviewers always sought to speak with the person most knowledgeable about the health insurance plan, the answers to some of the questions suggest that respondents had varying degrees of familiarity with the specifics of the health plans offered.

The survey did ask one general question which sought to differentiate basic types of plans:

Here are three different types of plans; please tell me which best describes yours. . .READ 1-3

- 1 The first plan is a plan with a list of preferred or approved providers, an example would be an HMO. IF NEEDED: that is, enrollees must go to providers associated with the plan except in an emergency. There is typically no cost or a small fixed cost for each physician visit.
- 2 The second is a conventional plan where enrollees can go to ANY physician of their choice and pay a fee-for-service. IF NEEDED: The plan does not have any associated providers and is sometimes called an indemnity plan.
- 3 The third plan is a mixture of preferred and any providers and might be called a PPO or POS. IF NEEDED: Enrollees can go to a set of preferred providers associated with the plan, or providers of their choice. If they go to a provider of their choice, they do have higher cost.

The frequency distribution of responses is given in Table 3.29

Table 3.29

HOW CARE IS PROVIDED UNDER THE PLAN

Weighted Sample	Frequency	Percent
Preferred or approved providers only	7,242	42.4%
Any providers	2,356	13.8%
Mixture of preferred and any providers	7,111	41.7%
Don't know/Not sure	361	2.1%
Total	17,070	100.0%

As we ran cross-tabulations, it became apparent that various features of the plans did not fit so neatly into types. Thus, some of those who responded “preferred or approved providers only,” were not HMO’s but provided patients with the option of going out of the panel and paying a higher price. This was also true of some who answered “any providers.” Recognizing that this question was not sufficient, we attempted to group plans into types on the basis of key characteristics. After several efforts, we evolved the

typology that is summarized in Appendix B. When we ran the cross-tabulations between this typology and different variables, however, we found further evidence that many of the plans had hybrid features.

Every plan is different. Even plans called HMO from the same insurer will differ with respect to certain managed care features. Some may require referrals; others may have moved away from such a requirement. PPO's, which classically do not require referrals, today in some cases have stringent requirements.

Therefore, although we will use the typology developed in the appendix as a framework, the reader should be aware that in classifying plans we may have excluded some of a particular type that have hybrid features disallowed by the classification criteria. This section deals with the prevalence of managed care features in various "types" of plans. We have run our frequency distributions using a plan type variable that includes the following: (1) HMO-type plans; (2) POS type plans; (3) PPO and other POS- type plans; (4) Any Provider, or Fee-for-Service Plans; and, (5) Unclassified.

The first feature, whether a referral is required from a primary care provider before the plan will pay for specialist care, is analyzed in Table 3.30.

Table 3.30
REFERRAL FROM PRIMARY CARE PROVIDER REQUIRED BEFORE PLAN
WILL PAY FOR SPECIALIST CARE

Weighted Sample	Yes	No	Don't know/ Not sure	Refused	Total
HMO	100.0%	0.0%	0.0%	0.0%	4,926
POS	100.0%	0.0%	0.0%	0.0%	1,127
PPO/Other POS	48.0%	52.0%	0.0%	0.0%	2,744
Any Provider	19.4%	63.2%	17.4%	0.0%	2,290
Unclassified	39.8%	44.3%	15.5%	0.4%	5,982
Total	59.7%	32.4%	7.8%	0.1%	17,069

Across the weighted sample of establishments with health plans, 60 percent indicated that a referral was required, while 32 percent answered "no."

The next table, Table 3.31, looks at a limited set of benefits by "type of insurance." In each case, we have reported frequencies and percentages for "yes" and "limited or partial" responses to the question of whether the service in question is a covered benefit.

Table 3.31
SELECTED BENEFITS BY "TYPE" OF INSURANCE

Weighted Sample	Routine preventative care		Maternity or pre-natal care		Mental health care	
	Yes	Limited/Partial	Yes	Limited/Partial	Yes	Limited/Partial
Frequencies						
HMO	4,518	30	4,452	-	3,148	815
POS	1,009	29	935	14	632	132
PPO/Other POS	2,469	87	2,214	63	1,822	396
Any Provider	1,683	107	1,493	81	1,056	383
Unclassified	4,788	391	4,417	29	3,246	803
Total	14,467	644	13,511	187	9,904	2,529
Percents of Total in "Type"						
HMO	91.7%	0.6%	90.4%	0.0%	63.9%	16.5%
POS	89.5%	2.6%	83.0%	1.2%	56.1%	11.7%
PPO/Other POS	90.0%	3.2%	80.7%	2.3%	66.4%	14.4%
Any Provider	73.5%	4.7%	65.2%	3.5%	46.1%	16.7%
Unclassified	80.0%	6.5%	73.8%	0.5%	54.3%	13.4%
Total	84.8%	3.8%	79.2%	1.1%	58.0%	14.8%

The next two Tables look at the role of deductibles in the plan and whether or not the plan will pay for routine preventative care even if the deductibles have not been met. The last Table in this section examines the cost sharing arrangements by "type of plan."

Table 3.32
DEDUCTIBLES AND PLAN "TYPE"

Weighted Sample	Apply outside	Apply	There is no	Other	Don't	Total
	panel of preferred doctors/hospitals/c linics	regardless of provider	deductible		know/Not sure	
HMO	0.0%	26.0%	62.0%	4.3%	7.8%	4,926
POS	100.0%	0.0%	0.0%	0.0%	0.0%	1,127
PPO/Other POS	100.0%	0.0%	0.0%	0.0%	0.0%	2,744
Any Provider	0.0%	89.0%	3.4%	0.7%	6.9%	2,291
Unclassified	6.5%	62.5%	17.4%	5.7%	7.8%	5,981
Total	25.0%	41.3%	24.4%	3.3%	5.9%	17,069

Table 3.33
PLAN PAYS FOR ROUTINE PREVENTATIVE CARE EVEN IF DEDUCTIBLES NOT MET

Weighted Sample	Yes	No	Don't know	Refused	Total
			Not sure		
HMO	51.3%	25.9%	22.2%	0.5%	2,744
POS	51.5%	21.6%	24.4%	2.5%	1,490
PPO/Other POS	24.2%	34.8%	40.9%	0.0%	66
Any Provider	47.7%	34.2%	17.5%	0.6%	3,411
Unclassified	42.4%	35.8%	21.0%	0.8%	14,937
Total	44.8%	33.4%	20.9%	0.9%	22,648

Table 3.34
COST SHARING ARRANGEMENTS BY "TYPE" OF PLAN

Weighted Sample	Service costs are fully covered, no co-payments	Service costs		Patient pays part of all costs of services	Don't know/Not sure	Refused	Total
		fully covered with certian providers	Some services are fully covered.				
HMO	0.0%	34.9%	15.0%	43.0%	7.1%	0.0%	4,926
POS	0.0%	53.1%	17.0%	23.8%	6.0%	0.0%	1,127
PPO/Other POS	4.1%	31.5%	18.9%	39.2%	6.3%	0.0%	2,744
Any Provider	15.0%	2.6%	19.9%	54.3%	8.2%	0.0%	2,291
Unclassified	6.5%	16.5%	16.0%	46.4%	14.2%	0.4%	5,983
Total	4.9%	24.8%	16.8%	43.8%	9.5%	0.1%	17,071

CONTINUITY AND CHANGE IN THE HEALTH PLANS OFFERED BY NEW MEXICO ESTABLISHMENTS

As noted below in Table 3.35, most of the establishments offering health insurance to their employees have done so for some time. As Table 3.36 indicates, the vast majority of those offering insurance have not given serious consideration to dropping that insurance. A little less than 2 percent indicated that they would probably drop this employee benefit next year.

Table 3.35
LENGTH OF TIME ESTABLISHMENT HAS OFFERED INSURANCE PLAN

Weighted Sample	Frequency	Percent
1 year or less	1,117	6.6%
2 - 5 years	4,671	27.8%
6 - 10 years	3,598	21.4%
10 or more	7,435	44.2%
Total	16,821	100.0%

Table 3.36
DEGREE TO WHICH HAVE CONSIDERED DROPPING INSURANCE

		Frequency	Percent
Have not considered dropping	0	14,230	85.1%
	1	751	4.5%
	2	402	2.4%
	3	615	3.7%
	4	412	2.5%
Will probably drop next year	5	303	1.8%
		16,713	100.0%

Table 3.37 provides a frequency distribution of the most important reason given by those seriously considering dropping insurance.

Table 3.37
MOST IMPORTANT REASON FOR CONSIDERING DROPPING INSURANCE

	Frequency	Percent
Premium cost increases	699	53.4%
Premium costs rising faster than profits	321	24.5%
Lack of employee participation	33	2.5%
Dissatisfaction with insurance company	38	2.9%
Administrative hassles	14	1.1%
Other	203	15.5%
Total	1,308	100.0%

While few establishments have given serious consideration to dropping health insurance for their employees, many have made changes in the health care coverage provided to their employees over the past couple years. Respondents were asked to indicate whether they moved toward, away from or made no change in particular features of their employee health care insurance program. The answers for the weighted sample of respondents are tabulated in Table 3.38, and the general reasons for making the changes are given in Table 3.39.

Table 3.38
CHANGES IN ESTABLISHMENT HEALTH PLANS OVER THE PAST TWO YEARS

Weighted Sample	Managed Care or HMO's	Self- Insurance	Medical Expenditure Accounts	Family Coverage or Making it Affordable	Enriching Overall Benefit Package	Increasing the Employee Share of Total Premium	Higher Co- Insurance Rates or Co- Payment
Moved towards this type of coverage	19.9%	6.6%	5.3%	30.2%	45.9%	22.4%	36.7%
Away from it	15.4%	8.5%	3.6%	4.4%	7.1%	9.3%	9.9%
Made no changes in this type of coverage	62.2%	81.7%	86.3%	64.0%	45.9%	67.3%	51.8%
Don't know/Not sure	2.5%	2.8%	4.7%	1.4%	1.1%	1.0%	1.6%
Refused	0.0%	0.4%	0.1%	0.1%	0.0%	0.0%	0.0%
Total Making Changes in Health Plans	6,614	6,614	6,614	6,614	6,614	6,614	6,614

Table 3.39

REASONS FOR MAKING CHANGES IN HEALTH CARE PLANS

	Frequency	Percent
Premiums going up for existing insurance	1,293	25.2%
Trying to control costs	1,510	29.5%
Higher value per dollar paid	160	3.1%
Complaints by employees	40	0.8%
Necessary to attract/keep good employees	382	7.5%
Fall off in emp participation (affecting eligibility/costs)	2	0.0%
Offer more/better benefits	708	13.8%
Wanted more/better service from insurance company	74	1.4%
Old plan too restrictive, wanted more flexibility	177	3.5%
Old plan was discontinued	154	3.0%
Due to buy out/merger with other firm	48	0.9%
Control costs specifically for employees	257	5.0%
Other	109	2.1%
Don't know/Not sure	209	4.1%
Total	5,123	100.0%

RESEARCH FINDINGS

About 24 percent of the primary plans offered by the weighted sample of establishments were self-insured, while 9 percent were purchased through a trade or professional association, 1 percent were union plans, and 3 percent were purchased through the New Mexico Health Insurance Alliance.

In terms of benefits offered, 88 percent of the weighted sample of establishments answered that prescription drugs were covered, while another 6 percent indicated limited or partial coverage for prescriptions. Eighty-five percent said routine preventative care was covered, with another 4 percent indicating partial coverage. Maternity and infant care was covered by almost 80 percent of the plans. Less than one quarter of the plans covered vision and dental services, and only about one in five covered alternative care. Alcohol and drug rehabilitation was covered in 51 percent, with another 13 percent indicating partial coverage; mental health, in 58 percent of the plans, with another 15 percent indicating partial coverage. Less than half the plans had any coverage for long-term care.

Pre-existing conditions were covered in plans offered by at least 67 percent of the establishment, with 51 percent of these requiring no waiting period.

In about one fourth of the cases, there is no deductible at all, while another 25 percent impose such a deductible only on care received outside a panel of preferred providers. The median values of the deductibles for single and family coverage are respectively \$300 and \$750. In 46 percent of the plans with some form of deductible, the patient can receive routine preventative care even though the deductible is not met.

Medical services are fully covered, with no patient cost-sharing, in about 5 percent of the plans; they are fully covered with certain providers in another 24 percent of the cases; and, some services are fully covered in about 18 percent. The patient pays part of all costs in 44 percent of the plans, while in 9 percent of the cases the respondent was unsure of the cost-sharing arrangement.

Where there are co-payments required, the median co-payment for a doctor's visit is \$15, while that for a hospital stay is \$250. Where one co-insurance rate is applicable, the median value is 20 percent. For preferred providers the median value is 10 percent, with a median for providers outside the panel of 30 percent.

About 43 percent of the plans put a cap on total annual enrollee out-of-pocket expenses. At least 16 percent of the plans put some limit on the annual amount that the plan would pay, while almost 54 percent indicated there was no such limit. About 40 percent of the plans imposed a lifetime cap, and in almost 50 percent of the plans, the cap was over one million dollars.

Statewide, total premiums for individual coverage averaged \$2,500, while family premiums averaged \$5,200. (Statewide 89 percent of the establishments offering

insurance extended coverage to families as well as individuals.) Total premiums were lower for establishments in the Albuquerque MSA than in the rest of the state. Larger establishments were able to obtain health insurance at a lower cost and were also more likely to provide family coverage. Total premiums, for both single and family coverage, were lowest in construction (mean values of \$2,188 and \$4,739 respectively for single and family coverage), and highest in agriculture (mean values of \$2,734 and \$5,499 respectively) and mining (\$2,813 and \$4,968).

Statewide, for full-time employees, employers contribute an average of 79 percent of the total costs of individual coverage and 69 percent of the costs of family coverage. Employers in Albuquerque contribute a slightly smaller percentage and on average a smaller dollar amount toward both individual and family coverage. In terms of industries, agriculture, TCU, mining, and service establishment offering insurance pay the largest percent of total premium costs for full-time employees, while manufacturing and retail pay the lowest.

Only about 12 percent of the weighted sample of establishments on which premium information was provided offered health insurance to part-time workers. Statewide, those contributing to coverage for part-time workers paid an average of 69 percent of the premium for single coverage and about 66 percent of the cost of family coverage. As with full-time employers in Albuquerque typically contributed a smaller percentage of the total premium and on average a smaller dollar amount toward coverage for part-time workers than did their counterparts in the rest of the state.

Most of the establishments offering health insurance to their employees have done so for some time. Indeed, 39 percent had offered insurance for ten or more years, while another 23 percent had been offering it for less than ten years.

Almost 85 percent of establishments have given no consideration to dropping insurance, and less than 2 percent indicated that they would probably drop this benefit "next year." "Premium cost increases" (55.4%) and "premium costs rising faster than profits" (23.7%) were the major reasons given for giving serious consideration to dropping health insurance.

While few establishments had given serious consideration to dropping health insurance, many have made changes in the health care coverage provided to employees over the past couple years. About 46 percent indicated they had enriched the overall benefit package, while 30 percent said they had moved toward providing family coverage or making it more affordable. About 20 percent had moved toward managed care or HMO's, while 15 percent had moved away from these types of plans. About 22 percent had increased the employee share of total premiums, with only 9 percent reducing it. About 37 percent had plan today with higher co-insurance rates or co-payments, while almost 10 percent have moved in the opposite direction.

CHAPTER 4: PUBLIC SECTOR EMPLOYER HEALTH INSURANCE SURVEY

The previous chapters of this report present data and analysis describing the characteristics of and participation in employee health insurance offered by private sector employers. In order to portray a comprehensive picture of the health benefits offered by employers to New Mexico workers, this chapter examines health insurance offered by public sector employers. This analysis captures a wide range of public sector employers including cities, counties and municipalities, conservation districts, public schools, colleges and universities, regional housing authorities, and organizations such as the Middle Rio Grande Council of Governments. While largely similar in nature to the private sector, health insurance offered by public sector employers exhibits different characteristics from its private sector counterparts.

Public sector entities surveyed for this portion of the analysis include 100 percent of government entities³ with taxing authority. Based on this criterion, the survey collected data from the State of New Mexico, cities, counties, public schools, colleges, hospitals, etc. Public sector entities were grouped based on insurance pool participation or non-participation. In an insurance pool, agencies join together in order to spread out their risk, attempting to provide insurance at lower cost. To ensure accuracy and to extend the analysis, the insurance pools were contacted to identify the entities served by them. Entities not participating in the pools, referred to as “non-pool entities,” were surveyed separately from the pools. Both pool and non-pool entities were surveyed by mail in late June. Approximately three weeks from the mailing of the surveys, entities that had not responded were telephoned by BBER staff and encouraged to respond to the survey. Additional copies of the survey were faxed to appropriate parties as necessary. A complete list of public sector entities surveyed, indicating those that responded, is provided in Appendix C.

Two versions of the public sector survey were used in the data collection process and both are included as Appendix D. One version of the survey was designed for those administering public sector insurance pools and the other for non-pool entities (which includes those entities offering and not offering insurance). This chapter presents separate analyses of the employee health insurance available through public sector pools and from non-participating government entities.

Both pool and non-pool surveys were designed to facilitate comparison with the private sector findings on health insurance as a benefit offered New Mexico workers, including eligibility and enrollment, key plan features, and costs. Policy questions were not asked, and an effort was made to keep down the length of the survey.

An effort was made to survey the Federal government regarding insurance available to Federal government civilian employees, but the only information that could be gathered is from the U.S. Office of Personnel Management, through their web site and a

³ The unit of analysis for the non-pool public sector is the entity. Conceptually similar to “employer,” as opposed to establishment, entities include all of the agency’s different locations. For example, the public sector non-pool entity of Albuquerque Public Schools includes all school operated by APS.

handbook for federal government employees. The overview on federal government health insurance programs available to federal employees in New Mexico is presented in Appendix E.

Table 4.1 shows that almost half of New Mexico’s public sector employees represented in the analysis of returned surveys obtain their health coverage through insurance pools. The desire to reduce costs by joining a pool may be the underlying reason why larger municipalities such as the City of Farmington offer their own plans, while smaller municipalities such as Elida and Melrose purchase their insurance through the New Mexico Municipal League insurance pool. It should be noted that employee numbers for the Federal government contained in Table 4.1 reflect all federal civilian employees in New Mexico.

Table 4.1
EMPLOYEES IN SURVEYED ENTITIES
BY POOL, NON-POOL,
AND FEDERAL GOVERNMENT INSURANCE

	<u>Public Sector Employees*</u>	
	Total Employees	Percent of Total
Non-pool Entities	35,984	26.4
Insurance Pool Entities	69,860	51.3
Federal Government**	<u>30,309</u>	<u>22.3</u>
Total	136,153	100

*Does not include contract/agency employees.

** Source: New Mexico Dept. of Labor, "Current Employment Statistics," 2000.
This represents total federal government employment in New Mexico.

PUBLIC SECTOR INSURANCE PROVIDED THROUGH POOLS

The unit of analysis used to examine public sector insurance provided through pools is the insurance pool. All four of New Mexico’s insurance pools are represented in this analysis: the City of Albuquerque, the New Mexico Municipal League, the New Mexico Public School Insurance Agency (NMPSIA), and the State of New Mexico which services insurance through its Risk Management Division. The City of Albuquerque’s insurance pool covers the City of Albuquerque and some neighboring governments. The State of New Mexico pool covers a number of New Mexico counties, municipalities, and San Juan College, as well as several other public agencies. The NMPSIA pool provides coverage for a number of the state’s school districts and Albuquerque TVI. The Municipal League pool covers public employees in a variety of different agencies

throughout the state, but primarily municipalities. The complete list of entities covered by each of these pools is presented in Appendix C.

