Key Informant Interview Findings

The 2004 Florida Health Insurance Study

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The Florida Health Insurance Study 2004

Key Informant Interview Findings

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Executive Summary

Structured interviews were included as part of the 2004 FHIS in order to provide an additional method for discussion of the factors that influence access to and participation in health insurance coverage, participant's views concerning what constitutes an adequate benefit package, and the coverage options that should be implemented or expanded in Florida. Respondents were questioned about the desirability and practicality of several coverage options, including Health Flex, reopening of Florida's High Risk-pool, KidCare and Local Initiatives.

Interviews were conducted with persons from the following groups:

- Physicians
- Hospitals
- Insurers
- Advocacy groups
- Safety-net groups

As a preface to exploring the Florida coverage options, the key informant interviews began with five questions concerning benefit packages for potential coverage options and three questions on financing of coverage. The basic or core questions were designed to acquire more information about the feasibility of the following coverage options now being assessed, implemented, and/or expanded in Florida as a result of the work of the Governor's Task Force and the House Select Committee:

- Expansion of the Health Flex Program;
- Expansion of KidCare, the Florida SCHIP;
- Creation of a new high-risk-pool: the Florida Health Insurance Plan for people with pre-existing conditions who cannot obtain health insurance;
- Creation of a pooled purchasing option for small businesses: the Small Employers Access Program for businesses with 25 or fewer employees;
- Support for local programs like the Hillsborough Health Plan and other county-financed programs; and
- Protection of safety-net programs like Federally Qualified Health Centers, Public Health Departments and public hospitals.

Respondents were generally in agreement that the Health Flex program should be expanded to include persons at higher income levels, that the KidCare program is Florida's best example of a successful health coverage initiative and should cover all uninsured children, and that the proposed risk-pool is a good idea. Respondents expressed support for local coverage programs such as the Hillsborough Health Plan and "safety-net" hospitals, but also expressed a need for urgent care centers to divert persons from emergency rooms. Florida's proposed pooled purchasing initiative was viewed as unlikely to succeed and several respondents referenced Florida's prior effort with the Community Health Purchasing Alliances (CHPAs) as influencing their perspective.

There were differing opinions regarding what constitutes an adequate health care benefit package, with a strong consensus that primary and preventative care is essential, but different responses regarding the inclusion of inpatient and pharmacy services. Some respondents thought that unless people were covered for serious accidents and illnesses they would not purchase any plan in enough numbers to make the plan viable.

Overall, respondents believed that some level of health care coverage should be available to everyone, that public funding was required to offset the cost of this coverage, and that while Florida may not be able to afford the cost to cover all Floridians, all children should be covered.

Introduction

As the 2004 FHIS research activities were planned, it became clear that there was a need for additional research to complement the large household telephone survey that is the core research activity. The number of people without health insurance and wide-ranging information regarding their attributes can be learned from surveys. Some of the many subtle details about the experiences of those with and without health insurance can be understood through key informant interviews or other forms of qualitative research. Research demonstrated that surveys are a poor venue for considering reactions to hypothetical situations, such as the proposed policy options that may be part of recommendations for expansion of health insurance coverage.

If simple and obvious solutions exist to these issues, they would have long since been implemented. It is therefore critical that a thorough and thoughtful conversation regarding health insurance include the views of people who are close to the issues and can assist in recognizing the likely consequences of various options. As such, key informant interviews were used to promote discussion and collect public opinion about access to and participation in the health insurance coverage for Floridians. Is it important to realize, however, that the range and potential impact that might derive from various policy interventions is complex.

With this qualification in mind, the key informant interviews were used to ascertain opinions among individuals likely to be knowledgeable about healthcare issues. Therefore, the interviews were conducted with physicians, hospitals representatives, insurers, healthcare advocates, and safety-net providers. During the interviews, participants' views were obtained concerning health insurance, what constitutes an adequate benefit package, and the coverage options that should be implemented or expanded in Florida. Additionally, respondents were questioned about the desirability and practicality of several coverage options, including Health Flex, reopening of Florida's High Risk-pool, KidCare and Local Initiatives.

The State Planning Grant (SPG) program of the Health Resources and Services Administration (HRSA) provided funding in 2004 for the Agency for Health Care Administration (AHCA) to update the 1999 Florida Health Insurance Study (FHIS), particularly the household survey component of that prior study.