The data presented for each of the pools reflects the sum of the data for each of the entities participating in the pool. For example, the data presented for the Municipal League Insurance Pool captures all the municipalities, counties and other entities covered by the Municipal League Pool. The exception to this is the City of Albuquerque insurance pool. Made possible by intergovernmental agreements, the City of Albuquerque provides coverage to several other smaller entities such as the Villages of Tijeras and Cuba, and the smaller governments of Sandoval and Bernalillo counties. While these entities are under the City's pool, the City's employment and enrollment data include only City of Albuquerque employees and not these other governments. Other characteristics of the City of Albuquerque's insurance pool, such as costs, employee contribution and services included in coverage apply consistently to all entities in the pool.

Eligibility requirements for the insurance pools vary. The New Mexico School Insurance Authority permits only educational entities to be insured through their program. By State law, all public school districts (except for Albuquerque Public Schools) must insure their employees through NMPSIA. Other educational entities such as colleges and universities have the option of joining the program, but are not mandated to do so. (Edwards 2000). According to Simon Padilla of the City of Albuquerque, "all entities must agree to common eligibility criteria and procedures and recognize that the City is the negotiating entity with carriers as well as the contracting party on behalf of the group. The intergovernmental agreements must be approved by the governing boards of each jurisdiction" (Padilla 2000). In contrast, the New Mexico Municipal League does not have any specific written guidelines, but generally provides health insurance to municipalities with fewer than 300 employees. The pool is open to all municipalities and counties meeting the guidelines of the pool. The pool "was originally put together to help those smaller outlying municipalities that don't have ready access to health plans (LeVois 2000).

All four of the insurance pools offer multiple health insurance plans. Presbyterian Health Plan has the largest enrollment for two of the pools. NMPSIA reports that the plan with the largest enrollment is New Mexico Blue Cross/Blue Shield, while the New Mexico Municipal League reports that Plan H of their Cimarron Health Plan has the largest enrollment.

Of the four pools, only the City of Albuquerque does not self-insure. Of the three pools that self-insure, two report that they purchase a "reinsurance" or "stop loss" plan to cover unforeseen losses. The third pool did not respond to that particular question. All three pools report that they contract with an outside firm to process health insurance claims for enrollees.

Two pools report that their provision of care structure is preferred providers only. The remaining two pools report that they use a mixture of preferred and any providers.

Table 4.2 shows the number of employees in agencies covered by insurance pools by class. Only two pools provided information on the number of full-time, part-time, and seasonal/temporary employees. The pool with the largest number of employees is the NMPSIA, with approximately 35,000 employees at entities participating in the pool. The State of New Mexico’s insurance pool covers 25,000 employees within the state, and includes fourteen counties, ten municipalities, and other public organizations such as education co-ops and housing authorities. The City of Albuquerque includes 8,245 city employees⁴. The New Mexico Municipal League insurance pool, with 1,615 eligible employees at participating entities, is the smallest insurance pool included in the survey.

Table 4.2
EMPLOYEES IN AGENCIES COVERED BY INSURANCE POOLS BY CLASS

Insurance Pool	Total Employees	Full-Time	Part-Time	Seasonal/ Temporary	Contract/ Agency
City of Albuquerque	8,245	6,218	181	1,872	0
NM Municipal League	1,615	1,615	0	0	NR
NM Public School Insurance Agency	35,000*	NR	NR	NR	NR
State of New Mexico	25,000	NR	NR	NR	NR

NR - no response

* - approximately

Employees in entities under two of the insurance pools are covered by union contracts, though only the benefits of unionized workers in the City of Albuquerque (COA) are negotiated as part of a union contract. Fifty-four percent of City of Albuquerque of employees are covered by union contracts. The other pool responding, NMPSIA indicated that it did not know the percent of employees covered by union contracts.

Eligibility and Enrollment in Insurance Pools

For the largest plan for each of the pools, the numbers of eligible and enrolled employees are reported in Table 4.3, on the following page. As the Table shows, most employees are eligible for health insurance coverage. In the public sector, employees, if eligible, may choose to enroll in either individual or family coverage. Full-time employees are most likely to be eligible and enrolled. Part-time employees, however, are often not enrolled despite being eligible. Among potential reasons for part-time employees choosing not to enroll include cost being too high for the insurance to be beneficial, the individual may have coverage from another source such as another job, coverage through a family member, or the employee may have obtained private coverage independently.

⁴ As mentioned earlier, this does not include employees of other participating counties, villages and towns.

Table 4.3

ELIGIBILITY AND ENROLLMENT IN PRIMARY PLAN OF ENTITIES WITH POOL INSURANCE

	All Employees				Full-Time			Part-Time		
	<u>Total Employees</u>	<u>Total Eligible*</u>	<u>Enrolled in All Plans</u>	<u>Enrolled in Family</u>	<u>Total Eligible*</u>	<u>Enrolled in All Plans</u>	<u>Enrolled in Family</u>	<u>Total Eligible*</u>	<u>Enrolled in All Plans</u>	<u>Enrolled in Family</u>
State of New Mexico	25,000	NR	17,109***	NR	NR	NR	NR	NR	NR	NR
NM Public School Insurance Agency	35,000***	U	18,919	7,945	NR	NR	NR	NR	NR	NR
NM Municipal League	1,615	1,615	1,414	U	1,615	1,414	U	NR	NR	NR
City of Albuquerque	<u>8,245</u>	<u>6,399</u>	<u>2,466</u>	<u>1,713</u>	<u>6,218</u>	<u>2,466</u>	<u>1,713</u>	<u>181</u>	<u>0</u>	<u>0</u>
Total	69,860	8,014	39,908	9,658	7,833	3,880	1,713	181	0	0

NR - no response

U - unknown

* Only one eligibility number is provided because all employees are eligible for both individual and family coverage.

** Temporary/seasonal employees are not included on this table because there were no valid survey responses.

*** Approximation

Table 4.4 displays the factors limiting employees' eligibility in the health plans offered by the pool. As shown, eligibility is limited by the number of hours worked in all the surveyed insurance pools. In both cases with responses, twenty hours per week is the minimum for eligibility. The State of New Mexico is the only entity in which status as an hourly worker and earning levels restricts eligibility. Eligibility for employees in both State and Municipal League plans is limited by waiting periods, while NMPSIA and the City of Albuquerque have occupational classification requirements for eligibility.

Table 4.4

**FACTORS LIMITING ELIGIBILITY FOR SINGLE AND FAMILY
COVERAGE IN INSURANCE POOLS**

	Individual Coverage	Family Coverage
State of NM		
Hourly worker status	Yes	Yes
Occupation classification	No	No
Earning level	Yes	Yes
Waiting Period	Yes	Yes
Number of hours worked	Yes	Yes
Minimum hours:	NR	NR
NM Public School Insurance Authority		
Hourly worker status	No	No
Occupation classification	Yes	Yes
Earning level	No	No
Waiting Period	No	No
Number of hours worked	Yes	Yes
Minimum hours:	20	20
NM Municipal League		
Hourly worker status	No	No
Occupation classification	No	No
Earning level	No	No
Waiting Period	Yes	Yes
Number of hours worked	Yes	Yes
Minimum hours:	20	20
City of Albuquerque		
Hourly worker status	No	No
Occupation classification	Yes	Yes
Earning level	No	No
Waiting Period	No	No
Number of hours worked	Yes	Yes
Minimum hours:	NR	NR

NR - no response

General Provisions of Health Plans Offered

Benefits

All four pools cover a wide range of services and cover the majority of services included in the survey. The exception to this is long-term care and dental care, which are not covered by any of the pools. As shown in Table 4.5, the City of Albuquerque covers the largest number, and the State of New Mexico covers the fewest. In addition to those services included in coverage, a variety of services are offered as add-ons. Both the Municipal League and NMPSIA pools offer vision and dental as add-ons, while the City of Albuquerque (which includes visions in covered benefits) offers dental as an add-on. Of the entities in the four pools, the State is the only pool which offers no add-ons.

Table 4.5
SERVICES INCLUDED IN COVERED BENEFITS BY INSURANCE POOL

	State of New Mexico	NM Municipal League	NM Public School Insurance Agency	City of Albuquerque
In/outpatient rehabilitation	X	X	X	X
Routine preventative care	X	X	X	X
Long-term care	-	-	-	-
Alcohol/drug rehabilitation	-	X	X	X
Maternity/prenatal care	X	X	X	X
Home health care	-	X	X	X
Durable medical equipment	X	X	X	X
Prescription drugs	X	X	X	X
Hospice care	-	X	X	X
Chiropractic care	X	X	X	X
Mental health care	-	X	X	X
Alternative care	X	X	X	X
Vision care	-	-	-	X
Dental care	-	-	-	-

X - included
- not included

Referrals

A referral is needed by three of the four pools before their plans will pay for care from a specialist. Only the New Mexico Municipal League pool does not require a referral.

Coverage for Pre-Existing Conditions

The waiting period of the health plans providing coverage through insurance pools varies from no waiting period to eighteen months. The City of Albuquerque and the State of New Mexico have no waiting periods (though state employees enrolling late do have a ninety-day waiting period). The Municipal League has a waiting period of twelve months, while the NMPSIA has a six-month waiting period, which is extended to eighteen months for late enrollees.

Deductibles

Insurance pools were asked questions regarding deductibles and cost sharing for entities in their coverage. The responses reflect the characteristics of only the plan with the largest enrollment for each of the four insurance pools.

While the City of Albuquerque plan is an HMP and does not have a deductible, the plans of the remaining three pools do. Two of the three entities with plans requiring a deductible report that it may apply when the service is provided outside the panel of preferred providers. The State reports that a deductible may apply regardless of who provides the service.

The Municipal League deductibles are higher than those of the NMPSIA for both individual and family coverage. The annual deductible for the individual coverage by the Municipal League is \$250, compared with \$100 for the NMPSIA. The annual deductible for family coverage for the Municipal League is \$500, compared to \$300. Again, the City of Albuquerque has no deductible, while the State did not respond to this question.

Cost Sharing for Services

For the cost sharing arrangement, three of the four pools report that some services are fully covered. Only the Municipal League reports that patients pay part of the costs of all services received.

The insurance pools were asked if under their primary plan patients pay a percentage of the service costs. Patients in the plan offered by the City of Albuquerque do not pay a percentage of the service costs, while the Municipal League reports that patients pay 30 percent of most services, but there is no percentage that applies to providers outside of the plan. Under the NMPSIA plan, patients pay different percents based on whether or not providers are associated with the plan. With the NMPSIA, the percent that applies to providers associated with the plan is 20 percent, and 30 percent for providers not associated with the plan.

In all cases, the required co-pay for a doctors visit is below \$25. Also in all four cases, the co-pay for a hospital stay is \$250.

Maximum Payments and Out-of-Pocket Costs

Insurance pools have varying maximum amounts that their largest plans will pay. The State's largest plan has no maximum amount, while the NMPSIA has no maximum amount subject to limits for certain types of care, such as chiropractic care. The Municipal League reports that there is no maximum annual limit, but there is a \$1 million maximum over the enrollee's lifetime. The City of Albuquerque reports that there are no maximums, except for a \$500,000 lifetime maximum for transplants.

Table 4.6 shows maximum out-of-pocket costs for each insurance pool. While the City has no maximum, in-network maximums for individual coverage are generally around \$1,000. Out-of-pocket costs for out-of-network providers are higher than for providers that are in-network for all four insurance pools.

Table 4.6

INSURANCE POOL MAXIMUM ANNUAL OUT-OF-POCKET COSTS			
	<u>Coverage:</u>	<u>In-Network</u>	<u>Out-of-Network</u>
State of New Mexico	Individual	\$1,000	\$2,000
	Family	NR	NR
NM Public School Insurance Authority	Individual	\$1,100	\$1,600
	Family	\$3,300	\$4,800
NM Municipal League	Individual	\$1,000	\$1,200
	Family	\$2,000	\$2,400
City of Albuquerque	Individual	No Maximum	No Maximum
	Family	No Maximum	No Maximum

NR - no response

Total Cost and Employee Contribution to Insurance Pool Coverage

Table 4.7 shows the annual premiums paid for each of the pools for individual and family coverage from the plan with the largest enrollment. The smallest total premium for individual coverage is for the City of Albuquerque (which is also the only one of the four entities where health benefits are negotiated as part of a union contract), and the smallest total premium for family coverage is for the State of New Mexico. The annual premiums for individual coverage vary by over \$1,100, ranging from \$1,857 for the City of Albuquerque to \$2,996 for the Municipal League. Family coverage annual premiums vary by slightly over \$2,000, ranging from \$5,206 for the State to \$7,269 for the Municipal League. The City of Albuquerque and State of New Mexico also report that family size or composition impacts employee contribution level, while the remaining two pools identified no factors that determine the amount of the employee contribution.

Table 4.7

INSURANCE POOL TOTAL PREMIUMS AND EMPLOYEE CONTRIBUTIONS FOR INDIVIDUAL AND FAMILY COVERAGE

Insurance Pool	Individual Coverage			Family Coverage		
	Total Annual Premium	Average Employee Contribution (percent)	Average Employee Contribution (dollars)	Total Annual Premium	Average Employee Contribution (percent)	Average Employee Contribution (dollars)
State of New Mexico	\$1,922	33	\$626	\$5,206	33	\$1,692
NM Public School Insurance Authority	\$2,058	33	NR	\$5,230	33	NR
NM Municipal League	\$2,996	25	NR	\$7,269	34	NR
City of Albuquerque	\$1,857	20.00	\$371	\$5,452	20*	\$1,090
Total	\$2,208	28	\$499	\$5,789	30	\$1,391

NR - no response

Continuity and Change in Insurance Pool Plans

Table 4.8 shows some general changes taking place in the plans offered through insurance pools. Both the Municipal League and the City of Albuquerque pools indicate they are moving towards managed care/HMO type of administration, while the State and NMPSIA indicate no change in this direction. The three pools that do not self-insure do not indicate any change towards self-insuring. No pools indicate any change towards offering medical expenditure savings accounts. With the exception of the NMPSIA, which indicates no change, there is a tendency towards enriching the overall benefit package offered. The City indicates it is moving away from increasing the employee share of total premium paid, the only pool to indicate any change in this area. The State, NMPSIA and the City of Albuquerque all indicate they are moving towards requiring higher co-insurance rates or co-pay amounts.

Table 4.8

CHANGES IN INSURANCE POOL PLANS OVER THE PAST TWO YEARS

		Managed care/HMO's	Self-insuring for employee health care needs	Medical expenditure accounts	Family coverage/ making coverage more affordable	Enriching the overall benefit package	Increasing employee share of total premium	Requiring higher co-insurance rates or co-pay amounts
		State of New Mexico	Toward					X
	Away							
	No Change	X	NA	X	X		X	
NM Public School Insurance Authority	Toward							X
	Away							
	No Change	X	X	X	X	X	X	
NM Municipal League	Toward	X				X		
	Away							
	No Change		X	X	X		X	X
City of Albuquerque	Toward	X			X	X		X
	Away						X	
	No Change		X	X				

NA - not applicable

NON-POOL PUBLIC SECTOR INSURANCE

This portion of the analysis of public sector health insurance examines entities that procure their health insurance independently and do not participate in insurance pools. In addition to the response rates, Table 4.9 also shows the number of responses and their distribution by type of entity. The “public school” represents Albuquerque Public Schools, which is the only school district that provides their own insurance, the remainder belonging to an insurance pool. As shown in Table 4.9, 45.2 percent of the universe of non-pool agencies responded to the survey. While the overall rate of return was relatively good, the small universe restricted the sample size to only 61 total returned surveys. In many cases, small sample size prohibits an analysis as extensive and detailed to be performed on the public sector employers as on private sector employers. Because of the small sample size, most Tables presented in this chapter include the number of the observations the analysis is based on.

Table 4.9
PUBLIC SECTOR, NON-POOL SURVEY RESPONSES AND
RESPONSE RATES

	Sent	Received	Response Rate
City	47	23	48.9
County	16	7	43.8
Hospital	17	2	11.8
Conservation District	47	24	51.1
College	7	4	57.1
Public school	1	1	100.0
Total	135	61	45.2

Only eight of the 27 responding entities report that they self-insure. Eleven of 14 responding cities and 100 percent of conservation districts, hospitals, and public schools report that they do not self insure their plans. Of the four colleges, three report that they self-insure their plans, as do three of seven counties.

Table 4.10 shows the total number of employees reported for the various public entities that answered the survey. Based on returned surveys, the total number of public sector employees reported by entities with non-pool insurance (27,737) is less than half the number of employees in entities insured through pools (69,860). Albuquerque Public School has the largest number of employees in entities offering non-pool insurance with 14,097, followed by universities/colleges with 8,564. Overall, 66.8 percent of employees in these entities are full-time, 16.8 percent are part-time, and 16.8 percent are temporary/seasonal employees.

Table 4.10
PUBLIC SECTOR EMPLOYEES IN ENTITIES IN NON-POOL PLANS RESPONDING TO SURVEY BY ENTITY TYPE AND CLASS

	Total Employees*	Full-Time	Part-Time	Seasonal/ Temp	Contract/ Agency
City	3,402	2,558	173	657	1
County	1,521	1,231	173	117	10
Hospital	129	102	25	2	0
Conservation District	24	15	8	1	5
University/College	8,564	4,447	364	3,753	0
Public School	14,097	10,183	3,914	0	0
Total	27,737	18,536	4,657	4,530	16

* does not include contract/agency employees

Offering Rates and the Impact of Entity Type and Size

Overall, 81.6 percent of public sector employers responding to the survey offer health insurance to their employees, as shown in Table 4.11. One hundred percent of county governments, hospitals, colleges and public schools and 75 percent of city governments responding to the survey offer health insurance. The exception to the overall high offering rates are water conservation districts. Only two of the twenty-two conservation districts that responded offer health insurance to their employees. This may be partly due to the small number of employees at conservation district locations, most having only have one or two employees. Also, approximately one-third of conservation district employees are part-time. There is also the quasi-state nature of conservation districts. On the one hand they fall under Federal guidelines for their particular function, but they typically service state water and soil needs. Thus conservation districts often “fall through the cracks” when it comes to the provision of health insurance.

Table 4.11
PUBLIC SECTOR ENTITIES OFFERING NON-POOL INSURANCE
 Means calculated for responses with valid data.

	Offering		Not Offering	
	Percent	Frequency	Percent	Frequency
City	73.9	17	26.1	6
County	100.0	8	0.0	0
Hospital	100.0	2	0.0	0
Conservation District	9.1	2	90.9	20
University/College	100.0	4	0.0	0
Public School	100.0	1	0.0	0
Total	81.6	34	19.3	26

Eligibility

Table 4.12 summarizes the average percent of employees eligible for at least one of the entities offered plans, presented by class of employee and entity type. As shown, in all cases when an entity offers a health plan all full-time employees are eligible. This 100 percent eligibility rate is consistent throughout the entity types. The average eligibility rate is lower for part-time employees, with an overall rate of 60.6 percent. Part-time university/college employees have the highest eligibility rate with 76 percent, while part-time city employees have an average eligibility rate of 58.8 percent and less than one third of part-time county employees are eligible. Although the public school has almost 4,000 part-time employees, none are eligible for the health insurance plan offered. Conservation district employees consist primarily of part-time employees. As noted above, few conservation districts offer insurance to their employees. No temporary/seasonal employees are eligible in city and county entities, while 100 percent of temporary/seasonal employees in public hospitals are eligible. Only in the case of county entities contract employees eligible, where the one valid response reported all contract/agency employees were eligible. Once again, because of the small sample size, these eligibility rates are not statistically strong.

Table 4.12

AVERAGE PERCENTAGE OF PUBLIC SECTOR EMPLOYEES ELIGIBLE FOR HEALTH PLANS FOR NON-POOL ENTITIES OFFERING HEALTH INSURANCE, BY ENTITY TYPE

Means calculated for entities that offer insurance and have the class of employees.