Findings and reports from the 1999 FHIS are available at:
http://ahca.myflorida.com/Medicaid/Research/index.shtml
Further information regarding 2004 FHIS research activities can be found at:
http://ahca.myflorida.com/Medicaid/Research/Projects/fhis2004/index.shtml

Methodology

As a background to the development of the structured interviews, information, data, and experience from the following groups or activities were considered:

- The Governor's Task Force on Access to Affordable Health Insurance;
- The House Select Committee on Affordable Health Care for Floridians;
- The 1999 FHIS;
- The 2004 Household Survey Preliminary Findings;
- The 2004 FHIS Focus Group Preliminary Findings;
- Proceedings from the first two 2004 FHIS Advisory Council Meetings; and
- 2004 and 2005 Florida Legislative activities specific to the options for increasing coverage passed in 2004.

At the time of the structured interviews, the Governor and AHCA had announced a far-reaching plan to transform the Medicaid program in Florida. Various agency presentations, documents, and Legislative Committee hearings were very much on the mind of the people being interviewed.

Due to turnover in staff, key informants for major employer groups were not available for interviews. However, much of their input was captured during the Governor's Task Force and Select Committee meetings in 2004. In addition, a survey conducted by the Florida Chamber of Commerce, "Let's Get Florida Covered, Solutions to Lower Costs and Increased Access to Health Insurance" delineating the Florida Chamber Federation's perspective, was completed on February 4, 2004.

A structured interview guide was developed for interview participants (attached to this report) and an introduction to the interview, the preliminary findings from the 2004 FHIS, and the interview questions were provided in advance of the interview. The purpose of the interview was described as an opportunity to:

- Discuss views of current and new options for coverage; and
- Obtain views for future direction of efforts that may find support or consensus with Florida's public and policymakers.

An emphasis was placed on eliciting comments and suggestions within the context of what would work in Florida.

Respondents were informed that their responses would be recorded in writing without individual identification and that responses would be reported in the final report without individual attribution.

As a preface to exploring the Florida coverage options, the key informant interviews began with five questions concerning benefit packages for potential coverage options and three questions on financing of coverage. The basic or core questions were designed to acquire more information about the feasibility of the following coverage options now being assessed, implemented, and/or

expanded in Florida as a result of the work of the Governor's Task Force and the House Select Committee:

- Expansion of the Health Flex Program;
- Expansion of KidCare, the Florida SCHIP;
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- Creation of a pooled purchasing option for small businesses: the Small Employers Access Program for businesses with 25 or fewer employees;
- Support for local programs like the Hillsborough Health Plan and other county-financed programs; and
- Protection of safety-net programs like Federally Qualified Health Centers, Public Health Departments and public hospitals.

Ample time was allowed to fully explore the interviewee's insight on these options, and each person had time to suggest or recommend other coverage options or new initiatives.

Summary of Key Informant Interviews

Interviews were conducted with persons from the following groups:

- Physicians
- Hospitals
- Insurers
- Advocacy groups
- Safety-net groups

A core interview guide was developed (Attachment A) accompanied by a second set of questions specific to insurers, consumers, employers or safety-net providers. Eleven interviews were conducted by phone from HMA's Tallahassee office during the months of February and March, 2005. Interviews were declined by three business groups due to turn over in their personnel and scheduling conflicts. The results from these interviews are summarized below by the health care options previously developed in Florida, followed by additional coverage suggestions and a number of interesting individual comments.

Health Flex

Health Flex is a Florida initiative targeted to the development of an insurance-like form of health care financing that might be more affordable than the typical products. The primary mechanism in which Health Flex might achieve greater affordability is relief from numerous "mandated coverages" that other health insurance products must cover. In 2004, the Florida Legislature expanded the geographic availability of the Health Flex program. Originally available as a pilot program in three areas of Florida, potential Health Flex providers may now offer a plan anywhere in Florida. The Health Flex program was also required by the 2004 session of the Legislature to comply with the marketing standards similar to those required of HMOs in Florida. Another legislative change allowed Health Flex Plans to offer catastrophic coverage (although Health Flex Plan providers could in actuality offer such coverage prior to the revised legislation). Discussion during the Governor's Task Force and the House Select Committee meetings included support for greater flexibility and availability of Health Flex Plans in order to "let the market" drive the optimal types of coverage and price. At this point, the offerings remain limited to four plans.

Several interviewees stated that the eligibility limit specific to persons with incomes up to 200% Federal Poverty Level (FPL) is a problem. There was a strong consensus this limit is constraining the potential offerings and the take-up rate for Health Flex Plans. Interviewees noted that an income eligibility level of 300% of the FPL (or higher) would enable those most able to afford a limited coverage plan (and the attendant risk) to purchase coverage, which "is better than no coverage at all." It is interesting to note that provider and insurer interviewees stated that Health Flex Plans are not encroaching on their market. In general, the Health Flex program was viewed as a well-intentioned program that has not demonstrated the desired outcomes to date, but which could still be viable if it were expanded to target a higher income population.