Entity	Class of Employees							
	Full-Time Regular		Part-Time Regular		Seasonal/Temporary		Contract/Agency	
	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency
City	100	14	58.8	7	0.0	3	0.0	1
County	100	4	31.1	3	0.0	3	100.0	1
Hospital	100	1	100.0	1	100	1	0.0	1
Conservation District	100	1	NA	-	NA	-	NA	-
Public School	100	1	NA	-	NA	-	NA	-
University/College	100	4	76.0	4	9.0	2	0.0	0
Total	100	25	66.5	15	27.3	9	25.0	3

NA - not applicable

Enrollment

The average percent of employees enrolled in public sector non-pool health plan are presented in Table 4.13. These rates were calculated using only those cases where both the eligibility and enrollment levels of the entity were reported. Overall, for full-time employees eligible for insurance, 72.3 percent enrolled. Approximately two-thirds of full-time employees in city and county entities are enrolled in some type of offered coverage. Of those full-time regular hospital and conservation district employees eligible for health coverage all were reported to have enrolled in one type of coverage, though in both these cases there is only one valid response.

The average percent of part-time employees enrolled, at 47.9 percent, is about two-thirds the rate of full-time employees. Cities reported the same average percent of part-time employees enrolling as full-timers, 67.7 percent, while counties, universities and the responding hospital reported lower enrollment rates.

General Provisions of Offered Non-Pool Health Plans

Benefits

Table 4.14 summarizes the benefits included in packages offered and included in health insurance packages of non-pool public employees. These benefits are for public employees with non-pool coverage and are presented by entity type. Unlike the private sector survey, this question did not provide respondents the option of indicating that the plan provided limited or partial coverage of the service. In all entities offering insurance, prescription drugs and routine preventative are covered benefits. While most of the benefits specified in the survey are included in covered benefits in the majority of entities, those benefits covered by less than half the entities include long-term care, alternative care and dental care.

Table 4.13
AVERAGE PERCENT OF PUBLIC SECTOR EMPLOYEES ENROLLED IN HEALTH PLANS
BY ENTITY TYPE

Means calculated for entities that offer insurance and have the class of employees.

Public Entity	Class of Employees							
	Full-Time Regular		Part-Time Regular		Seasonal/Temporary		Contract/Agency	
	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency
City	67.0	13	67.7	4	NA	-	NA	-
County	66.8	4	16.7	3	0	1	30.0	1
Hospital	100.0	1	4.0	1	NA	-	NA	-
Conservation District	100.0	1	NA	-	NA	-	NA	-
University/College	81.0	4	62.6	4	65.0	1	NA	-
Public School	73.0	1	NA	-	NA	-	NA	-
Total	81.6	24	37.2	12	32.5	2	30	1

NA - not applicable

Coverage for Pre-Existing Conditions

In 84 percent of the non-pool entities offering insurance, pre-existing conditions are covered in the offered plans. Of those providing coverage for pre-existing conditions, 65.2 percent have no waiting period, while 34.8 percent indicated there is a waiting period. The average waiting period is 12 months.

Deductibles and First Dollar Coverage

Almost half of the entities reported having no deductible. Those entities which reported having a deductible were asked if the deductible may apply when the service is

provided by someone outside of preferred providers or if the deductible may apply regardless of who provides the service. Table 4.15 provides the frequency distribution of responses from entities regarding the existence and application of the deductible of offered plans.

In some cases, plans will waive the existing deductible for certain types of care. Seventy eight percent of entities responded that routine preventative care is paid for by the plan even though the deductible has not been met.

Table 4.14
SERVICES INCLUDED IN COVERED BENEFITS BY NON-POOL ENTITY

Service	Means calculated for entities that offer insurance.			
	Covered			
	Yes		No	
	Percent	Frequency	Percent	Frequency
In/outpatient rehabilitation	89.3	25	10.7	3
Routine preventative care	100.0	28	0.0	0
Long-term care	50.0	14	50.0	14
Alcohol/drug rehabilitation	78.6	22	21.4	6
Maternity/prenatal care	92.9	26	7.1	2
Home health care	75.0	21	25.0	7
Durable medical equipment	75.0	21	25.0	7
Prescription drugs	100.0	28	0.0	0
Hospice care	75.0	21	25.0	7
Chiropractic care	82.1	23	17.9	5
Mental health care	78.6	22	21.4	6
Alternative care	30.8	8	69.2	18
Vision care	50.0	13	50.0	13
Dental care	38.5	10	61.5	16

Table 4.15
ROLE OF DEDUCTIBLE IN HEALTH PLANS OFFERED BY NON-POOL ENTITIES

Deductibles apply:	Percent	Frequency
outside panel of preferred providers	46.7	7
regardless of provider	60.0	9
there is no deductible	78.6	13

Cost Sharing for Services

Respondents were asked which of the following best describes the cost sharing arrangements of the plan. The responses, shown in Table 4.16 below, show that in no case are the costs of services fully covered. In 44 percent of the entities offering plans the employee and their families may be responsible for part of all costs of health care services, similar to the patient health service cost responsibility in the private sector.

Table 4.16
PATIENT RESPONSIBILITY FOR HEALTH SERVICE COSTS IN
NON-POOL ENTITIES

	Percent	Frequency
Services are fully covered	0	0
Services covered only for particular providers	20.0	5
Some services fully covered	36.0	10
Patients pay part of costs of all services received	44.0	11

Many of the health insurance plans, including HMO's and POS plans, require patients to pay a (usually) small co-payment. For non-pool public sector entities, the average co-pay for a doctor's visit is \$12.91, while the average co-pay for a hospital stay is \$230.95.

Many of the plans have co-insurance rates. In some cases, like fee-for-service plans, one rate may apply to virtually all services and for any providers. In other cases, there may be a rate that applies only to providers outside the panel of preferred providers. Finally, many PPO plans structure the co-insurance rates so that one rate will apply to preferred providers, with a different rate applying to other providers. The results indicate that the average co-insurance rate that applies to most services is 27.1 percent (seven responses). The average co-insurance rate that applies to providers associated with the plan is 55 percent (two responses). For providers outside the plan, the average co-insurance rate is 50 percent. Although the co-insurance rate that applies to providers associated with the plan is relatively high (55 percent) keep in mind that this is based on only two observations, and thus may not accurately describe the true co-insurance rate for the public sector.

Non-Pool Maximum Out-of-Pocket Costs and Amounts Plan Will Pay

Of the non-pool entities offering plans, 54.2 percent put a cap on total annual enrollee out-of-pocket expenses for health care services covered by the plan. Of the remaining entities, 45.8 percent report not having a cap. For entities reporting a cap, the average maximum individual out-of-pocket expense was \$1,756, while for families the maximum out-of-pocket expense was \$4,454.

For the non-pool public sector, 75 percent of public agencies offering a health plan report that there are no maximum amounts that the plan will pay. The single entity reporting a cap paid to an individual stated the amount is \$1 million. The five entities with a lifetime cap reported it at \$1,100,000.

Cost of Insurance and Employee Contribution to Non-Pool Insurance

Respondents were asked to provide information on the total annual cost of the primary insurance plan for individual and family coverage, shown in Table 4.17. The average of annual premium per non-pool entity is \$2,493 for individual coverage and \$5,485 for family coverage. While for individual coverage these costs range almost \$2,000, this was largely due to the total costs of insurance for conservation districts. The range of costs for family coverage ranges approximately \$1,000, from a low of \$4,813 for public schools to \$5,686 for cities.

As show in Table 4.18, on the following page, the average employee contribution for employees enrolled in individual coverage is \$333, ranging from a low of \$139 for cities and \$851 for conservation districts. For family coverage the average contribution per employee averages \$1,359, ranging from \$899 for counties to \$2,166 for hospitals.

Other Benefits Offered

As shown in Table 4.19, non-pool entities with health coverage responded that they offer a number of additional benefits. Over three-quarters of the entities offer the more traditional benefits of vacation, holidays and sick leave, with 60.4 percent also offering retirement or pension plans. Flexible spending accounts and pre-tax premium payments - benefits designed to offset the employee cost of health insurance – are much less commonly offered. Medical savings accounts are not offered by any entity.

Type of Health Insurance Plans and Managed Care Features

Table 4.20 describes how health care is provided in the plans offered by non-pool entities. The majority of plans, 58.6 percent, provide for care by preferred or approved providers only, with approximately one-third of plans allowing a mixture of providers. Only 6.9 percent of plans allow for care by any provider.

Table 4.17
**AVERAGE ANNUAL TOTAL PREMIUM FOR NON-POOL INDIVIDUAL
AND FAMILY COVERAGE**

Means calculated for entities with valid data that offer insurance.

	Individual Coverage		Family Coverage	
	<u>Total Annual Premium</u>	<u>Number of Responses</u>	<u>Total Annual Premium</u>	<u>Number of Responses</u>
City	\$2,412	13	\$5,686	14
County	\$2,596	5	\$5,324	5
Hospital	\$2,693	1	\$4,859	1
Conservation District	\$3,751	2	NR	0
College/University	\$1,984	3	\$5,244	3
Public School	\$1,827	1	\$4,813	1
Annual Average	\$2,493	25	\$5,485	24

NR - no response

Table 4.18
**AVERAGE ANNUAL EMPLOYEE CONTRIBUTION FOR NON-POOL
SINGLE AND FAMILY COVERAGE BY ENTITY TYPE**

Means calculated for entities with valid data that offer insurance and have the class of employees. Number of entities included in the calculation is given in italics below mean.

	Individual Coverage		Family Coverage	
	<u>Employee Contribution</u>	<u>Responses</u>	<u>Employee Contribution</u>	<u>Responses</u>
City	\$139	4	\$1,011	3
County	\$342	1	\$899	1
Hospital	\$0	1	\$2,166	1
Conservation District	\$851	2	NR	
University/College	NR	-	NR	-
Public School	NR	-	NR	-
Annual Average	\$333		\$1,359	

NR - no response

Table 4.19
FRINGE BENEFITS OFFERED BY NON-POOL ENTITIES
OFFERING INSURANCE

	Yes		No	
	Percent	Frequency	Percent	Frequency
Paid holidays	76.9	40	23.1	12
Paid vacations	76.9	40	23.1	12
Sick leave	75.0	39	25.0	13
Life insurance	40.4	21	59.6	31
Disability insurance	26.9	14	73.1	38
Retirement/pension plans	59.6	31	40.4	21
Retiree health care coverage	26.9	14	73.1	38
Medical savings accounts	0.0	0	100.0	53
Flexible spending accounts	9.6	5	90.4	47
Pre-tax premium payment	30.8	16	69.2	36

Table 4.20
PROVISION OF CARE IN PLANS OFFERED
BY NON-POOL ENTITIES

Care provided by:	Percent	Frequency
Preferred or approved providers only	58.6	17
Any providers	6.9	2
Mixture of preferred and any providers	34.5	10
Total	100	29

Continuity and Change in Plans Offered by Non-Pool Insurers

The public sector is no stranger to offering health insurance. The average number of years insurance has been offered is 21 years. Averages for the different entities are reported in Table 4.21.

Most entities respond that they have made changes in their plan over the past two years. Of the 27 entities responding, 63 percent report that they have made changes in the past two years to their health insurance plans, while the remaining 37 percent respond that they have made no changes. Respondents were asked to report if they had moved toward, away from, or made no changes in the type of coverage. Results are reported in Table 4.22.

Respondents were asked why changes in their plans were made. The large rise in premiums was the most frequent response, with 60 percent stating this as a reason for

making changes. Others reasons for making changes: that they are trying to control costs (15 %); complaints by employees (20%); and necessary to attract/keep employees (5%).

Table 4.21
NUMBER OF YEARS NON-POOL ENTITIES HAVE OFFERED INSURANCE

Means calculated for entities with valid data that offer insurance.

	Average Number of Years	Frequency
City	21.9	14
County	17.5	4
Hospital	30.0	1
Conservation District	9.0	2
College/University	38.0	4
Public School	15.0	1

Table 4.22
PERCENT OF NON-POOL ENTITIES MAKING SPECIFIC TYPES OF CHANGES TO HEALTH PLANS

Moved... this type of coverage	Managed Care/HMO's	Self- Insurance	Medical Expenditure Accounts	Family Coverage/ Making Coverage More Affordable	Enriching Overall Benefit Package Offered	Increasing Employee Share of Total Premium	Higher Co- Insurance or Co-Pay
Towards	13.0	13.0	4.3	17.4	21.7	26.1	34.8
Away From	13.0	4.3	0.0	0.0	8.7	4.3	4.3
Made No Changes	34.8	34.8	39.1	30.4	21.7	21.7	26.1
No Response	39.1	47.8	56.5	52.2	47.8	47.8	34.8

PUBLIC AND PRIVATE SECTOR HEALTH INSURANCE COMPARISON

This section of the chapter provides a comparison of health programs offered by the public and private sectors. While the differences between these sectors (e.g. the lack of comparable industry groups) and the characteristics of the public sector sample (e.g., pool and non-pool and small sample size) limit the range of comparisons that can be made, some general statements can be made regarding offering rates, eligibility, enrollment, covered services, premium costs, and employee contributions. Additionally, since the unit of analysis for public sector pool insurance was the insurance pool

(reporting number of persons eligible and enrolled by pool and not by entity) there is some dissimilarity in calculations.

Offering Rates

Of those public entities offering non-pool insurance, the offering rate is slightly lower than the offering rate of private sector establishments, 56.7 percent compared to 58.1 percent in the private sector. The public sector average is clearly pulled down due to the low offering rates of conservation districts, which also employ a very small amount of people. When the average offering rate of non-pool entities is calculated without conservation districts, the overall offering rate increases to 84.2 percent. While no analysis of the relationship between public sector offering rates and number of employees at the entity was completed due to the limited number of observations, this provides evidence that public entities with few employees, like those in the private sector, are less likely to offer insurance. While it appears the sectors share this characteristic, it is unlikely that it is due to the same reasons.

Public sector entities providing non-pool insurance provide all classes of employees better access to health insurance. The public sector's average of 100 percent of full-time employees being eligible for an entity's insurance exceeds the 92.8 percent found in the private sector. This gap increases with part-time employees, with an average of 60.6 percent of public sector employees being eligible compared to 32.7 percent in the private sector. Temporary/seasonal employees in public sector entities also have a higher average eligibility rate at 13.1 percent compared to the private sector's 11 percent.

Benefits

While the survey questions regarding benefits varied slightly between the public and private sector, plans offered by public sector entities generally provide a more comprehensive range of benefits. In all categories, benefits included in public sector non-pool plans exceed those in the private sector. This includes vision care benefits (50% of public non-pool entities offer compared to 24.1% of private sector) and dental care (39% of public non-pool entities offer compared to 23.9% of private sector). With all pool plans including seven of the benefits included in the survey (in/outpatient rehabilitation, routine preventative care, maternal/prenatal care, durable medical equipment, prescription drugs, chiropractic care and alternative care) plans offered by insurance pool generally exceed the benefits included in private sector plans. A higher percentage of private sector plans include long-term care (50% compared to zero percent in the public sector pools), vision care and dental care. It should be noted that vision and dental care are offered as add-ons by two of the four pools.

Costs of Insurance

Total annual premiums for employees in public sector pools generally compare favorably with those faced by private sector employers for single coverage and are

close to the median private sector premium for family coverage. The exception is the very small Municipal League Plan, with average annual premiums for single and family coverage respectively of \$2,996 and \$7,269.

Total annual premiums for employee health insurance plans offered by public non-pool entities almost mirror those of the private sector. The mean total premium for private sector individual plans was slightly lower than non-pool, \$2,498 and \$2,493 respectively. For family coverage, public sector non-pool coverage, which averages \$5,485 annually, is approximately \$285 more than its private sector counterpart.

For both individual and family coverage, public sector non-pool entities have lower employee contribution requirements. The employee contribution for individual coverage, which averages \$435 in the private sector, ranges from zero to \$851 annually with an average of \$333 for public non-pool entities. For family coverage, the private sector employee contribution is \$1,656 in contrast to the public non-pool average of \$1,359.

The average annual contribution of a full-time employee for individual coverage in the state pool is \$625, while that for the City of Albuquerque full-time employee is \$371. For non-pool entities, the average employee contribution of full-time employees for single coverage is \$333. These figures compare with an average private sector contribution of \$435, but the median for private sector establishments offering insurance is only \$30.

RESEARCH FINDINGS

In general, public sector employees are more likely to be working for entities which offer insurance and are very likely to be eligible for insurance. The major exception to this rule are some small municipalities which do not offer health insurance and conservation districts, which are small and lack the health insurance options of other taxing jurisdictions.

Large Insurance pools, such as that offered by the State Risk Management Division, can generally offer more attractive health insurance packages at lower cost than local governments will be able to get on their own.

Public sector employees – full-time and part-time -- working for government entities that offer insurance typically have higher rates of eligibility for health insurance benefits than is generally true in the private sector.

Public sector employees are likely to have a richer benefit package.

Governments offering insurance to their employees on average pick up a larger percentage of the cost than is true across private sector establishments. However, the median contribution of private sector workers toward single coverage is very small.

CHAPTER 5: COMPARISONS WITH OTHER HEALTH INSURANCE STUDIES

Over the years there have been a number of surveys of employers examining the health insurance coverage provided to employees. In this chapter, the findings of the 2000 HPC Survey of New Mexico employers (HPC Survey) are compared with those from three other surveys: the Robert Wood Johnson Foundation/RAND Employer Health Insurance Survey (RAND Survey), which was a one time study, completed in 1994, that covered New Mexico and nine other states; the Medical Expenditure Panel Survey Employer-Sponsored Health Insurance Data for 1998 (MEPS 1998), which includes survey information on New Mexico and thirty-nine other states as well as the United States as a whole; and the 2000 Employer Health Benefits Survey by the Kaiser Family Foundation and the Health Research and Educational Trust (Kaiser), which provides an analysis of employer health benefits on the national and regional level and includes comparisons with previous year surveys.

While some comparisons between the findings of these three surveys and the current study can be made, many of the results reported in the other surveys are not strictly comparable – with each other or with the HPC Survey of employers in New Mexico. There are differences in the research questions and in the research design, the unit of analysis varies from one study to another; different questions were posed, and the approaches taken in analyzing and presenting the data show considerable variation. Comparisons must be drawn with caution.

THE 1994 RAND SURVEY

The RAND Survey of employer-based health insurance found that New Mexican workers were disadvantaged compared to workers in the 9 other states where employers were surveyed. By almost every measure, employees of businesses in New Mexico had less attractive options for health care coverage through their employer. Thus, while 59 percent of establishments within the 10-state area offered health insurance to their employees, only 51 percent of establishments in New Mexico offered a health insurance program for their employees. While the costs of insuring workers and their families were generally found to be lower in New Mexico than in the other states, those New Mexican workers fortunate enough to be offered health insurance generally paid a larger share of the total premium, had a less rich benefit package, faced greater limitations regarding existing conditions, were more likely to have deductibles and had higher deductibles than workers in other states, and had less choice of plans. Moreover, the disparities between New Mexico and the 9 other states generally held across different sizes of establishments and across industries. (See, for example, the right two columns of Table 5.1 which present the RAND findings on the percentage of firms offering insurance by size class and by industry.)

Table 5.1 is designed to present a comparison between the HPC Survey and the 1994 RAND survey on the percentage of private employers offering health insurance as a benefit to their employees. In both cases, the averages are presented for

establishments of different size classes and industries. The current survey results indicate a general improvement in the situation over that found by RAND in 1993: 58 percent of New Mexico establishments offered health insurance to their employees in 2000 versus 51 percent in 1993. (Indeed, the percentage of establishments offering insurance in New Mexico in 2000 is slightly higher than the U.S. average found in the RAND survey in 1993.) Moreover, the pattern holds across size categories (except for establishments with 5 to 9 employees) and across most industries. The industry exceptions are interesting: manufacturing, TCU, and wholesale trade.

Table 5.1
COMPARISON WITH RAND 1993 INSURANCE SURVEY:
PERCENT OF ESTABLISHMENTS OFFERING INSURANCE

	<u>HPC Survey 2000</u>	<u>RAND 1993**</u>	
	New Mexico	New Mexico	10 States
Percent of Establishments Offering Insurance	58.1%	51.2%	58.4%
Less than 5 employees	43.8%	31.3%	39%
5 to 9 employees	50.6%	56.8%	62%
10 to 24 employees	71.4%	69.6%	74%
25 to 49 employees	82.1%	82.6%	87%
50 to 199 employees	90.3%		
More than 50 employees		93.5%	95%
More than 200 employees	100.0%		
Percent of Establishments Offering Insurance	58.2%	51.2%	58.4%
Agriculture, Forestry & Fishing	44.3%	38.0%	41%
Mining *	84.2%	62.6%	69%
Construction	51.7%	39.0%	52%
Manufacturing *	60.7%	62.6%	69%
Transportation, Communications and Utilities	55.2%	61.8%	68%
Wholesale Trade	68.5%	68.7%	71%
Retail Trade	48.4%	41.0%	49%
Finance, Insurance & Real Estate	64.8%	54.4%	64%
Services	61.0%		
Professional Services		63.6%	64%
Other Services		30.9%	35%

* The industry analysis combined mining and manufacturing.
** Source: Qualls, 1996, presentation to the HPC on RAND ten state study.

Table 5.2 provides a comparison between the findings of the current study and those reported for the RAND study regarding specific benefits included in the health plan offered by participating establishments. Coverage of prescription drugs is indicated to have increased between the RAND survey in 1993 and 2000. However, significantly fewer of the respondents to the 2000 survey responded “yes” to questions about whether the health plan covered mental health services and alcohol and drug abuse treatment, and 15 percent and 13 percent, respectively, of those answering the questions on mental health and alcohol and drug treatment specified that coverage was limited or partial.

Table 5.2
COMPARISON WITH RAND 1993 INSURANCE SURVEY:
BENEFITS IN HEALTH PLANS OFFERED BY ESTABLISHMENTS

Percent of plans with following benefits:	HPC Survey 2000		RAND 1993
	New Mexico		New Mexico
	Yes	Limited/Partial	
Prenatal	79.2%	1.1%	82.0%
Maternity	79.2%	1.1%	81.0%
Prescriptions	87.7%	5.6%	85.0%
Mental Health	58.0%	14.8%	90.0%
Alcohol/drug abuse	50.7%	13.1%	84.0%
Dental	23.9%	1.4%	24.0%

Note: Prenatal and maternity benefits were treated as one in the HPC Survey

Premium costs have generally risen since 1993, when the RAND survey was done. Tables 5.3 and 5.4, respectively, present the average total premiums for individuals and families and the average percentage of this premium paid by the employee per size class of establishment. The final column in Table 5.3 looks at the percentage increase of the average premiums between the 1993 study and the current study. Note that the increases have generally been larger for individual coverage than for family coverage. This may reflect the fact that not all those offering insurance provide family coverage. Also note that the increases were generally smaller for larger establishments.

As indicated in Table 5.4, in 1993, employees enrolled in single coverage paid 22 percent of the total premium, versus the 21 percent paid today by full time workers. While there has thus been little change in the percentage contribution for single coverage, the employee contribution for family coverage is indicated to be much lower (30.7%) than the 44 percent average contribution for family coverage found by RAND.

With respect to deductibles, the 1993 RAND survey found an average annual deductible of \$342, but it is unclear from the write-up whether this figure includes plans with zero deductibles. The average annual deductible was highest for small establishments with less than 5 employees but was closer to \$250 for firms with 25 employees or more. The current study examines the deductibles that respondents reported must be met before a plan would pay for physician services. Only non-zero responses were included and the average is skewed upward by (1) the extremely high deductibles of plans providing catastrophic coverage only (we imposed a cut-off of less than \$2000 for single and less than \$5,000 for families); and (2) the fact that only out-of-panel deductibles were included.

Across all those who responded, the average applicable deductible for physician services is \$395 for single coverage and \$993 for family coverage. Median values for single and family coverage are respectively \$300 and \$750. It should be noted that even where the plan has deductibles, in a large percentage of cases (46%) the deductible is waived for routine preventative care.

Table 5.3
COMPARISON WITH RAND 1993 INSURANCE SURVEY:
AVERAGE TOTAL PREMIUMS

	<u>HPC Survey 2000</u> New Mexico	<u>RAND 1993</u> New Mexico	2000 as a % of 1993
Average total single premium	\$ 2,498.16	\$ 1,752.00	142.6%
Less than 5 employees	\$ 2,605.99	\$ 1,716.00	151.9%
5 to 9 employees	\$ 2,506.14	\$ 1,812.00	138.3%
10 to 24 employees	\$ 2,531.80	\$ 1,728.00	146.5%
25 to 199 employees	\$ 2,379.83		
25 to 49 employees		\$ 1,752.00	135.8%
More than 50 employees		\$ 1,704.00	133.4%
More than 200 employees	\$ 2,273.62		
Average total family premium	\$ 5,199.29	\$ 4,044.00	128.6%
Less than 5 employees	\$ 5,048.33	\$ 3,792.00	133.1%
5 to 9 employees	\$ 5,291.00	\$ 4,080.00	129.7%
10 to 24 employees	\$ 5,133.03	\$ 4,104.00	125.1%
25 to 199 employees	\$ 5,306.89		
25 to 49 employees		\$ 4,296.00	123.5%
More than 50 employees		\$ 4,128.00	113.4%
More than 200 employees	\$ 4,680.90		

The RAND Survey found that where patient cost-sharing involves co-payments, the co-payment amount for 5 visits is \$45 on average, or \$9 per visit. In the current survey, the average co-payment for a physician visit is \$14.23, and the median is \$15. Co-insurance rates averaged 18 percent in the RAND Survey. The current study found generally higher co-insurance rates: for those where one co-insurance rate applies, the rate averaged 25 percent (rates over 50 percent excluded), while the median value is 20 percent (with or without the exclusion). For preferred providers, the mean co-insurance percent is 15 percent (rates over 50 percent excluded), and the median value is 10 percent, while the comparable percentages for providers outside the panel are respectively 33 percent for the mean and 30 percent for the median.

Table 5.4
COMPARISON WITH RAND 1993 INSURANCE SURVEY:
PERCENT OF PREMIUM CONTRIBUTED BY THE EMPLOYEE

	HPC Survey 2000		RAND 1993	
	New Mexico		New Mexico	
Percent of total premium contributed	Full-Time	Part-Time		
By employees enrolled in single coverage	21.0%	30.6%		22.0%
Less than 5 employees	19.1%	30.7%		20.0%
5 to 9 employees	18.4%	22.6%		22.0%
10 to 24 employees	21.5%	33.7%		24.0%
25 to 199 employees	25.0%	34.7%		
25 to 49 employees				24.0%
More than 50 employees				24.0%
More than 200 employees	28.0%	33.4%	*	
By employees enrolled in family coverage	30.7%	32.7%		44.0%
Less than 5 employees	21.3%	7.8%	*	43.0%
5 to 9 employees	27.9%	23.5%		40.0%
10 to 24 employees	33.4%	41.4%		46.0%
25 to 199 employees	37.0%	35.5%		
25 to 99 employees				46.0%
100 to 999 employees				46.0%
More than 200 employees	31.3%	34.1%	*	

* Too few observations.

MEDICAL EXPENDITURE PANEL STUDY (MEPS), 1998

The MEPS 1998 figures are consistent with the RAND finding that businesses in New Mexico are less likely to offer health insurance to their employees than businesses in other states. Indeed, in the 1998 survey, only five states of the 40 surveyed – Nebraska, Louisiana, Oklahoma, Idaho, and Wyoming – had lower percentages of establishments offering insurance than New Mexico.

Table 5.5 compares the findings of the current survey on establishments offering health insurance to their employees with those from the MEPS 1998 survey for New Mexico and for the U.S. as a whole. Both the U.S. and New Mexico show a lower percentage of establishments offering insurance than was found in the current survey of New Mexico businesses. However, the MEPS results confirm the findings that smaller businesses are less likely to offer insurance. The sample in the MEPS survey was too small to permit an industry analysis by state, but the U.S. figures, while different from our study, generally produce a similar ranking of industries, with the mining sector the best and agriculture and retail trade at the bottom. Manufacturing and TCU establishments in New Mexico are somewhat less generous than the MEPS national

averages: only 61 percent of New Mexico manufacturing establishments offer health insurance versus 72 percent nationally, and only 55 percent of TCU businesses in New Mexico have a health insurance program versus the MEPS national figure of 64 percent.

Table 5.5
COMPARISON WITH MEPS 1998 INSURANCE SURVEY:
PERCENT OF ESTABLISHMENTS OFFERING INSURANCE

	HPC Survey 2000 for New Mexico		MEPS 1998	
	Establishments	Statewide	New Mexico	U.S.
Percent of Establishments Offering Insurance	58.1%	58.1%	47.5%	55.2%
Less than 5 employees	43.8%	40.9%		
5 to 9 employees	50.6%	51.3%	27.1%	35.9%
10 to 24 employees	71.4%	67.7%	55.0%	66.7%
25 to 49 employees	82.1%	81.7%		
50 to 199 employees	90.3%	90.8%		
25 to 99 employees			74.4%	83.8%
100 to 999 employees			92.8%	94.1%
More than 200 employees	100.0%	99.0%		
1,000 or more employees			99.8%	99.2%
Percent of Establishments Offering Insurance	58.2%			55.2%
Agriculture, Forestry & Fishing	44.3%			28.1%
Mining	84.2%			83.1%
Construction	51.7%			43.1%
Manufacturing	60.7%			71.9%
Transportation, Communications and Utilities	55.2%			64.4%
Wholesale Trade	68.5%			69.6%
Retail Trade	48.4%			54.9%
Finance, Insurance & Real Estate	64.8%			64.4%
Services	61.0%			53.5%
Unknown				7.5%

Table 5.6 looks at the percentage of employees who work for establishments that offer insurance. The percentages calculated for the HPC Survey are generally higher. This result may reflect the different response biases for a phone versus a mail survey. Many of the business contacted for the HPC Survey were never converted into an observation: the appropriate person was not there, was otherwise engaged, and so forth. Had there been a successful contact, those not offering insurance would have relatively few questions to answer. With the mail-out survey, assuming the envelope is opened, it is quite apparent that the survey will be brief, since most of the questions are designed for those offering insurance. Also, a phone survey is somewhat more personal and this may encourage giving the “right answer.”

The MEPS tables on employees, however, make it possible to compare the HPC Survey results on eligibility and enrollment with the MEPS results both for the US and for New Mexico. Table 5.7 looks at the total percentages of employees eligible for insurance at establishments offering insurance. The MEPS data indicate that the percentage of employees eligible for insurance is lower for each size category of

Table 5.6
COMPARISON WITH MEPS 1998 INSURANCE SURVEY:
PERCENT OF EMPLOYEES IN ESTABLISHMENTS OFFERING INSURANCE

	<u>HPC Survey 2000</u>	<u>MEPS 1998</u>	
	New Mexico Establishments	New Mexico	U.S.
Percent of Employees in Establishments Offering Insurance		80.4%	87.0%
Less than 5 employees	45.8%	43.0%	51.2%
5 to 9 employees	51.6%	43.0%	51.2%
10 to 24 employees	72.7%	58.1%	70.6%
25 to 49 employees	81.5%		
50 to 199 employees	90.3%		
25 to 99 employees		76.8%	86.6%
100 to 999 employees		99.4%	96.7%
More than 200 employees	100.0%		
1,000 or more employees		99.6%	99.1%

Table 5.7
COMPARISON WITH MEPS 1998 INSURANCE SURVEY:
PERCENT OF EMPLOYEES ELIGIBLE FOR INSURANCE IN
ESTABLISHMENTS OFFERING INSURANCE

	<u>HPC Survey 2000</u>	<u>MEPS 1998</u>	
	New Mexico Establishments	New Mexico	U.S.
Percent of Employees Eligible in Establishments Offering Insurance		73.3%	77.6%
Less than 5 employees	89.0%	72.5%	78.1%
5 to 9 employees	83.3%	72.5%	78.1%
10 to 24 employees	83.2%	72.6%	76.0%
25 to 49 employees	80.1%		
50 to 199 employees	78.6%		
25 to 99 employees		70.3%	74.0%
100 to 999 employees		71.3%	75.2%
More than 200 employees	87.7%		
1,000 or more employees		75.7%	79.8%

establishment offering insurance in New Mexico than in the US as a whole. The MEPS figures on eligibility for both the US and New Mexico are all lower than comparable figures from the HPC Survey.

Table 5.8 examines the percentages eligible respectively for full-time, part-time and temporary/seasonal employees at establishments offering insurance. The MEPS data include figures on eligibility for full-time and part-time employees but no figures are

provided on seasonal and temporary workers. The HPC Survey looks at regular or permanent full-time and part-time employees and separately examines the health insurance eligibility of temporary/seasonal workers. The MEPS figures for full-time workers – nationally, as well as for New Mexico – are all lower than the figures reported by New Mexico businesses when surveyed in the summer of 2000, and the difference is too large to be explained by the exclusion of temporary workers. Part-time workers have much lower rates of eligibility in both studies, and the HPC figures are reasonably close to the MEPS.

Table 5.8
COMPARISON WITH MEPS 1998 INSURANCE SURVEY:
PERCENT OF EMPLOYEES ELIGIBLE FOR INSURANCE

In establishments that offer insurance	HPC Survey 2000	MEPS 1998	
	New Mexico Permanent Only	New Mexico	U.S.
Percent of full-time workers eligible			
All Establishments		79.1%	85.1%
Less than 5 employees	97.7%		
5 to 9 employees	95.0%	78.2%	86.8%
10 to 24 employees	95.5%	78.2%	84.7%
25 to 49 employees	93.3%		
50 to 199 employees	93.8%		
25 to 99 employees		79.7%	83.4%
100 to 999 employees		78.8%	84.2%
More than 200 employees	97.3%		
1,000 or more employees		79.4%	85.8%
Percent of part-time workers eligible			
All Establishments	Permanent Only	29.1%	29.2%
Less than 5 employees	41.0%	31.3%	27.8%
5 to 9 employees	31.3%	31.3%	27.8%
10 to 24 employees	28.3%	21.5%	23.5%
25 to 49 employees	29.5%		
50 to 199 employees	28.9%		
25 to 99 employees		18.3%	19.8%
100 to 999 employees		22.7%	26.4%
More than 200 employees	40.4%		
1,000 or more employees		40.3%	35.6%
Percent of seasonal/temporary workers eligible			
All Establishments	Temporary		
Less than 5 employees	0.0%		
5 to 9 employees	7.6%		
10 to 24 employees	5.5%		
25 to 49 employees	27.9%		
50 to 199 employees	31.9%		
More than 200 employees	8.5%		

Table 5.9 presents the comparisons on enrollment for different classes of workers at different size classes of establishments. The first column in each case looks at those enrolled as a percent of those eligible – the take-up rates. The second column looks at

those enrolled as a percent of employees in establishments offering insurance. Once again, the MEPS figures indicate that workers in New Mexico are less likely to sign up for insurance than their counterparts elsewhere in the country. Among full-time workers, 81 percent of those eligible at establishment offering insurance in New Mexico are enrolled versus almost 87 percent nationally. Take-up rates in the HPC survey are generally in line with the MEPS findings for the US as a whole but higher than the MEPS findings for New Mexico, although the gap is less evident in larger establishments. With both eligibility and enrollment for full-time workers generally higher in the HPC Survey than in the MEPS results for New Mexico, it is not surprising that larger percentages of full-time workers are insured at establishments offering insurance. A somewhat different picture emerges for part-time employees, where the percentage enrolled is sometimes lower in the HPC survey than in the MEPS results both for New Mexico and the US.

The MEPS tables available on the web do not permit an analysis of benefit packages.

Table 5.10 presents the comparisons between the 1998 MEPS survey and the 2000 HPC Survey regarding insurance premiums. The fact that the MEPS figures are all generally lower than those found this past summer can be largely attributed to inflation. Larger businesses generally pay less, although the MEPS results indicate a much greater advantage to bigness than was found here. Consistent with RAND, note that MEPS found total insurance premiums paid by New Mexico businesses were lower than nationally.

Table 5.11 presents the data regarding the percentage contributions of employees for single coverage. The HPC Survey has separate figures for part-time employees; MEPS does not. The average contribution in the MEPS study for New Mexico is very close to that found in the HPC Survey and, in both studies, workers in larger firms pay higher percentages of the total premium. However, in the HPC Survey, the mean and the median payments by employees of establishments with more than 200 employees are less than those for smaller establishments. This happens because the total premiums typically paid by these larger establishments are less.

Table 5.12 performs a similar analysis for family coverage. The percentages found by MEPS are generally in line with the percentage contributions found in the HPC Survey but are much lower than the 1993 RAND Survey.

The MEPS findings as presented on the web site do not allow comparisons regarding deductions and costs sharing provisions.

Table 5.9
COMPARISON WITH MEPS 1998 INSURANCE SURVEY:
PERCENT OF EMPLOYEES ENROLLED IN INSURANCE IN ESTABLISHMENTS
OFFERING INSURANCE

Employees Enrolled in Establishments Offering Insurance	HPC Survey 2000 for New Mexico		MEPS 1998			
	As a Percent of		New Mexico		U.S.	
	Eligible	Total	Eligible	Total	Eligible	Total
Full-time Employees			81.3%	64.3%	86.5%	73.7%
Less than 5 employees	87.0%	85.0%	80.6%	63.0%	84.2%	73.1%
5 to 9 employees	82.7%	78.6%	80.6%	63.0%	84.2%	73.1%
10 to 24 employees	85.0%	81.2%	69.6%	54.4%	80.5%	68.2%
25 to 49 employees	82.4%	76.9%				
50 to 199 employees	80.8%	75.8%				
25 to 99 employees			73.9%	58.9%	80.1%	66.9%
100 to 999 employees			78.2%	61.6%	84.4%	71.0%
More than 200 employees	83.6%	81.4%				
1,000 or more employees			87.6%	69.6%	90.5%	77.7%
Part-time Employees			51.3%	14.9%	61.3%	17.9%
Less than 5 employees	47.6%	16.7%	30.4%	9.5%	57.6%	16.0%
5 to 9 employees	44.6%	9.7%	30.4%	9.5%	57.6%	16.0%
10 to 24 employees	40.3%	8.4%	19.5%	4.2%	47.0%	11.0%
25 to 49 employees	18.1%	5.1%				
50 to 199 employees	11.7%	7.2%				
25 to 99 employees			29.3%	5.4%	44.0%	8.7%
100 to 999 employees			62.9%	14.3%	55.1%	14.5%
More than 200 employees	49.7%	19.9%				
1,000 or more employees			59.8%	24.1%	70.0%	24.9%
Temporary/Seasonal Employees						
Less than 5 employees	0.0%	0.0%				
5 to 9 employees	42.0%	3.2%				
10 to 24 employees	100.0%	5.5%				
25 to 49 employees	24.5%	6.8%				
50 to 199 employees	67.3%	21.5%				
More than 200 employees	20.2%	1.7%				

Table 5.10
COMPARISON WITH MEPS 1998 INSURANCE SURVEY:
AVERAGE TOTAL PREMIUMS

	<u>HPC Survey 2000</u>	<u>MEPS 1998</u>	
	New Mexico	New Mexico	U.S.
Average total single premium	\$ 2,498.16	\$ 2,067.63	\$ 2,174.35
Less than 5 employees	\$ 2,605.99	\$ 2,986.40	\$ 2,333.64
5 to 9 employees	\$ 2,506.14	\$ 2,986.40	\$ 2,333.64
10 to 24 employees	\$ 2,531.80	\$ 1,906.42	\$ 2,271.47
25 to 199 employees	\$ 2,379.83		
25 to 99 employees		\$ 2,221.13	\$ 2,076.68
100 to 999 employees		\$ 1,577.50	\$ 2,114.39
More than 200 employees	\$ 2,273.62		
1,000 or more employees		\$ 2,020.38	\$ 2,180.23
Average total family premium	\$ 5,199.29	\$ 4,899.15	\$ 5,590.41
Less than 5 employees	\$ 5,048.33		
5 to 9 employees	\$ 5,291.00	\$ 5,427.81	\$ 5,264.88
10 to 24 employees	\$ 5,133.03	\$ 4,642.09	\$ 5,606.26
25 to 199 employees	\$ 5,306.89		
25 to 99 employees		\$ 5,011.91	\$ 5,377.96
100 to 999 employees		\$ 4,368.28	\$ 5,379.70
More than 200 employees	\$ 4,680.90		
1,000 or more employees		\$ 5,043.20	\$ 5,731.59

Table 5.11
COMPARISON WITH MEPS 1998 INSURANCE SURVEY:
PERCENT OF PREMIUM CONTRIBUTED BY THE EMPLOYEE

	HPC Survey 2000	MEPS 1998	
	New Mexico	New Mexico	U.S.
Percent of total premium contributed by full-time employees enrolled in single coverage	21.0%	20.0%	17.6%
Less than 5 employees	19.1%		
5 to 9 employees	18.4%	13.9%	11.6%
10 to 24 employees	21.5%	15.8%	15.1%
25 to 199 employees	25.0%		
25 to 99 employees		11.3%	16.6%
100 to 999 employees		21.0%	17.1%
More than 200 employees	28.0%		
1,000 or more employees		26.4%	20.1%
by part-time employees enrolled in single coverage	30.6%		
Less than 5 employees	30.7%		
5 to 9 employees	22.6%		
10 to 24 employees	33.7%		
25 to 199 employees	34.7%		
25 to 99 employees			
100 to 999 employees			
More than 200 employees	33.4%		
1,000 or more employees			

Table 5.12
COMPARISON WITH MEPS 1998 INSURANCE SURVEY:
PERCENT OF PREMIUM CONTRIBUTED BY THE EMPLOYEE FOR FAMILY COVERAGE

	HPC Survey 2000	MEPS 1998	
	New Mexico	New Mexico	U.S.
By full-time employees enrolled in family coverage	30.7%	32.8%	24.7%
Less than 5 employees	21.3%		
5 to 9 employees	27.9%	34.8%	23.6%
10 to 24 employees	33.4%	33.1%	31.3%
25 to 199 employees	37.0%		
25 to 99 employees		44.2%	33.0%
100 to 999 employees		47.8%	28.3%
More than 200 employees	31.3%		
1,000 or more employees		24.8%	21.8%
By part-time employees enrolled in family coverage	32.7%		
Less than 5 employees	7.8%	*	
5 to 9 employees	23.5%		
10 to 24 employees	41.4%		
25 to 199 employees	35.5%		
25 to 99 employees			
100 to 999 employees			
More than 200 employees	34.1%		
1,000 or more employees			

* Too few observations.