There is far less agreement on what a benefits package under Health Flex or a "bare bones" benefit package should look like. While there was a strong consensus that primary and preventative care is essential, there are widely different responses regarding the inclusion of inpatient and pharmacy services. Some respondents thought that unless people were covered for serious accidents and illnesses they would not purchase any plan in enough numbers to make the plan viable.

Several interviewees mentioned that potential creative financing could accompany a Health Flex Plan. For example, there is potential to leverage local or state funds, along with employee and employer contributions, along the line of the three share plans prominent in Michigan. Substantial premium subsidies were seen as necessary for persons with incomes under 200% FPL. The Jackson Health Plan fully subsidizes the premium for people with incomes less than 100% of the FPL purchasing Jackson's Health Flex option, with partial subsidies for people with incomes between 100% and 200% of FPL.

Interviewees felt that adequate outreach or advertising has not taken place and some felt that Health Flex Plan programs were difficult to market.

Health Flex comments:

"Still unaffordable at lower rates"
"Increase eligibility to 250% FPL"
"Move up to 300%"

KidCare

The focus group participants and stakeholders were well aware of the State Child Health Insurance Program, known in Florida as the KidCare program. Most interviewees were very familiar, as well, with the recent background of changes made to the program. In 2004, the Florida Legislature imposed limited enrollment to two distinct periods for the year beginning in January 2005, as well as requiring tighter documentation on income. Another KidCare bill has been introduced this session and seeks to re-open enrollment on a year-round basis after the 2004 changes resulted in a drop in average monthly enrollment in the KidCare program.

All of the interviewees stated that all children should be covered through KidCare (if not eligible for affordable health insurance from another source) and that coverage should be financed through subsidies where necessary.

In answering the question: "Which of the current options or new initiatives do you believe Florida's public and policymakers can reach a consensus on expanding?" expansion of KidCare was cited most frequently. People believe that it offers a good benefit package, that it has been the most successful program in terms of expanding coverage, and that policymakers can agree to further expand the program. The need for increased outreach and the imposition of limited enrollment periods were frequently cited when answering the questions concerning why some

people do not participate in existing programs. In responses concerning improving current options, the need for better outreach and the elimination of limitations on enrollment were cited.

A number of interviewees suggested expanding the program beyond families with incomes above 200% of the FPL with adequate safeguards, such as sliding-scale family participation and required participation in employer-sponsored coverage where affordable. Most informants suggested that some subsidy should be available, if necessary, to ensure all children have health care coverage.

KidCare comments:

"Should cover every child"
"Most successful model"
"KidCare benefit package is terrific"

Florida Health Insurance Plan

Although the ideas of Florida's High Risk-pool as a safety net for those individuals who cannot find coverage because of preexisting conditions received considerable discussion during the deliberations of the Governor's Task Force, most interviewees did not have many comments on this option. Most thought generally that it was a good idea and supported development of this program (enrollment of individuals in the State's existing high-risk-pool has been closed since 1992), but those who knew any details immediately focused on how the new risk-pool would be funded. Insurers do not want it funded by a premium tax, and a broad base funding source has been difficult to obtain. Several individuals recommended funding it through state general revenue. As required in HB 1629, the Office of Insurance Regulation contracted for an actuarial study to determine the funding necessary to open enrollment in a new plan. This study has been submitted to the Legislature.

One interviewee suggested that the Medicaid Medically Needy Program act as a safety net for low-income individuals in lieu of a lack of enrollment in the high-risk-pool. They believed that any general revenue that could be used for the Florida Health Insurance Plan for individuals who would qualify for the medically needy program could be used to leverage federal matching funds through Medicaid.

Pooled Purchasing

The general view of pooled purchasing is that Florida's prior efforts such as the Community Health Purchasing Alliances (CHPAs) have not worked too well, but interviewees were generally not aware of some of the differences with the current Small Employers Access Program design, or with the recent activities by the Office of Insurance Regulation (OIR). OIR sent an RFI to small employer carriers to determine interest in the program and contracted for an evaluation of the responses. This was for the purpose of assisting in the design, evaluation, and assessment of the program, and to recommend statutory changes, if necessary, to strengthen the program.

One key difference between this program and the previous version is the concept of a "Mutually Supported Benefit Plan" that allows for shared funding between a unit of government and the employee and employer for an alternative coverage plan.

Several interviewees favored larger pools than the legislatively mandated 2 – 25 employee limit, (and the legislation imposes geographic restrictions on the pools, further reducing the opportunities for larger pools) and stated some subsidy for low income workers should be provided to encourage buy-in.

There were diverse opinions as to why previous the CHPAs did not continue. Some informants cited the political clout of insurers, adverse selection, and limitations on the program design, including disincentives for agents to market products to small businesses through the CHPAs. One informant suggested the use of much larger pools, including Association pools.