The 2000 Kaiser Survey

The Kaiser 2000 survey of employers is completed every year and is nationwide. The 2000 study includes 1,887 firms selected from a Dun & Bradstreet list of public and private employers in the U.S. The unit of analysis in the Kaiser survey is the firm and not the establishment. Table 5.13 presents the comparison with the HPC Survey regarding the percentage of businesses offering health insurance. To facilitate comparison, data from the HPC Survey are presented both by size of establishment and by firm employment statewide.

Table 5.13
COMPARISON WITH KAISER 2000 INSURANCE SURVEY:
PERCENTAGE OF FIRMS OFFERING INSURANCE

	HPC Survey 2000		Kaiser 2000	
	New Mexico Establishments	New Mexico Firms	U.S. Firms	
Percent Offering Insurance	58.1%			
Less than 5 employees	43.8%	41.0%		
5 to 9 employees	50.6%	51.3%	60.0%	
10 to 24 employees	71.4%	67.9%	79.0%	
25 to 49 employees	82.1%	81.7%	87.0%	
49 to 199 employees	90.3%	81.7%	97.0%	
Total with less than 200 employees		56.6%	67.0%	
More than 200 employees	100.0%	98.9%	99.0%	
Percent with less than 200 employees offering Insurance		56.2%	67.0%	
Agriculture, Forestry & Fishing		43.7%		
Mining		82.3%	66.0%	a
Construction		50.8%	66.0%	a
Manufacturing		59.5%	93.0%	
Transportation, Communications and Utilities		53.1%	78.0%	
Wholesale Trade		62.9%	66.0%	a
Retail Trade		45.9%	55.0%	
Finance, Insurance & Real Estate		66.8%	72.0%	
Services		59.1%	67.0%	
Health Care			68.0%	
State and Local Government			86.0%	

a Mining, manufacturing and wholesale trade are combined in the Kaiser study.

The Kaiser study does not present an overall offering rate for businesses of all sizes, but totals are presented for employers with less than 200 employees and for those with 200 or more employees. For smaller employers, the total of 67 percent can be compared to the HPC Survey finding of 57 percent for firms with less than 200 employees statewide. Contributing to the higher figure in the Kaiser study is the inclusion of state and local governments, 86 percent of which, on average, offer health insurance to their workers. According to the Kaiser survey, some 99 percent of larger employers, with 200 or more employees, offer health insurance to their employees.

(The comparable figure from the HPC Survey is also 99%.) The Kaiser figures for the U.S. are much higher than those found by MEPS and generally fit better the patterns observed in the RAND Survey and in the HPC Survey.

With respect to industry, the Kaiser survey lumps together mining, construction, and wholesale trade and presents results only for employers with less than 200 employees. The figures presented from the HPC Survey are comparable with those from the Kaiser survey in that they are for firms with less than 200 employees statewide. The results for particular industries show diverging trends. One interesting difference is manufacturing. Some 93 percent of manufacturing firms in the Kaiser study offered health insurance, versus only 60 percent in the HPC Survey for New Mexico. The differences may be due to the relative importance of particular manufacturing industries in New Mexico and the generally lower rates of unionization. In the Kaiser study like the MEPS, the lower offering rates of New Mexico firms in TCU should be noted.

The Kaiser study for 2000 makes a number of comparisons with the survey results for previous years. The chart "Percentage of Firms Offering Health Benefits, by Firm Size, 1996-2000," (p. 33) documents how the percentage of businesses offering health insurance has generally increased over the past five years. Firms with 200 or more employees almost universally offer health insurance (the percentage offering has been at least 99% in each of the years), but the percentage offering among smaller firms (less than 200 employees) was 59 percent in 1996, 54 percent in 1998, 60 percent in 1999, and 67 percent in 2000. The HPC Survey finding that the percentage of firms offering insurance was up to 58 percent from the 51 percent found by RAND in 1993, should be viewed in this context.

The Kaiser study presents figures on the total percentages of workers eligible for health insurance, on take-up rates, and on the percentages of workers actually enrolled in health insurance. Tables 5.14 and 5.15 offer the comparisons. In general, the HPC Survey found high rates of eligibility, particularly for full-time employees in establishments offering insurance, but the average rates of eligibility, with the exception of firms with 200 plus employees and less than 5 employees, are below the Kaiser national survey results. The higher percent eligible for entities with less than 5 employees may reflect differences in the unit of analysis, which for the HPC Survey is the establishment and for Kaiser is the firm. Some of the HPC Survey establishments with less than five employees have statewide employment that considerably exceeds five.

Table 5.14
COMPARISON WITH KAISER 2000 INSURANCE SURVEY:
PERCENT OF EMPLOYEES ELIGIBLE

In establishments that offer insurance	<u>HPC Survey 2000</u>	<u>Kaiser 2000</u>
Percent of workers eligible	NM Establishments All Employees	U.S. Firms All Employees
Less than 5 employees	89.0%	87.0%
5 to 9 employees	83.3%	87.0%
10 to 24 employees	83.2%	87.0%
25 to 49 employees	80.1%	84.0%
49 to 199 employees	78.6%	80.0%
More than 200 employees	87.7%	79.0%

Table 5.15 presents the comparison between the HPC Survey results and Kaiser regarding enrollment. The figures presented are for total enrollees as a percent of total employees in entities offering insurance – establishments in the case of HPC and firms in the case of Kaiser. The HPC Survey shows lower rates of enrollment for establishments with 10 to 199 employees. Recall that some of the smaller establishments are part of multi-establishment firms.

Table 5.15
COMPARISON WITH KAISER 2000 INSURANCE SURVEY:
PERCENT OF EMPLOYEES ENROLLED

In establishments that offer insurance	<u>HPC 2000</u>	<u>Kaiser 2000</u>
Percent of workers enrolled	NM Establishments	U.S. Firms
Less than 5 employees	75.1%	64%
5 to 9 employees	66.6%	64%
10 to 24 employees	69.1%	70%
25 to 49 employees	62.3%	71%
49 to 199 employees	61.1%	66%
More than 200 employees	72.1%	64%

Table 5.16 compares the Kaiser and HPC Survey regarding covered benefits. Note that in almost all cases, the benefit packages for the Kaiser national sample were richer than those described by the respondents from New Mexico in the HPC Survey. Many of the New Mexico respondents did not know whether mental health care (17%) and acupuncture (27%) were covered benefits.

Table 5.16**PERCENTAGES OF ESTABLISHMENTS WHERE PARTICULAR SERVICES ARE A COVERED BENEFIT**

Health Care Services Covered	Services Covered by the Plan and Included in Premium					
	HPC Survey 2000		Kaiser 2000			
	Yes	Limited/ Partial	Conventional	HMO	PPO	POS
Routine preventative care / Adult physicals	84.2%	3.7%	71.0%	97.0%	85.0%	94.0%
Maternity or pre-natal care	78.6%	1.1%	92.0%	99.0%	98.0%	99.0%
Prescription drugs	87.1%	5.5%	87.0%	96.0%	98.0%	97.0%
Chiropractic care	55.2%	7.3%	77.0%	74.0%	88.0%	81.0%
Mental health care	57.6%	14.7%	92.0%	95.0%	96.5%	96.0%
Alternative practitioners (eg acupuncture)	20.2%	6.3%	28.0%	35.0%	30.0%	33.0%

Table 5.17 presents the comparisons with the Kaiser 2000 survey regarding total premium costs. In general, New Mexico total premiums for family coverage are lower than found nationally. Single premiums are lower for most size categories of businesses, but the overall average is somewhat higher. There is considerable variation across industries. Average total premiums for single coverage are higher in New Mexico in every industry except construction. Average total premiums for family coverage are lower across the board in New Mexico.

Table 5.17**COMPARISON WITH KAISER 2000 INSURANCE SURVEY: AVERAGE TOTAL PREMIUMS**

	HPC Survey 2000		Kaiser 2000	
	New Mexico Establishments		U.S. Firms	
	Single	Family	Single	Family
Average total single premium	\$ 2,498.16	\$ 5,199.29	\$ 2,426.00	\$ 6,351.00
Less than 5 employees	\$ 2,605.99	\$ 5,048.33	\$ 2,823.00	\$ 6,655.00
5 to 9 employees	\$ 2,506.14	\$ 5,291.00	\$ 2,823.00	\$ 6,655.00
10 to 24 employees	\$ 2,531.80	\$ 5,133.03	\$ 2,520.00	\$ 6,439.00
25 to 199 employees	\$ 2,379.83	\$ 5,306.89		
25 to 49 employees			\$ 2,622.00	\$ 6,859.00
49 to 199 employees			\$ 2,430.00	\$ 6,217.00
More than 200 employees	\$ 2,273.62	\$ 4,680.90		
200 to 999 employees			\$ 2,432.00	\$ 6,444.00
1,000 to 4,999 employees			\$ 2,408.00	\$ 6,386.00
5,000 or more employees			\$ 2,357.00	\$ 6,275.00
Agriculture, Forestry & Fishing	\$ 2,733.63	\$ 5,498.91		
Mining	\$ 2,812.87	\$ 4,967.69	\$ 2,312.00	\$ 6,177.00
Construction	\$ 2,188.25	\$ 4,739.43	\$ 2,312.00	\$ 6,177.00
Manufacturing	\$ 2,464.42	\$ 5,025.61	\$ 2,384.00	\$ 6,549.00
Transportation, Communications and Utilities	\$ 2,401.54	\$ 5,907.70	\$ 2,292.00	\$ 5,908.00
Wholesale Trade	\$ 2,562.72	\$ 4,943.06	\$ 2,312.00	\$ 6,177.00
Retail Trade	\$ 2,365.74	\$ 4,938.05	\$ 2,287.00	\$ 5,960.00
Finance, Insurance & Real Estate	\$ 2,525.29	\$ 5,127.48	\$ 2,478.00	\$ 6,386.00
Services	\$ 2,556.61	\$ 5,418.84	\$ 2,471.00	\$ 6,403.00
Health Care			\$ 2,533.00	\$ 6,236.00
State and Local Government			\$ 2,558.00	\$ 6,779.00

Table 5.18 presents the comparisons for the percentage of the total premium paid by the employees. As was found in the other surveys, New Mexican workers are found to pay a higher percentage of the total premiums both for single and family coverage. For

Table 5.18
COMPARISON WITH KAISER 2000 INSURANCE SURVEY:
PERCENT OF PREMIUM CONTRIBUTED BY THE EMPLOYEE

Weighted Sample	HPC Survey 2000		Kaiser 2000
	New Mexico		U.S.
	Full-Time	Part-Time	Typical worker
Percent of total premium contributed			
By employees enrolled in single coverage	21.0%	30.7%	14.0%
Less than 5 employees	19.1%	36.9%	14.0%
5 to 9 employees	18.4%	22.6%	14.0%
10 to 24 employees	21.5%	33.7%	14.0%
25 to 199 employees	25.0%	34.9%	
More than 200 employees	28.0%	24.2%	
200 to 999 employees			12.0%
1,000 to 4,999 employees			17.0%
5,000 or more employees			14.0%
Agriculture, Forestry & Fishing	13.3%	31.3%	
Mining	18.5%	32.3%	18.0%
Construction	21.6%	57.6%	18.0%
Manufacturing	27.1%	47.5%	16.0%
Transportation, Communications and Utilities	25.2%	33.2%	9.0%
Wholesale Trade	16.9%	25.0%	18.0%
Retail Trade	28.5%	25.2%	25.0%
Finance, Insurance & Real Estate	19.0%	22.2%	16.0%
Services	18.2%	28.2%	13.0%
Health Care			14.0%
State and Local Government			8.0%
By employees enrolled in family coverage	30.7%	32.7%	27.0%
Less than 5 employees	21.3%	7.8%	34.0%
5 to 9 employees	27.9%	23.5%	34.0%
10 to 24 employees	33.4%	41.4%	34.0%
25 to 199 employees	37.0%	35.5%	34.0%
More than 200 employees	31.3%	34.1%	
200 to 999 employees			26.0%
1,000 to 4,999 employees			26.0%
5,000 or more employees			24.0%
Agriculture, Forestry & Fishing	12.6%	40.6%	
Mining	25.5%	26.3%	29.0%
Construction	29.4%	50.0%	29.0%
Manufacturing	33.3%	30.8%	22.0%
Transportation, Communications and Utilities	30.9%	45.7%	12.0%
Wholesale Trade	32.0%	39.1%	29.0%
Retail Trade	33.3%	36.3%	32.0%
Finance, Insurance & Real Estate	31.0%	25.2%	28.0%
Services	31.2%	28.0%	32.0%
Health Care			30.0%
State and Local Government			31.0%

* Too few observations.

single coverage, New Mexico employees pay about 50 percent more of the costs on average than do employees nationwide. For family coverage, the percentage contribution of employees is only about 16 percent more. The national figures for employee percentage contributions from the Kaiser survey are generally lower than MEPS for single coverage and higher for family, but the figures are in the ball park. The MEPS figures on the percentage contribution of employees for New Mexico are generally lower than the HPC Survey results for single coverage.

Nationally, the Kaiser 2000 survey found that deductibles for conventional insurance averaged \$239 for single coverage and \$545 for family, while PPO plans had deductibles for single coverage of \$187 within panel and \$361 outside and POS plans had deductibles for single coverage respectively of \$79 within and \$367 outside the panel. In the HPC Survey, average deductibles for plans where patients can see any provider are \$429 for single coverage and \$1,047 for family coverage (computed excluding responses of zero and those greater than \$200). Deductibles applicable outside of the panel of preferred providers, for example in POS and PPO plans, averaged \$300 to \$400 for single and \$900 to \$1,000 for family coverage.

With respect to dollar co-payments, the HPC Survey found that a doctor's visit in New Mexico required a \$5 co-payment in less than 3 percent of the plans with non-zero co-payment amounts, a \$10 co-pay in almost 38 percent of the plans, a \$15 co-pay in almost 40 percent of the plans, and a \$20 co-pay in 21 percent. In the Kaiser Survey, \$10 co-payment amounts were by far the most common in HMO type plans, accounting for more than 60 percent of the non-zero co-payment amounts. In PPO plans, \$10 co-payments accounted for 41 percent of the plans, with \$15 and \$20 co-pays adding respectively another 34 and another 17 percent. Fifty-one percent of the POS plans had \$10 co-pays, while 27 percent had \$15.

With respect to co-insurance, the Kaiser survey found that 73 percent of conventional plans had 20 percent co-insurance, while 14 percent had 10 percent co-insurance. In the HPC Survey, 65 percent of the plans with a single rate applicable for most services required a 20 percent co-insurance, while less than 10 percent had a rate of 10 percent or less. In the Kaiser Survey, 10 percent and 20 percent rates were most common (43 and 40 percent respectively) in PPO plans for preferred providers.

In short, the Kaiser Survey results when compared to those for the HPC Survey appear to confirm the earlier RAND finding that New Mexican workers generally fair more poorly than workers elsewhere when it comes to health insurance benefits.

RESEARCH FINDINGS

Over time and since the RAND survey in 1993, the percentage of establishments offering insurance has increased – from 51 percent to 58 percent. This trend is consistent with that found over time in the Kaiser Surveys.

The percentage of New Mexico establishments offering insurance continues to be well below the national average. The HPC Survey found that only 56 percent of New Mexico establishments with less than 200 employees statewide offered insurance versus the Kaiser finding that 67 percent of U.S. firms with less than 200 employees offered insurance. The MEPS findings similarly show a gap between New Mexico and the U.S.

Except for the largest employers (200 plus), the percentage of employees eligible for health insurance through their employer in New Mexico is likely to be lower than is true for the U.S. as a whole. Take-up rates are generally lower in New Mexico. The lower percentage of establishments offering insurance here combined with generally lower rates of eligibility and lower take-up rates mean that a smaller percentage of the workforce gets health insurance coverage through their employer.

The benefit packages offered New Mexico workers today compare unfavorably with what was offered in the past and with what is offered elsewhere in the U.S.

New Mexico total premiums for family coverage are lower than found nationally. The evidence is less conclusive for single coverage. New Mexican employees on average pay a larger percentage of the premiums both for single and family coverage.

New Mexicans enrolled in health insurance through their employers generally face higher deductibles than their counterparts elsewhere in the country; they also generally have higher co-payment amounts and co-insurance rates.

CHAPTER 6: ENCOURAGING EMPLOYERS TO OFFER HEALTH INSURANCE

This chapter examines the implications of the survey regarding government policies to encourage employers both to offer and to continue offering health insurance as an employee benefit. Some of the discussion will relate to findings presented in previous chapters of this report, but new findings will also be presented.

EMPLOYERS OFFERING INSURANCE

As was discussed in Chapter 3, many of the employers offering health insurance as a benefit have done so for many years. Some 85 percent of the employers offering insurance have never considered dropping this insurance, while less than 2 percent indicated that they would probably end the program within a year. Of those (8.2 %) who have given serious thought to dropping their employee health insurance program, almost 80 percent mentioned premium increases as providing the impetus. Some 40 percent of those offering insurance plans for their employees have made changes in what they offer over the past two years. Of these employers making changes, some 25 percent cited rising premiums as the motivating factor, while another 29 percent indicated that the changes were made in an effort to control costs.

EMPLOYERS NOT OFFERING INSURANCE

Almost 26 percent of those employers not offering employee health insurance have offered this benefit in the past. Table 6.1 presents the frequency distribution on the number of years since health insurance was dropped. Note that in almost 30 percent (29.4%) of the cases, the program had been dropped within the past year. The survey did not explore the reasons why insurance was dropped.

Interestingly, almost 46 percent of the employers not offering health insurance indicated that they had looked into offering this benefit within the past two years. Almost one fourth of those establishments looking into offering health insurance were able to give a dollar figure for the total premium for single coverage. The frequency distribution of the reported quotes is given in Table 6.2. For comparison purposes, the Table includes the frequency distribution of total premiums paid for single coverage by those employers offering insurance. The median premium cost for both lies in the \$2,000 to \$2,500 range. However, 31.2 percent of those not offering report premium quotes of \$4,000 or more. Only 11.2 percent of employers offering insurance actually paid \$4,000 or more for single coverage.

Table 6.1
**NUMBER OF YEARS SINCE OFFERED HEALTH INSURANCE AS A
BENEFIT**

weighted sample	Frequency	Valid Percent
Less than one year	838	29.4%
2	352	12.3%
3	264	9.3%
4	371	13.0%
5	189	6.6%
6 - 10	551	19.4%
11 - 15	216	7.6%
16 - 20	66	2.3%
Total	2,847	99.9%

Table 6.2
**QUOTES GIVEN FOR TOTAL ANNUAL PREMIUM, SINGLE
COVERAGE**

weighted sample Dollars	Frequency	Valid Percent
Less than 1,000	157	12.2%
1,000-1,499	178	13.9%
1,500-1,999	161	12.5%
2,000-2,499	205	16.0%
2,500-2,999	120	9.4%
3,000-3,999	62	4.8%
4,000-4,999	137	10.7%
5,000 and Over	263	20.5%
Total	1,283	100.0%

THE NEW MEXICO HEALTH INSURANCE ALLIANCE

Businesses with statewide employment of 50 or less are eligible to participate in the program offered by the New Mexico Health Insurance Alliance (NMHIA). In Chapter 3, it was reported that only 27 percent of the eligible employers offering insurance were even aware of the existence of the NMHIA. Over 90 percent of those familiar with the program purchased employee health insurance through the NMHIA. Many employers not offering health insurance would not be eligible to participate because their statewide employment exceeds 50. However, only 21 percent of eligible establishments not offering insurance were even aware of the program. Table 6.3 presents the frequency distribution of reasons given for not participating the Health Insurance Alliance. Note

that 53 percent of the respondents indicated that the program was “too expensive,” while 16 percent said that there were “not enough interested employees.”

Table 6.3
MOST IMPORTANT REASON FOR NOT PARTICIPATING IN HEALTH INSURANCE ALLIANCE

weighted sample	Frequency	Percent
Not interested	122	5.1%
Too much administrative hassle	54	2.3%
Employees aren't interested	387	16.2%
Not enough interested employees to meet HIA requirements	107	4.5%
Too expensive	1,261	52.8%
Don't know	98	4.1%
Refused	43	1.8%
Gave other reason	315	13.2%
Total	2,387	100.0%

AMOUNT WILLING TO PAY

Respondents from those establishments not offering health insurance to their employees were asked:

Considering both the company and employees contributions, what would your establishment consider to be a reasonable amount to pay MONTHLY in total premiums per employee for employee health insurance?

Respondents were given the following choices:

1. Zero
2. Some amount less than \$25.00
3. \$26.00 to \$49.00
4. \$50.00 to \$100.00
5. \$100.00 to \$200.00
6. Or greater than \$200.00

The frequency distribution of responses is presented in Table 6.4. While the question asks for monthly amounts only, for purposes of comparison, the Table includes the corresponding annualized amounts. Note that in almost one fourth of the cases, respondents felt that the reasonable amount was zero. Only 4 percent were willing to pay more than \$2,400. Of those willing to pay something, 31 percent thought that the total premium for single coverage should be something less than \$600 annually.

Table 6.4
DOLLAR AMOUNTS CONSIDERED REASONABLE FOR SINGLE
COVERAGE TOTAL PREMIUM

weighted sample			
Monthly Amounts in Dollars	Annualized Amounts in Dollars	Frequency	Valid Percent
Zero	Zero	2,000	23.7%
Less than 25	Less than 300	913	10.8%
25 to 49	300 to 599	1,696	20.1%
50 to 99	600 to 1,199	2,343	27.8%
100 to 199	1,200 to 2,399	1,133	13.4%
More than 200	More than 2,400	341	4.1%
Total		8,426	100.0%

Those who indicated that a reasonable total premium was greater than zero were asked a second question exploring how much the establishment would be willing to kick in toward the total premium:

How much is your establishment willing to contribute toward this monthly premium for each employee who works 40 hours per week?

Respondents were given the following choices:

1. Zero
2. Some amount less than \$25.00
3. \$26.00 to \$49.00
4. \$50.00 to \$100.00
5. \$100.00 to \$200.00
6. Or greater than \$200.00

The frequency distribution of responses is given in Table 6.5. In almost 10 percent of the cases, the establishment would be unwilling to contribute anything toward employee health insurance. About 50 percent would be willing to pay some amount less than \$600 annually for an employee who works 40 hours per week. Less than 3 percent would be willing to pay more than \$2,400.

Table 6.5
AMOUNT WILLING TO CONTRIBUTE TOWARD SINGLE COVERAGE FOR
40 HOUR PER WEEK EMPLOYEE

weighted sample

Monthly Amounts in Dollars	Annualized Amounts in Dollars	Frequency	Valid Percent
Zero	Zero	651	9.8%
Less than 25	Less than 300	1,513	22.8%
25 to 49	300 to 599	1,820	27.4%
50 to 99	600 to 1,199	1,711	25.7%
100 to 199	1,200 to 2,399	769	11.6%
More than 200	More than 2,400	181	2.7%
Total		6,643	100.0%

Note: Total premium considered reasonable is greater than zero.

WHAT CAN STATE GOVERNMENT DO TO ENCOURAGE EMPLOYERS TO OFFER HEALTH INSURANCE?

Those respondents from establishments not offering insurance were asked the following question:

Our state government will be considering ways to encourage employers to offer health care insurance for employees. Here are five ways in which the state assistance might be structured. Please tell me which one you feel would be of MOST interest to your company:

1. A refund on employers taxes, or a credit if no taxes are due
2. Mandated health insurance on all employers, with state subsidies available
3. based on workers' income levels
4. An arrangement for pooling where a group of employers go together to get
5. reduced premiums
6. State subsidies for low income employees so that they can enroll in coverage
7. already offered by employers
8. State subsidies for small employers
9. Or some other type of assistance (SPECIFY:)
10. None of the above

The frequency distribution of responses for the weighted sample of establishments is given in Table 6.6. Thirty-one percent of the respondents thought that the most effective way to encourage employers to provide health insurance would be subsidies to small employers. Another 24 percent thought that the State should facilitate pooling arrangements so employers could go in together and get reduced premiums. Another 20 percent thought that state refunds or credits on taxes would be the best way of encouraging employers to offer health insurance.

Table 6.6

MOST IMPORTANT WAY STATE GOVERNMENT CAN ENCOURAGE EMPLOYERS TO OFFER HEALTH CARE INSURANCE

weighted sample	Frequency	Percent
Refund or credit on taxes	2,273	20.1%
Mandated insurance on all employers with subsidies available	733	6.5%
Pooling so employers can get reduced premiums	2,763	24.4%
State subsidies for low income employees so they can enroll	749	6.6%
State subsidies for small employers	3,498	30.9%
None of the above	913	8.1%
Some other type of assistance	378	3.3%
Total	11,308	100.0%

RESEARCH FINDINGS

This chapter has explored factors causing employers who offer insurance to make changes in the insurance they offer or to give serious consideration to dropping health insurance. Most of the chapter, however, has focused on the responses of employers who currently do not offer insurance to a series of policy questions aimed at understanding how the state might intervene to encourage more businesses to offer and to continue to offer health insurance as a benefit for employees.

Rising health insurance premiums and the need to control costs were the primary reasons cited by over half the businesses making changes to their health plans. Of the 8.2 percent who had given serious consideration to dropping health insurance as a benefit, almost 80 percent cited rising costs as the impetus.

Almost 26 percent of those not offering health insurance as a benefit did offer this benefit in the past, and some 30 percent of these had dropped the program within the past year. Close to half (46%) of those without health insurance had looked into offering the program within the past two years. While the premium quotes received by many were in line with what those offering insurance typically pay, over thirty percent had received premium quotes for single coverage of \$4,000 or more.

Only about 21 percent of the businesses not offering health insurance and eligible to participate in the Health Insurance Alliance had even heard of the program, and over half (52.3%) of these indicated that the program was too expensive.

When asked what they thought would be reasonable total premium for single coverage, almost one fourth of the respondents said “zero”, and another 31 percent said less than

\$50 per month. In terms of how much they would be willing to contribute towards this premium, almost 10 percent said zero, while about 50 percent indicated some amount less than \$50 per month.

What can state government do to encourage employers to offer health insurance? Thirty-one percent of the respondents thought subsidies to small employers would be most effective, while another 24 percent thought the State should facilitate pooling arrangements to enable employers to get reduced premiums, and another 20 percent thought refunds or credits on taxes would work the best.

APPENDIX A: METHODOLOGY

Methodology Report – New Mexico Employers Health Insurance Survey November 2000

This survey was conducted by telephone from the Gilmore Research Group telephone center in Seattle, Washington. Gilmore Research, a full-service survey research company, is headquartered in Seattle and has maintained several different telephone centers across the country for the past 30 years.

Questionnaire

The questionnaire for this survey was drafted by the Bureau of Business and Economic Research, University of New Mexico project team and sent to Gilmore for CATI (computer-assisted-telephone-interviewing) programming and pretesting. Gilmore used the IZU CATI system by Info Zero Un of Montreal. After programming and checking for skip patterns, Randomly drawn New Mexico employers were called, screened and taken through the survey in a series of pretest interviews monitored by Gilmore and the University of New Mexico project team members. The questionnaire underwent revisions based on the pretests.

The final length of the questionnaire was 17.2 minutes, averaged over the 1,963 completed interviews.

Sample

The sample was drawn and cleaned by the University team. There were ten strata based on company size, as follows (MSA=metro area, ROS="rest of state"):

- 1 MSA, 2-4 employees
- 2 ROS, 2-4 employees
- 3 MSA, 5-9 employees
- 4 ROS, 5-9 employees
- 5 MSA, 10-24 employees
- 6 ROS, 10-24 employees
- 7 MSA, 25-199 employees
- 8 ROS, 25-199 employees
- 9 MSA, 200+ employees
- 10 ROS, 200+ employees

Fielding Process

The survey was fielded between May 3 and July 27, 2000. A total of 27 different interviewers worked on this project over the 59 days of interviewing. A core of 9 interviewers, however, completed over two-thirds of the entire calling. Interviewers were monitored by supervisors or the project team on each calling shift.

Calling was done between 9:00 AM and 5:00 PM (New Mexico time) Monday through Friday, except holidays. "No answer" and answering machines during the day were also called in the evening hours and on weekends in an attempt to reach someone at each number. A limited amount of sample was available for each stratum and thus numerous attempts were made on different days and at different times of day to reach non-response employers. As many as 15

calls were placed to employers where the appropriate respondent was not available at the time of the call. Voice messages were left when possible, asking the respondent to call Gilmore at a toll-free number to complete the interview. Appointments were set for the convenience of the respondent, whenever needed.

An advance letter on University letterhead was sent to each employer, although the letter was directed to a title, not a specific person. When interviewers found that no one in a company was aware of the study, a copy of the letter was faxed to the receptionist or the potential respondent to explain the nature of the survey. A contact number at the University was also provided for anyone who wanted more information about the study.

Disposition of the Sample

The disposition of all the numbers called in this project is shown in Table 1, broken by stratum. Observations from this disposition are:

- The sample was well drawn to include actual working businesses. Less than one number in ten turned out to be a non-qualified working business. (1.3% were non-businesses and 5.7% were disconnected and out-of-business numbers).
- A total of 89.5% of all the numbers reached a business and over half of them (54%) resulted in a completed interview. Just under half of all the numbers called—48.2%--resulted in a completed interview.
- The inability to reach an appropriate respondent within the company was highest within the largest companies (200+ employees). When the appropriate person was reached, however, he/she was far less likely than smaller company respondents to refuse the interview. Generally, in the largest companies, there were key personnel or benefits persons who had all the records and could answer the questions, but they were often in meetings or out of the office. Their higher level of unavailability could also have been a subtle form of refusal.
- Toward the end of the calling period, voice mail and answering machine messages were left whenever such a system was available to the interviewer. The message explained the survey and that we had been trying to reach you for a number of weeks and would you please call our toll-free number at your convenience to complete the interview. While a few respondents did do that, most of those messages were not returned.
- About 18% of all the calls resulted in outright refusals, three-quarters of which were at the entry point to the company (i.e., by the person answering the phone—who was generally someone other than the appropriate respondent). At the entry point, the person may have refused to forward the call to an appropriate person or refused the survey altogether. The letter was faxed to all who would provide a fax number in the hopes that the nature and objectives of the survey would elicit cooperation. The most frequent reasons for refusing at the point of entry were “company policy” and “too busy.” The most frequent reasons for a refusal by the appropriate person were “too busy” and the survey is “too much work/information is too hard to obtain.”

Response Rates

We calculate response rate several ways. The most stringent calculation is the CASRO rate, as defined by the Council of American Survey Research Organization and the American Association of Public Opinion Research. The second is Upper Bound and is the most liberal calculation.

1. Our calculation of the CASRO Rate is 59.6%. This rate is described as: "...apportions dispositions with unknown eligibility status to dispositions representing eligible respondents in the same proportion as exists among calls of known status. The resulting estimate reflects telephone sampling efficiency and the degree of cooperation among eligibles contacted." The calculation is described below.

Completes / (known eligibles) + (estimated eligible among non-contact)*

*Est. eligible = [known eligible / (known eligible + known non-eligible)] x unknown

- Known eligible = 3221 (1963 completes + 724 qualified refusals + 527 eligible respondent not reachable + 7 incomplete interviews)
- Known non-eligible = 761 (235 non-working/out of business numbers + 102 non-business or fax numbers = 378 not qualified + 46 language barrier)
- Unknown eligibility = 90 (12 always busy, 78 always no answer)

2. Our calculation of the Upper Bound is 72.9%. This is sometimes called the "completion rate" and is the proportion of businesses interviewed out of all eligible businesses. The calculation is:

Completed / completes + eligible refusals + incomplete interviews

- Completes = 1963
- Qualified refusals = 724
- Incomplete interviews = 7

Based on our experience, both of these response rates—CASRO of nearly 60% and Upper Bound of nearly 73%--are good for a survey of this length and complex nature.

* * * * *

Appendix A, Table 1: Disposition of Sample

	MSA, 2-4 Employees		ROS, 2-4 Employees		MSA, 5-9 Employees		ROS, 5-9 Employees		MSA, 10-24 Employees		ROS, 10-24 Employees	
	n	%	n	%	n	%	n	%	n	%	n	%
Not a Business, home or other	6	1.2%	5	1.1%	10	2.1%	7	1.5%	2	0.5%	6	1.4%
Business Not Reachable	51	10.6%	48	10.2%	52	10.7%	42	9.1%	24	5.5%	33	7.5%
Always busy	2	0.4%	1	0.2%	2	0.4%	1	0.2%	0	0.0%	0	0.0%
Fax/modem line	4	0.8%	9	1.9%	9	1.9%	7	1.5%	3	0.7%	4	0.9%
Disconnected/ non-working	36	7.5%	24	5.1%	36	7.4%	24	5.2%	8	1.8%	19	4.4%
Out of business	2	0.4%	4	0.9%	0	0.0%	5	1.1%	6	1.4%	2	0.5%
Always no answer**	7	1.5%	10	2.1%	5	1.0%	5	1.1%	7	1.6%	8	1.8%
Business Reached	425	88.2%	415	88.7%	422	87.2%	412	89.4%	408	94.0%	397	91.1%
Not qualified, self-employed	30	6.2%	39	8.3%	13	2.7%	13	2.8%	2	0.5%	1	0.2%
Not qualified, no employees in NM	10	2.1%	3	0.6%	0	0.0%	2	0.4%	0	0.0%	10	2.3%
Not qualified, other*	33	6.8%	40	8.5%	31	6.4%	25	5.4%	15	3.5%	15	3.4%
Language barrier	13	2.7%	10	2.1%	5	1.0%	7	1.5%	6	1.4%	2	0.5%
Appropriate person unavailable**	34	7.1%	28	6.0%	48	9.9%	31	6.7%	40	9.2%	33	7.6%
Left message; call not returned**	30	6.2%	27	5.8%	22	4.5%	18	3.9%	16	3.7%	16	3.7%
Incomplete interview; unable to reach again**	0	0.0%	0	0.0%	1	0.2%	0	0.0%	0	0.0%	0	0.0%
Refused at reception desk***	76	15.8%	80	17.1%	77	15.9%	65	14.1%	57	13.1%	46	10.6%
Refused by appropriate respondent***	17	3.5%	14	3.0%	16	3.3%	28	6.1%	24	5.5%	32	7.3%
<i>Completed Interview</i>	182	37.8%	174	37.2%	209	43.2%	223	48.4%	248	57.1%	242	55.5%
TOTAL	482	100.0%	468	100.0%	484	100.0%	461	100.0%	434	100.0%	436	100.0%

Appendix A, Table 1: Disposition of Sample

	MSA, 25-199 Employees		ROS, 15-199 Employees		MSA, 200+ Employees		ROS, 200+ Employees		Total	
	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
Not a Business, home or other	5	1.0%	13	2.8%	0	0.0%	0	0.0%	54	1.3
Business Not Reachable	55	11.2%	46	10.0%	10	5.1%	12	7.41%	373	9.16%
Always busy	1	0.2%	5	1.1%	0	0.0%	0	0.0%	12	0.3%
Fax/modem line	7	1.4%	5	1.1%	0	0.0%	0	0.0%	48	1.2%
Disconnected/ non-working	31	6.3%	25	5.5%	5	2.5%	1	0.6%	209	5.1%
Out of business	5	1.0%	1	0.2%	0	0.0%	1	0.6%	26	0.6%
Always no answer**	11	2.2%	10	2.2%	5	2.5%	10	6.2%	78	1.9%
Business Reached	430	87.8%	399	87.1%	187	94.9%	150	92.6%	3,645	89.5%
Not qualified, self-employed	2	0.4%	0	0.0%	0	0.0%	0	0.0%	100	2.5%
Not qualified, no employees in NM	1	0.2%	3	0.7%	2	1.0%	1	0.6%	32	0.8%
Not qualified, other*	32	6.5%	35	7.6%	15	7.6%	5	3.1%	246	6.0%
Language barrier	2	0.4%	1	0.2%	0	0.0%	0	0.0%	46	1.1%
Appropriate person unavailable**	37	7.6%	41	9.0%	30	15.2%	31	19.1%	353	8.7%
Left message; call not returned**	22	4.5%	15	3.3%	2	1.0%	6	3.7%	174	4.3%
Incomplete interview; unable to reach again**	1	0.2%	0	0.0%	2	1.0%	3	1.9%	7	0.2%
Refused at reception desk***	74	15.1%	39	8.5%	27	13.7%	12	7.4%	553	13.6%
Refused by appropriate respondent***	18	3.7%	20	4.4%	1	0.5%	1	0.6%	171	4.2%
<i>Completed Interview</i>	<i>241</i>	<i>49.2%</i>	<i>245</i>	<i>53.5%</i>	<i>108</i>	<i>54.8%</i>	<i>91</i>	<i>56.2%</i>	<i>1963</i>	<i>48.2%</i>
TOTAL	490	100.0%	458	100.0%	197	100.0%	162	100.0%	4,072	100.0%

* Wrong number; no knowledge of company by that name; same number as company already called under another name.

** After multiple attempts over several weeks.

*** Refuse to cooperate; refuse to identify appropriate respondent; company policy of "no surveys".

APPENDIX B: PLAN DEFINITION CRITERIA

PLAN DEFINITION CRITERIA

Below is a summary of the criteria ultimately used after running cross-tabulations on a number of variables.