Pooled Purchasing Comment:

"The original program [CHPAs] was good but it got too political—take politics out of it."

Local Government and Safety-Net Programs

Comments from interviewees included an awareness of local government and safety-net programs and their importance for individuals not able to otherwise access coverage. There is strong support for enhancing the hospitals, Federally Qualified Health Centers (FQHCs), and community-financed programs and for ensuring their current funding is not diminished. The major drawback to local programs cited by interviewees is that many counties do not have county revenue-based programs that permit support of these initiatives.

Several interviewees suggested that the safety-net programs could become more efficient if they could effect change in utilization of the emergency room. To this end, increased funding and extended programs and hours of operation could be funded for existing health centers and community providers. Interviewees suggested that urgent care community facilities are needed and funds should be developed or shifted to move people out of the safety-net hospital emergency rooms.

Local Government and Safety-Net Program Comments:

"Local programs are the only light in sight"
"They are hit or miss" (meaning lack of consistent statewide coverage)
"Jackson Memorial and Hillsborough County: they are the way to go"
"Allow local governments more taxing authority"

Individual Interviewee Ideas and Comments

"The average uninsured individual does not understand the complexities of insurance, benefit packages, and offerings like health savings accounts or credits."

"We need a shift from health care viewed as an expense to a view that it is also economic development—high skilled, high tech, high wage."

"Health Savings Accounts—an exciting addition for middle and higher income users but this is not an answer for lower income people."

"Medicaid can be more efficient—especially with prescribed drugs and inpatient— but needs more care management"

Appendix A: Sample Interview Guide

Interview with Insurers

Interview guide

- All responses are recorded in writing without identification other than type of responder (see below).
- Responses will be accumulated and referenced in the HRSA report where relevant. No identifying information will be included.

Purpose of interview

- Discuss your views of current and new options for coverage.
- Obtain your views for future direction of efforts that may find support or consensus with Florida's public and policymakers.

Respondent Type

Check all that apply

- ❑ **Consumer**
- ❑ **Consumer Advocate**
- ❑ **Health Insurer**
- ❑ **Healthcare Provider**
- ❑ **Safety-Net Provider**
- ❑ **Local Entity (government-sponsored entity)**

Basic Questions

Benefits

1. What are the features of an adequate health insurance benefit package?

2. What are the absolute minimum features that should be included in a "barebones" package?

3. How adequate are existing insurance products for persons of different income levels?

4. How adequate are existing insurance products for children? Non-elderly adults? Adults?

5. How adequate are existing insurance products for persons with pre-existing conditions?

Financing

6. What vehicle should be used to make insurance available to non-elderly adults? (Public programs, employer-sponsored insurance, individual insurance, local programs, other?)

7. What vehicle should be used to make insurance available to children? (Public programs, employer-sponsored insurance, individual insurance, local programs, other?)

8. Who should bear the cost for health insurance? (state, local government, individual, employer, all, other?)

Options

9. Are you familiar with the following options for expanding coverage to the uninsured being considered, implemented, or expanded in Florida?

    a. Risk pool: the Florida Health Insurance Plan for people with pre-existing conditions who cannot obtain health insurance.
    b. Health Flex expansion.
    c. Pooled Purchasing: the Small Employers Access Program for business with 25 or fewer employees.
    d. Local programs: like Hillsborough Health Plan, JAXCare.
    e. Safety-net providers: like Community Health Centers, Public Health Departments.
    f. KidCare: for children in families with incomes up to 200% FPL and no ESI.

10. Which of the current options or new initiatives do you believe Florida's public and policymakers can reach a consensus on expanding, if current, or adopting, if new?

11. Do you have any recommendations or insight on these initiatives?
    a. Design?
    b. Funding?
    c. Likely impact?

12. Do you have any recommendations for modification of any of these initiatives?

13. Do you have any new initiatives to recommend?

    - Expansions of public coverage?
    - Public/private partnerships?
    - Incentives for employers to offer coverage?
    - Regulation of the marketplace?

    a. How should these options be funded?

Insurer Questions

1. How would you characterize Florida's current health insurance products by type?

2. What is the most popular type of health insurance purchased by employers?

3. What is the most popular type of health insurance purchased by individuals?

4. Which insurance product do you believe offers the best level of coverage at an affordable price?

5. What impact does your State have as a purchaser of health care (e.g., for Medicaid, SCHIP, and State employees)?

6. What impact would current market trends and the current regulatory environment have on various models for universal coverage?

7. What changes would need to be made in current regulations?

8. How would universal coverage affect the financial status of health plans and providers?