“HMO-type” plans:

- Answer to question quoted in the text regarding providers is “...a plan with a list of preferred or approved providers, an example would be an HMO.” If needed, the interviewer would add:
that is, enrollees must go to providers associated with the plan except in an emergency. There is typically no cost or a small fixed cost for each physician visit.

and

- Answer to the following question is not number 1:
As you know, a deductible is the amount that enrollees must pay out of pocket before the plan begins paying for most or all covered services. Please tell me which of the following best describes how the plan deals with deductibles. . .READ 1-3
 1. A deductible may apply when the service is provided by someone outside the panel of preferred doctors, hospitals or clinics
 2. A deductible may apply regardless of who provides the service
 3. Or there is no deductible

and

- Answer to the question, “Does your <q26a > plan require that the enrollee get a referral from their primary-care provider before the plan will pay for care from a specialist?” is Yes,

and

- Answer to the question, “Do patients pay a percentage such as 90-10, or 50-50 that will apply to a range of services or -- are there co-payments? IF NEEDED: For example, \$5 for each doctor visit” was “a co-payment or dollar amount “.

“Fee-for-Service type” plans:

- Respondents indicate that the plan “is a conventional plan where enrollees can go to ANY physician of their choice and pay a fee-for-service.”

and

- Respondents answers to the question on deductibles indicate that either there is not a deductible or that the deductible applies regardless of who provides the service.

“POS type” plans:

- Respondents meet all criteria for “HMO type” except they answer question on deductibles to indicate that “A deductible may apply when the service is provided by someone outside the panel of preferred doctors, hospitals or clinics”

Other “POS type” and “PPO type” plans:

- Respondents indicate that the plan is “a plan with a list of preferred or approved providers, an example would be an HMO” but the plan has no managed care features that would meet our criteria for classifying it as an HMO or a PSO (see above).

Or

- Respondents indicate that the plan “is a conventional plan where enrollees can go to ANY physician of their choice and pay a fee-for-service.” By then they indicate that “A deductible may apply when the service is provided by someone outside the panel of preferred doctors, hospitals or clinics”

Or

- Respondents indicate that the plan is “a mixture of preferred and any providers and might be called a PPO or POS.”

and

- Respondents answer the question on deductibles to indicate that “A deductible may apply when the service is provided by someone outside the panel of preferred doctors, hospitals or clinics.”

Attempting to differentiate PPO’s from POS type plans is difficult and for this reason answers for some POS type plans and PPO plans are grouped. For example, those with a PPO plan might be expected to respond to the question, “Does your <q26a > plan require that the enrollee get a referral from their primary-care provider before the plan will pay for care from a specialist?” with a “No”. While with a POS, the answer to this question should be “Yes” within the panel, respondents might well respond “No” to this question since patients would have the option of going outside the panel.

Unclassified Mixed Plans:

- Respondents indicate that the plan is “a mixture of preferred and any providers and might be called a PPO or POS.” but their answer to question regarding deductibles did not yield a classification as a PPO or POS.

Or

- Respondents did not answer the question on providers.

**APPENDIX C: SURVEYED PUBLIC SECTOR
ENTITIES ARRANGED BY INSURANCE POOL, NON-POOL STATUS**

PUBLIC SECTOR ENTITIES COVERED BY INSURANCE POOLS

New Mexico Risk Management Division, State of New Mexico

Lea County	Municipality of Estancia	Beef Council
Rio Arriba County	Municipality of T or C	Region II Housing
Hidalgo County	Municipality of Aztec	Region III Housing
Torrance County	Municipality of Espanola	Region IV Housing
Harding County	Municipality of Santa Rosa	Region V Housing
Chaves County	Municipality of Taos	Region IV Housing
Santa Fe County	Municipality of Angel Fire	Central Region Education Coop
Roosevelt County	Municipality of Raton	High Plains Regional
San Miguel County	Municipality of Tucumcari	Region IX Education Coop
Valencia County	Municipality of Reserve	Carlsbad Irrigation District
Catron County	San Juan College	Northwest Regional Solid Waste Authority
Luna County	State of New Mexico	South Central/Boll Weevil
Sierra County	Livestock Board	P.E.R.A.
Taos County	State Fair	

City of Albuquerque

City of Albuquerque Bernalillo County
Town of Bernalillo Village of Cuba
Town of Los Ranchos de Albuquerque Village of Tijeras
Sandoval County Middle Rio Grande Conservation District
Albuquerque Metropolitan Flood Control Authority
Middle Rio Grande Council of Governments

New Mexico Public Schools Insurance Authority

School districts participating in the NMPSIA Insurance Pool:

Alamogordo
Gallup-McKinley County
Northwester Regional Center

Animas
Grady
Pecos

Artesia
Grants/Cibola County
Penasco

Aztec
Hagerman
Pojoaque Valley

Belen
Hatch Valley
Portales

Bloomfield
Hobbs
Quemado

Capitan
Hondo Valley
Raton

Carlsbad
House
Reserve

Carrizozo
Jal Schools
Rio Rancho

Central
Jemez Mountain
Roswell

Chama Valley

Jemez Valley
Roy

Cimarron
Lake Arthur
Ruidoso

Clayton
Las Cruces
San Diego Riverside

Cloudcroft
Las Vegas City
Santa Fe

Clovis
Las Vegas West
Santa Rosa

Cobre
Logan
Silver City

Corona
Lordsburg
Socorro

Cuba
Los Alamos
Springer

Deming
Los Lunas
T or C

Des Moines
Loving
Taos

Dexter
Lovington
Tatum

Dora
Luna Vocational Tech
Texico

Dulce
Magdalena
Tucumcari

Elida
Maxwell
Tularosa

Espanola

Melrose
Vaughn

Estancia
Mesa Vista
Wagon Mound

Eunice
Mora
Zuni

Farmington
Moriarty

Floyd
Mosquero

Fort Sumner
Mountainair

Gadsen
NM School for the Deaf

Colleges and Universities Participating in the NMPSIA Pool:

Albuquerque TVI
New Mexico Junior College

Eastern New Mexico University
Northern NM Community College

Mesa Technical College
Western New Mexico University

NEW MEXICO MUNICIPAL LEAGUE

MUNICIPALITIES PARTICIPATING IN POOL:

Bayard	Vaughn	Grady
Bloomfield	Carrizozo	House
Elephant Butte	Clayton	Hurley
Eunice	Dexter	Logan
Grants	Edgewood	Loving
Jal	Elida	Melrose
Lordsburg	Hagerman	Mesilla
Lovington	Mountainair	Milan
Moriarty	Causey	Questa
Portales	Cimarron	Roy
Sunland Park	Cloudcroft	Ruidoso
Texico	Eagle Nest	Ruidoso Downs
Silver City	Fort Sumner	San Jon
Springer	Bosque Farms	Santa Clara
Tatum	Capitan	Tularosa
		Willard

COUNTIES PARTICIPATING IN POOL:

Cibola	Eddy	Union
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Non-Pool Entities Surveyed

Municipality Of Alamogordo	Bernalillo County	Roosevelt Conservation District*
Municipality Of Albuquerque	Colfax County	Salado Conservation District
Municipality Of Artesia*	Curry County	San Francisco Conservation District*
Municipality Of Belen	De Baca County*	San Juan Conservation District
Municipality Of Bernalillo*	Dona Ana County	Santa Fe - Pojoaque Conservation District
Municipality Of Carlsbad	Grant County	Sierra Conservation District
Municipality Of Chama	Guadalupe County*	Socorro Conservation District*
Municipality Of Clovis	Lincoln County	Southwest Quay Conservation District
Municipality Of Columbus	Los Alamos County*	Taos Conservation District
Municipality Of Corona*	McKinley County	Tierra Y Montes Conservation District*
Municipality Of Corrales	Mora County	Upper Chama Conservation District
Municipality Of Cuba	Otero County*	Upper Hondo Conservation District*
Municipality Of Deming	Quay County*	Ute Creek Conservation District*
Municipality Of Des Moines*	San Juan County*	Valencia Conservation District
Municipality Of Dora*	Sandoval County*	Western Mora Conservation District*
Municipality Of Encino	Socorro County	Clovis Community College
Municipality Of Farmington*	Border Conservation District	New Mexico Highlands University
Municipality Of Floyd*	Caballo Conservation District*	New Mexico Military Institute*
Municipality Of Folsom*	Canadian River Conservation District	New Mexico State University*
Municipality Of Gallup*	Carlsbad Conservation District*	NM Institute of Mining & Technology*
Municipality Of Grenville*	Carrizozo Conservation District*	Santa Fe Community College*
Municipality Of Hatch	Central Curry Conservation District*	University of New Mexico
Municipality Of Hobbs	Central Valley Conservation District	Albuquerque Public Schools*
Municipality Of Hope*	Chaves Conservation District*	United States Government
Municipality Of Jemez Springs*	Ciudad Conservation District*	Artesia General Hospital
Municipality Of Lake Arthur	Claunch-Pinto Conservation District*	University Hospital
Municipality Of Las Cruces	Colfax Conservation District	University of New Mexico Mental Health Center
Municipality Of Las Vegas	Coronado Conservation District*	Cibola General Hospital*
Municipality Of Los Lunas*	Cuba Conservation District*	De Baca General Hospital
Municipality Of Los Ranchos de Albuquerque*	De Baca Conservation District	Dr. Dan C. Trigg Memorial Hospital
Municipality Of Magdalena*	Deming Conservation District	Eastern New Mexico Medical Center
Municipality Of Maxwell	East Rio Arriba Conservation District	Espanola Hospital
Municipality Of Mosquero*	East Tarrant Conservation District*	Gila Regional Medical Center
Municipality Of Pecos*	Edgewood Conservation District*	Memorial Medical Center
Municipality Of Raton	Grant Conservation District*	Lincoln County Medical Center
Municipality Of Red River	Guadalupe Conservation District	Mimbres Memorial Hospital
Municipality Of Reserve*	Hagerman-Dexter Conservation District	Miners Colfax Medical Center*
Municipality Of Rio Rancho*	Hidalgo Conservation District	Nor-Lea Hospital District
Municipality Of Roswell*	La Union Conservation District	Rehoboth-McKinley Christian Hospital
Municipality Of San Ysidro	Lava Conservation District	Socorro General Hospital
Municipality Of Santa Fe	Lea Conservation District*	Union County General Hospital
Municipality Of Socorro*	McKinley Conservation District	
Municipality Of Taos Ski Valley	Mesa Conservation District	
Municipality Of Tijeras	Mora-Wagon Mound Conservation District*	
Municipality Of Tucumcari*	Northeastern Conservation District*	
Municipality Of Virden	Otero Conservation District*	
Municipality Of Wagon Mound	Penasco Conservation District*	
Municipality Of Williamsburg*	Quemado Conservation District	

* Responded to survey

APPENDIX D: PUBLIC SECTOR SURVEYS

PUBLIC SECTOR EMPLOYEE HEALTH INSURANCE SURVEY

This survey is being conducted by the University of New Mexico Bureau of Business and Economic Research under contract to the New Mexico Health Policy Commission. Please complete and return to BBER, 1920 Lomas NE, Albuquerque, NM 87131 on or before July 14, 2000. Questions or to obtain an electronic version: Tony Sylvester tel. 505-277-2216, e-mail tsylvstr@unm.edu.

1. Name of Public Entity: _____ Your Name (if need to contact) _____
 Address: _____ Phone # _____
 _____ email _____

2. Does this entity offer a health insurance program for some or all of your employees?
 Yes Continue with question 3.
 No Skip to question 6.

3. Is this health insurance purchased through an insurance pool, such as that run by the State of New Mexico Risk Management agency or the Municipal League?
 Yes No
 If Yes, give the name of the insurance pool from which health insurance is purchased _____.

Thank you for your time in responding to this survey. We will be separately surveying public sector pool.

If NO, PLEASE CONTINUE. We need information on public entities not covered by an insurance pool.

5. State the number of years this entity has offered employee health insurance:

6. Please provide information on the number of employees:

Total Employees*	Regular Employees			Contract or from Agency
	Full-time	Part-time	Seasonal or Temporary*	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

*: Not to include contract employees or from temporary help agencies, such as Excell.

If employees are not offered health insurance, skip to question 32. Otherwise, continue with question 7.

7. Indicate numbers** of above groups **eligible** for health insurance plan offered by this entity:

 Indicate numbers** of above groups **actually enrolled** in health insurance offered by this entity:

 Indicate numbers** of above groups **eligible** for family coverage in the health insurance plan offered by this entity:

 Indicate numbers** of above groups **actually enrolled** in family health insurance coverage through this entity:

** Answers can be percent of totals given in question 6. Just follow with a percent sign (%).

8. Minimum number hrs/wk must work to be considered full-time: _____

9. % of employees covered by union contracts: _____%.
 Unionized workers employee benefits negotiated as part of union contract? Yes No

10. How many different health insurance plans does this entity offer? _____
 Only one Please provide plan name: _____
 _____ Skip to Block 10, prefixed by an "A"
 Multiple Name of plan with largest enrollment: _____
 Proceed to next question

The next set of questions apply to the plan named above:

11. Does this entity **self-insure** this plan (this is where the entity pays the claims from its resources and may charge a premium to employees)? Yes No
 If yes, do you purchase a ("reinsurance" or "stop loss") plan to cover unforeseen losses? Yes No
 Go on to question 13.

12. If do not self-insure, name of the insurance carrier/provider group _____

13. Check the answer which best describes the way provision of care is structured:

- a. **Preferred or approved providers only** – enrollees must go to providers associated with the plan except in an emergency
- b. **Any providers** – Enrollees choice of physicians on a fee-for-service basis: see next question
- c. **Mixture** of preferred and any providers

14. Does the plan named require that the enrollee get a referral from their primary-care provider before the plan will pay for care from a specialist? Yes No

15. Employees Eligible for and those Enrolled in health insurance plan named in Question 9. (You may use percentages if easier but put in % sign.)

	Total	Full-Time	Part-Time	Temp/Seas
Total Employees Eligible				
Total Employees Enrolled				
Total Employees Eligible for Family Coverage				
Total Enrolled in Family Coverage				

16. Check any of the following that are factors limiting eligibility for single and/or family coverage:

	Single Coverage	Family Coverage
Status as an hourly worker		
Earnings Level		
Number of Hours Worked		
Minimum hours per week to be eligible		
Not fulfilled the waiting period requirement		
Occupational Classification		

PLAN COSTS, PREMIUMS, AND THE BENEFIT PACKAGE

Answer the following questions for the health plan you stated in question 9. Answer family coverage for family of 4.

17. Please give dollar amounts for the following:

SINGLE COVERAGE

Total Annual Premium, including both employer and employee contributions

Percent or amount contributed by Individual employee % or \$

FAMILY COVERAGE

Total Annual Premium, including both employer and employee contributions

Percent or amount contributed by Individual employee % or \$

18. Check ANY of the following factors that determine the amount of the employee premium contribution:

Age		Health habits	
Sex		Family size or composition	
Wage or salary levels		Union or trade association membership	
Length of time worked			

19. Are preexisting conditions covered?

Yes No Waiting period for persons with certain preexisting conditions? Yes No

If yes, Length of Waiting Period in Months: _____

No Proceed to next question

20. Check the following services that are covered by discussed plan:

In/Outpatient Rehabilitation		Long Term Care	
Routine Preventative Care		Alcohol and Drug Rehabilitation	
Maternity/Pre-natal Care		Mental Health Care	
Home Health Care		Alternative (Acupuncture/ Oriental Medicine)	
Durable Medical Equipment		Vision Care	
Prescription Drugs		Dental Care	
Hospice Care			
Chiropractic Care			

21. For those not checked above, list any benefits that can be purchased as an add-on:

22. Indicate total annual premium (employer + employee contributions) for single coverage in 1998: \$ _____.

PLAN DEDUCTIBLES AND COST SHARING ARRANGEMENTS

23. Does this plan have a deductible?

Yes Indicate with a check mark which situation applies:

a. A deductible may apply when the service is provided by someone outside the panel of preferred providers

b. A deductible may apply regardless of who provides the service

No Proceed to Question #

24. Please state the annual deductible that would apply on physician services for:

Single coverage Family of four

25. Will this plan pay for routine preventative care even if deductible not met?

Yes No

26. Select one that best describes the cost sharing arrangement of this plan:

a. Service costs are fully covered. There is no patient cost-sharing.

b. Services are fully covered only as long as the patient uses certain providers.

c. Some services are fully covered. Patient will have to pay part of the cost of other services.

d. Patients will pay part of the costs of all services received.

27. If costs are shared, do patients pay a percentage of service costs?

Yes Is there just one percentage that applies to most services?

Yes What percent? %

No Is there a % that generally applies to providers associated with the plan?

Yes What percent? %

No What percent applies outside %

No Go to question 29.

No Answer next question.

28. What is the required co-pay for: Doctor's Office Visit: Hospital Stay:

29. Does the plan have maximum amounts which insurance will pay?

Yes Give the maximum will pay annually for an individual \$

No Give the maximum will pay over enrollee's lifetime \$

30. Does the insurance set a cap on the maximum annual out-of-pocket costs for covered services?

For the following, give the Maximum Amount insurance will pay:

Yes Individual Maximum Annual out-of-pocket: \$

No Family Maximum Annual out-of-pocket: \$

HEALTH INSURANCE AND OTHER BENEFITS

The questions in this section are not specific to any plan.

31. Are eligible employees compensated monetarily who decide not to enroll in health insurance?

Yes
No

32. Check the following benefits that are offered to employees:

Paid holiday leave	<input type="checkbox"/>	Retiree health care coverage	<input type="checkbox"/>
Paid vacation	<input type="checkbox"/>	Medical Savings Accounts?	<input type="checkbox"/>
Paid sick leave	<input type="checkbox"/>	Flexible spending accounts (out-of-pocket health care expenses pymt w/pretax \$	<input type="checkbox"/>
Life insurance	<input type="checkbox"/>	Option of paying premiums w/pre-tax \$	<input type="checkbox"/>
Disability insurance	<input type="checkbox"/>		
Retirement/pension plans	<input type="checkbox"/>		

33. State % of total compensation package that are fringe benefits:

If employees are not offered health insurance, skip to question 38.

37. In the past two years, has this entity made changes in the health insurance plans offered to employees?

Yes No In terms of making actual changes, indicate whether your entity moved: toward, away, or made no changes in the following health coverage characteristics:

	Toward	Away	No Change
Managed care/HMO's			
Self-insuring for employee health care needs			
Medical Expenditure Accounts			
Family coverage/making coverage more affordable			
Enriching the overall benefit package offered			
Increasing employee share of total premium paid			
Requiring higher co-insurance rates or co-pay amts			

Indicate the most compelling reason from the following list to why changes were made:

Large rise in premium	<input type="checkbox"/>	Complaints by employees	<input type="checkbox"/>
Trying to control costs	<input type="checkbox"/>	Necessary to attract/keep good employees	<input type="checkbox"/>
Higher value per dollar paid	<input type="checkbox"/>	Fall off in employee participation	<input type="checkbox"/>

No

OPTIONAL EMPLOYEE SECTION: QUESTIONS PERTAIN TO ALL PLANS

38. Of regular employees [exclude seasonal and temporary] state:

% Male % Female % >= 65 yrs

% Salaried

Amonst Salaried employees. please state:

Less than \$20,000 annually	<input type="checkbox"/>
\$20,000 to \$40,000 annually	<input type="checkbox"/>
More than \$40,000 annually	<input type="checkbox"/>

Amonst Hourly employees. please state:

Less than \$6.50 per hour	<input type="checkbox"/>
\$6.50 to \$9.99 per hour	<input type="checkbox"/>
\$10.00 to \$14.99 per hour	<input type="checkbox"/>
More than \$15.00 per hour	<input type="checkbox"/>

39. State number of former employees enrolled through COBRA or other state continuation-of-benefit laws: _____

40. State number of retirees' that are enrolled in a retiree health plan: _____

END OF SURVEY. Thank you very much for your time.

PUBLIC SECTOR EMPLOYEE HEALTH INSURANCE SURVEY FOR INSURANCE POOLS

This survey is being conducted by the University of New Mexico Bureau of Business and Economic Research under contract to the New Mexico Health Policy Commission. Please complete and return to BBER, 1920 Lomas NE, Albuquerque, NM 87131 on or before July 18, 2000. Questions or to obtain an electronic version: Tony Sylvester tel. 505-277-2216, e-mail tsylvstr@unm.edu. Indicate if information is unavailable.

1. Name of INSURANCE POOL: _____ Your Name (if need to contact) _____
 Administered by: _____
 Address: _____ Phone # _____
 _____ email _____

2. We prefer that the information be for Fiscal Year 1999-2000. Please indicate the fiscal year for which information is being provided:

3. Please attach a sheet providing the names of all the participating public jurisdictions/entities.

4. Please provide information on the number of employees of participating public entities:

Total Employees*	Regular Employees			Contract or from Agency
	Full-time	Part-time	Seasonal or Temporary*	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

*: Not to include contract employees or from temporary help agencies, such as Excell.

5. Indicate numbers** of above groups **eligible** for health insurance plan offered by this pool:

Indicate numbers** of above groups **actually enrolled** in health insurance offered by this pool:

Indicate numbers** of above groups **eligible** for family coverage in the health insurance plan offered by this pool:

Indicate numbers** of above groups **actually enrolled** in family health insurance coverage through this pool:

** Answers can be percent of totals given in question 6. Just follow with a percent sign (%).

6. Minimum number hrs/wk must work to be considered full-time: _____

7. % of employees covered by union contracts: _____ %.
 Unionized workers employee benefits negotiated as part of union contract?

8. How many different health insurance plans are offered to public sector employees through this pool? offer? _____
 Please provide plan name: _____
 Skip to Block 10, prefixed by an "A"
 Name of plan with *largest* enrollment: _____
 Proceed to next question

The next set of questions apply to the plan named above:

9. Does your organization **self-insure** this plan (this is where the entity pays the claims from its resources and may charge a premium to employees)?

Do you purchase a ("reinsurance" or "stop loss") plan to cover unforeseen losses?

Do you contract with someone (e.g., Lovelace) to process health insurance claims for enrollees?
 Name of firm with whom you contract: _____
 Go on to question 13.

Go on to next question.

10. If do not self-insure, name of the insurance carrier/provider group _____

11. Check the answer which best describes the way provision of care is structured under this plan:
- a. **Preferred or approved providers only** – enrollees must go to providers associated with the plan except in an emergency
- b. **Any providers** – Enrollees choice of physicians on a fee-for-service basis: see next question
- c. **Mixture** of preferred and any providers
12. Does the plan named require that the enrollee get a referral from their primary-care provider before the plan will pay for care from a specialist? Yes No

13. Employees Eligible for and those Enrolled in health insurance plan named in Question 9. (You may use percentages if easier but put in % sign.)

	Total	Full-Time	Part-Time	Temp/Seas
Total Employees Eligible				
Total Employees Enrolled				
Total Employees Eligible for Family Coverage				
Total Enrolled in Family Coverage				

14. Check any of the following that are factors limiting eligibility for single and/or family coverage:

	Single Coverage	Family Coverage
Status as an hourly worker		
Earnings Level		
Number of Hours Worked		
Minimum hours per week to be eligible		
Not fulfilled the waiting period requirement		
Occupational Classification		

PLAN COSTS, PREMIUMS, AND THE BENEFIT PACKAGE

Answer the following questions for the health plan you stated in question 9. Answer family coverage for family of 4.

15. Please give dollar amounts for the following:

SINGLE COVERAGE

Total Annual Premium, including both employer and employee contributions

Percent or amount contributed by Individual employee % or \$

FAMILY COVERAGE

Total Annual Premium, including both employer and employee contributions

Percent or amount contributed by Individual employee % or \$

16. Check ANY of the following factors that determine the amount of the employee premium contribution:

<input type="checkbox"/> Age	<input type="checkbox"/> Health habits
<input type="checkbox"/> Sex	<input type="checkbox"/> Family size or composition
<input type="checkbox"/> Wage or salary levels	<input type="checkbox"/> Union or trade association membership
<input type="checkbox"/> Length of time worked	

17. Are preexisting conditions covered?

Yes No
 Waiting period for persons with certain preexisting conditions? Yes No

If yes, Length of Waiting Period in Months: _____

No Proceed to next question

18. Check the following services that are covered by discussed plan:

In/Outpatient Rehabilitation		Long Term Care	
Routine Preventative Care		Alcohol and Drug Rehabilitation	
Maternity/Pre-natal Care		Mental Health Care	
Home Health Care		Alternative (Acupuncture/ Oriental Medicine)	
Durable Medical Equipment		Vision Care	
Prescription Drugs		Dental Care	
Hospice Care			
Chiropractic Care			

19. For those not checked above, list any benefits that can be purchased as an add-on:

20. Indicate total annual premium (employer + employee contributions) for single coverage in 1998: \$ _____.

PLAN DEDUCTIBLES AND COST SHARING ARRANGEMENTS

21. Does this plan have a deductible?

Yes Indicate with a check mark which situation applies:

a. A deductible may apply when the service is provided by someone outside the panel of preferred providers

b. A deductible may apply regardless of who provides the service

No Proceed to Question # _____

22. Please state the annual deductible that would apply on physician services for:

Single coverage Family of four

23. Will this plan pay for routine preventative care even if deductible not met?

Yes No

24. Select one that best describes the cost sharing arrangement of this plan:

a. Service costs are fully covered. There is no patient cost-sharing.

b. Services are fully covered only as long as the patient uses certain providers.

c. Some services are fully covered. Patient will have to pay part of the cost of other services.

d. Patients will pay part of the costs of all services received.

25. If costs are shared, do patients pay a percentage of service costs?

Yes Is there just one percentage that applies to most services?

Yes What percent? %

No Is there a % that generally applies to providers associated with the plan?

Yes What percent? %

What percent applies outside %

No Go to question 29.

No Answer next question.

26. What is the required co-pay for: Doctor's Office Visit:

Hospital Stay:

27. Does the plan have maximum amounts which insurance will pay?

Yes Give the maximum will pay annually for an individual \$

Give the maximum will pay over enrollee's lifetime \$

No

28. Does the insurance set a cap on the maximum annual out-of-pocket costs for covered services?

For the following, give the Maximum Amount insurance will pay:

<input type="checkbox"/> Yes	Individual Maximum Annual out-of-pocket:	\$	<input type="text"/>
<input type="checkbox"/> No	Family Maximum Annual out-of-pocket:	\$	<input type="text"/>

GENERAL QUESTION ON PLANS OFFERED

29. In the past two years, has this entity made changes in the health insurance plans offered to employees?

Yes In terms of making actual changes, indicate whether your entity moved: toward, away, or made no changes in the following health coverage characteristics:

	Toward	Away	No Change
Managed care/HMO's	<input type="text"/>	<input type="text"/>	<input type="text"/>
Self-insuring for employee health care needs	<input type="text"/>	<input type="text"/>	<input type="text"/>
Medical Expenditure Accounts	<input type="text"/>	<input type="text"/>	<input type="text"/>
Family coverage/making coverage more affordable	<input type="text"/>	<input type="text"/>	<input type="text"/>
Enriching the overall benefit package offered	<input type="text"/>	<input type="text"/>	<input type="text"/>
Increasing employee share of total premium paid	<input type="text"/>	<input type="text"/>	<input type="text"/>
Requiring higher co-insurance rates or co-pay amts	<input type="text"/>	<input type="text"/>	<input type="text"/>

Indicate the most compelling reason from the following list to why changes were made:

<input type="checkbox"/> Large rise in premium	<input type="text"/>	<input type="checkbox"/> Complaints by employees	<input type="text"/>
<input type="checkbox"/> Trying to control costs	<input type="text"/>	<input type="checkbox"/> Necessary to attract/keep good employees	<input type="text"/>
<input type="checkbox"/> Higher value per dollar paid	<input type="text"/>	<input type="checkbox"/> Fall off in employee participation	<input type="text"/>
<input type="checkbox"/> No			

OPTIONAL EMPLOYEE SECTION: QUESTIONS PERTAIN TO ALL PLANS

30. Of regular employees (exclude seasonal and temporary) state:

<input type="text"/> % Male	<input type="text"/> % Female	<input type="text"/> % >= 65 yrs
-----------------------------	-------------------------------	----------------------------------

<input type="text"/> % Salaried	Amongst Salaried employees, please state:	<input type="text"/>	Amongst Hourly employees, please state:	<input type="text"/>
	Less than \$20,000 annually	<input type="text"/>	Less than \$6.50 per hour	<input type="text"/>
	\$20,000 to \$40,000 annually	<input type="text"/>	\$6.50 to \$9.99 per hour	<input type="text"/>
	More than \$40,000 annually	<input type="text"/>	\$10.00 to \$14.99 per hour	<input type="text"/>
			More than \$15.00 per hour	<input type="text"/>

31. State number of former employees enrolled through COBRA or other state continuation-of-benefit laws: _____

END OF SURVEY. Thank you very much for your time.

APPENDIX E: FEDERAL GOVERNMENT HEALTH INSURANCE

Federal Government Health Insurance

The Federal government is a major employer in New Mexico, employing more than 30,000 (New Mexico Dept. of Labor 2000) civilian employees. As such it is a major source of health insurance for individuals and families. Because of a lack of a response from the Federal government, the discussion of health insurance in this section is based on secondary sources. The Federal government provided no enrollment data, nor was such information found on the Web or in government publications.

Several plans are available to Federal employees including fee-for-service, preferred provider organizations, and HMO's. Table A4.24, on the following page, shows the plans available in New Mexico. For HMO's, enrollees must live or work in a defined area to be eligible for a certain HMO. Carriers of the various plans contract with the U.S. Office of Personnel Management, usually for one year.

**TABLE A4.24
PLANS AVAILABLE TO NEW MEXICO FEDERAL
CIVILIAN EMPLOYEES**

Plan Name	Plan Type
Alliance Health Plan	Fee for Service
APWU Health Plan	Point of Service
Blue Cross and Blue Shield - High	Fee for Service
Blue Cross and Blue Shield - Standard	Point of Service
GEHA Benefit Plan	Point of Service
Mail Handlers - High	Fee for Service
Mail Handlers - Standard	Fee for Service
NALC	Fee for Service
Postmasters - High	Fee for Service
Postmasters - Standard	Fee for Service
Lovelace Health Plan	HMO
Presbyterian Health Plan*	HMO
QualMed Plans for Health**	HMO

* All New Mexico counties except Otero and south Eddy

** Albuquerque and Santa Fe areas only

Source: Office of Personnel Management, "Federal Employees Health Benefits Plans for Federal Civilian Employees," November 1999.

Except where excluded by law, all Federal civilian employees are eligible for Federal Employee Health Benefits (FEHB) Program (Office of Personnel Management 2000). Enrollment is available for Self Only (individual) and Self and Family (individual and family members regardless of the number of family members). In the FEHB program, there are no exclusions or waiting periods for pre-existing conditions.

Among special categories of enrollees are retirees and part-time employees. For benefits to be continued into retirement, an employee must (1) have retired on an immediate annuity (an annuity which begins to accrue no later than one month after the date of final separation), and (2) have been continuously enrolled (or covered as a family member) in any FEHB plan (not necessarily the same plan) for the five years of service immediately preceding retirement, or if less than five years, for all service since an employee's first opportunity to enroll. For part-time employees, the government contribution is prorated in proportion to the percent of full-time service an employee is regularly scheduled to perform.

Enrollees may change the plan they are enrolled in, or their enrollment status (Self Only or Self and Family) during Open Season, which occurs annually. Eligible employees may also enroll during that time. Enrollees may also change their plan or status during other more limited times. An enrollee may cancel or change their enrollment from Self Only to Self and Family or vice versa at any time.

For premiums, each carrier charges a different amount. The government share for most plans is equal to the lesser of (1) 72 percent of the amounts OPM determines are the weighted average of premiums in effect each year for Self Only and Self and Family enrollments, respectively, or (2) 75 percent of the total premium for the particular plan an enrollee selects.

Table 4.25 shows the average annual premium for health insurance plans. The Postmasters-Standard plan has the highest premiums for both individual and family coverage. The lowest annual premium for individual coverage is \$481 for QualMed Plans for Health. The lowest annual employee premium for family coverage is for the Mail Handlers – Standard plan at \$1,144.

Coverage of various services (e.g. long term care, routine preventative care, etc.) depends on the type of plan an employee is enrolled in. New Mexico is an area that is considered medically underserved, as are eleven other states. In these areas, for people enrolled in a managed fee-for-service plan, the plan must pay benefits up to its contractual limits for covered health services provided by any State licensed practitioner (OPM "...A Handbook for Enrollees..." 2000).

Deductibles are required for many services, as shown in Table A4.26, on the following page. Deductibles range between \$100 and \$350 per calendar year. For hospital stays, deductibles range between zero and \$250. Note that HMOs do not require deductibles.

**TABLE A4.25
AVERAGE ANNUAL EMPLOYEE PREMIUM FOR FEDERAL
CIVILIAN EMPLOYEES**

Plan Name	Average Premium*	
	Individual	Family
Alliance Health Plan	\$1,390	\$2,725
APWU Health Plan	\$993	\$2,105
Blue Cross and Blue Shield - High	\$1,657	\$3,359
Blue Cross and Blue Shield - Standard	\$751	\$1,670
GEHA Benefit Plan	\$1,143	\$2,317
Mail Handlers - High	\$1,136	\$2,153
Mail Handlers - Standard	\$527	\$1,144
NALC	\$1,172	\$2,316
Postmasters - High	\$3,054	\$6,442
Postmasters - Standard	\$1,090	\$2,222
Lovelace Health Plan	\$594	\$1,783
Presbyterian Health Plan	\$515	\$1,343
QualMed Plans for Health	\$481	\$1,269
Average Annual Premium	\$1,116	\$2,373

Source: Office of Personnel Management, "Federal Employees Health Benefits Plans for Federal Civilian Employees," November 1999.

**TABLE 4.26
DEDUCTIBLES FOR FEHB PLANS FEDERAL CIVILIAN EMPLOYEES* 1999**

Plan Name	Benefit Type	Deductible	
		Calendar Year	Per Stay Hospital Inpatient
Alliance Health Plan	PPO	\$100	\$150
	Non-PPO	\$300	\$250
APWU Health Plan	PPO	\$250	\$0
	Non-PPO	\$250	\$200
Blue Cross and Blue Shield - High	PPO	\$150	\$0
	Non-PPO	\$150	\$100
Blue Cross and Blue Shield - Standard	PPO	\$200	\$0
	Non-PPO	\$200	\$250
GEHA Benefit Plan	PPO	\$300	\$0
	Non-PPO	\$300	\$0
Mail Handlers - High	PPO	\$150	\$0
	Non-PPO	\$150	\$250
Mail Handlers - Standard	PPO	\$200	\$150
	Non-PPO	\$200	\$300
NALC	PPO	\$275	\$0
	Non-PPO	\$275	\$100
Postmasters - High	PPO	\$200	\$0
	Non-PPO	\$275	\$150
Postmasters - Standard	PPO	\$200	\$0
	Non-PPO	\$350	\$250

* No deductible for HMO plans

Source: Office of Personnel Management, "Federal Employees Health Benefits Plans for Federal Civilian Employees," November 1999.

Various coinsurance/co-pay amounts are required by the different plans. Table A4.27 lists the percentages or amounts for the various plans and services. Depending on the service, some plans require a percentage of the services to be paid for, while others have a flat fee that must be paid. Although HMOs require a co-pay amount, they do not require co-pay for hospital inpatient room and board, other hospital inpatient services, or other hospital outpatient services.

Table A4.28, on the following page, shows the limits for catastrophic coverage per calendar year. Catastrophic limits per calendar year range between \$2,000 and \$4,500 per year. The Alliance and APWU health plans require that each family member meet the limit. Managed care plans have no catastrophic limit.

TABLE A4.27
COINSURANCE FOR DOCTOR VISITS AND HOSPITAL STAYS FEDERAL CIVILIAN EMPLOYEES

Plan Name	Type	Coinsurance (%)/Copay (\$)			
		Doctor	Hospital In-patient*	Hospital In-patient Other	Hospital Out-patient Other
Alliance Health Plan	PPO	10%	10%	10%	10%
	Non-PPO	30%	30%	30%	30%
APWU Health Plan	PPO	10%	10%	10%	10%
	Non-PPO	30%	30%	30%	30%
Blue Cross and Blue Shield - High	PPO	5%	0%	0%	\$10
	Non-PPO	20%	30%	30%	\$100
Blue Cross and Blue Shield - Standard	PPO	10%	0%	0%	\$25
	Non-PPO	25%	30%	30%	\$150
GEHA Benefit Plan	PPO	10%	0%	10%	10%
	Non-PPO	25%	0%	25%	25%
Mail Handlers - High	PPO	10%	0%	0%	10%
	Non-PPO	30%	0%	0%	30%
Mail Handlers - Standard	PPO	10%	0%	0%	10%
	Non-PPO	30%	0%	0%	30%
NALC	PPO	15%	0%	0%	15%
	Non-PPO	30%	20%	20%	30%
Postmasters - High	PPO	10%	0%	0%	10%
	Non-PPO	15%	0%	15%	20%
Postmasters - Standard	PPO	10%	0%	0%	10%
	Non-PPO	30%	30%	30%	30%
Lovelace Health Plan		\$10		\$0	NA
Presbyterian Health Plan		\$10		\$0	NA
QualMed Plans for Health		\$10		\$0	NA

NA - Not applicable

* covers room and board

Source: Office of Personnel Management, "Federal Employees Health Benefits Plans for Federal Civilian Employees," November 1999.

TABLE A4.28
CATASTROPHIC LIMIT PER CALENDAR YEAR* FOR
FEDERAL CIVILIAN EMPLOYEES

Plan Name	Benefit Type	Limit (\$'s)
Alliance Health Plan	PPO	2,000**
	Non-PPO	3,000**
APWU Health Plan	PPO	2,000
	Non-PPO	3,500
Blue Cross / Blue Shield (High)	PPO	1,000
	Non-PPO	2,700
Blue Cross / Blue Shield (Standard)	PPO	2,000
	Non-PPO	3,750
GEHA Benefit Plan	PPO	2,500
	Non-PPO	3,500
Mail Handlers - High	PPO	2,500
	Non-PPO	4,000
Mail Handlers - Standard	PPO	4,000
	Non-PPO	4,000
NALC	PPO	3,000
	Non-PPO	3,500
Postmasters - High	PPO	2,500
	Non-PPO	2,500
Postmasters - Standard	PPO	3,000
	Non-PPO	4,500

* No limit for HMO plans ** Requires each family member to meet the limit
Source: Office of Personnel Management, "Federal Employees Health Benefits Plans for Federal Civilian Employees," November 1999.

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NEW MEXICO HEALTH POLICY COMMISSION STAFF

Suzanne Kotkin-Jaszi, Dr. Ph.
Director

Deputy Director
Vacant

Emily Gibson
Special Projects Coordinator

Jim Paulsel
Information Systems Manager

Shaun Meeks
Senior Economist

Camille Clifford
Systems Analyst

Dorothy Ball
Management Analyst

Kathy Goodyear
Programmer Analyst

Leticia Rutledge
Planner Director

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Network Administrator

Patrick Alarid
Management Analyst

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Systems Analyst

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Programmer Analyst

Rene Kirkland
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Irma Montoya
Statistical Analyst

Joanne Carlsen
Secretary

Financial Specialist III
Wanda Elmore

Bureau of Business and Economic Research staff and sub-contractors:

Carol A. Karps, Survey Contract Manager and former HPC Deputy Director

Lee A. Reynis, Ph.D., BBER Project Director

Dolores Busch- DeMarcus, M.A.

Tony Sylvester, M.A.

Gilmore Research Group

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