

*Universal coverage and the commercial  
insurance market:  
The West Virginia Small Business Plan*

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West Virginia University  
INSTITUTE FOR HEALTH POLICY RESEARCH

# *Uninsured in West Virginia*

- RWJF State Coverage Initiative
  - Planning Grant
    - 2001 Survey
  - Demonstration Grant
- HRSA State Planning Grant
  - Health Advisory Committee
- SCI + SPG = WV Small Business Plan



# *Acknowledgement*

Evaluation of the WV Small Business Plan  
was supported by a State Coverage  
Initiative demonstration grant from the  
Robert Wood Johnson Foundation through  
the West Virginia Health Care Authority.



# *WV Small Business Plan*

- Eligibility
  - 2 to 50 employees
  - In business for 12 months
  - Hasn't offered health insurance for previous 12 months
  - 75% of eligible employees sign-up
  - Employer pays at least 50% of individual premium



## *WVSBP ~ continued*

- Available in market Fall 2004.
- Public/private partnership between West Virginia and commercial insurance carriers
- Access to Public Employees Insurance Agency reimbursement schedule
- Premiums 17-22% lower
- Mountain State BCBS currently only carrier



# *Evaluation*

- Focus groups with MSBCBS Agents
- Surveys of enrolled businesses and enrolled employees
  - Quarterly interviews with panels of enrolled businesses and employees
- Analysis of health claims data
- Enrollment data



# *Evaluation Questions: Mail Surveys*

- Who enrolled?
  - Business characteristics
  - Employee characteristics
    - Previous insurance status
    - Length of time uninsured
    - Type of coverage
- What do enrollees like and/or dislike about the plan?



# *Survey Methodology*

- Separate survey instruments were mailed to the businesses (257) and employees (898) enrolled in the WVSBP from from January 1, 2005 through June 30, 2006.
- Dillman Method for Survey Research was employed.
- Study was approved by the WVU Office of Research Compliance





# *Results: Employer*

- Total enrollees to date
  - 314 businesses
  - 998 contracts
- Employer Survey
  - 116 respondents (45% response rate)
  - 107 (92%) still enrolled at time of survey
  - Median number of employees = 5; Average size = 7.1
    - 74.6% full-time employees – 25.4% part-time employees



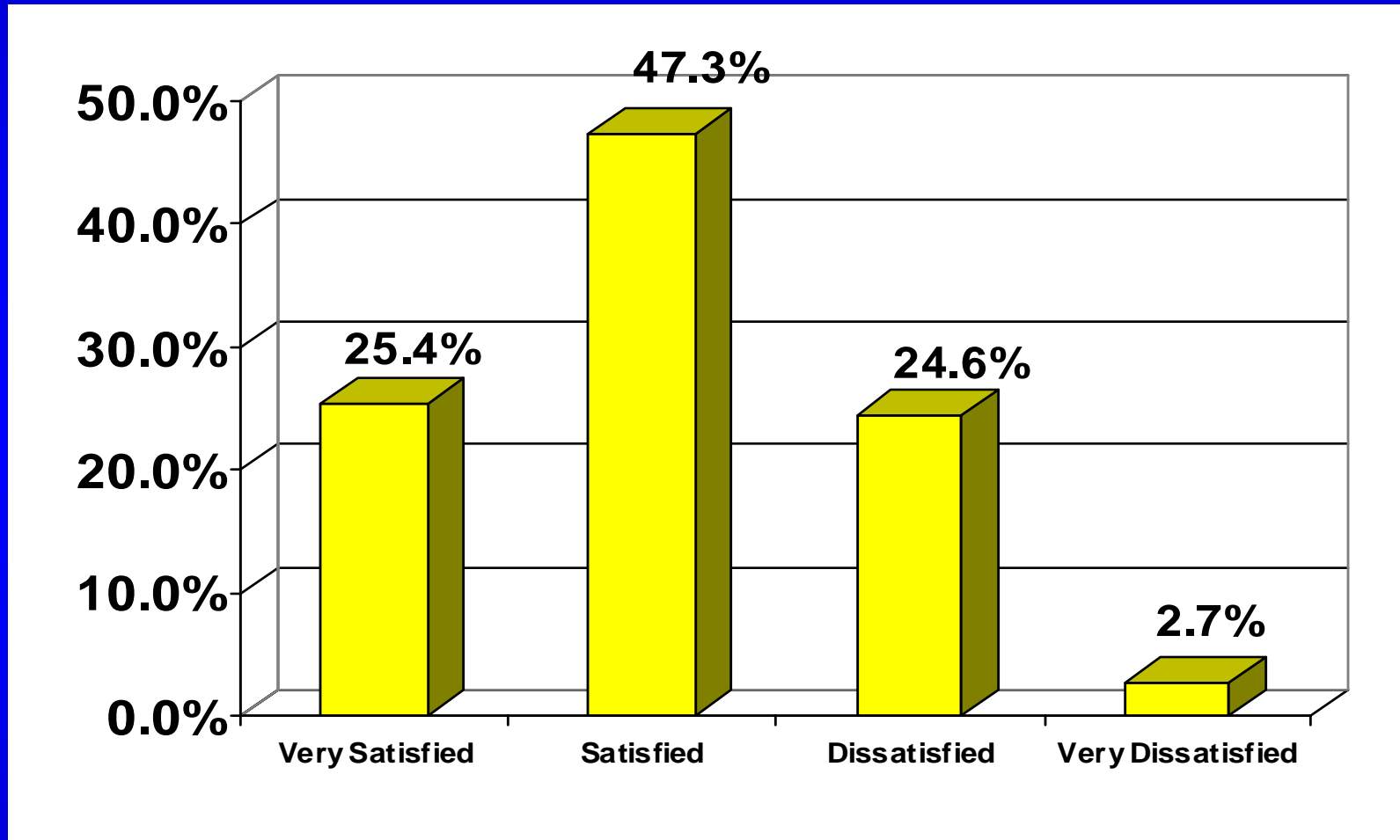
# *Results: Employer ~ continued*

78.5% had never offered a health insurance benefit prior to WVSBP

- Reasons for enrolling:
  - 57.4% Benefits are important to **retain workers**
  - 51.3% Cost was right
  - 47.8% It is the right thing to do.
  - 25.2% Important to **attract workers**
  - <10% **Workers demand benefits; Competitors offer so I need to; other reasons**
- Reasons disenrolled:
  - 11.1% **Business wasn't as profitable & couldn't afford it any longer**
  - 33.3% **Cost of Premiums**
  - 11.1% Cost of Premiums **AND** Not happy with benefits
  - 44.4% **Other** reasons

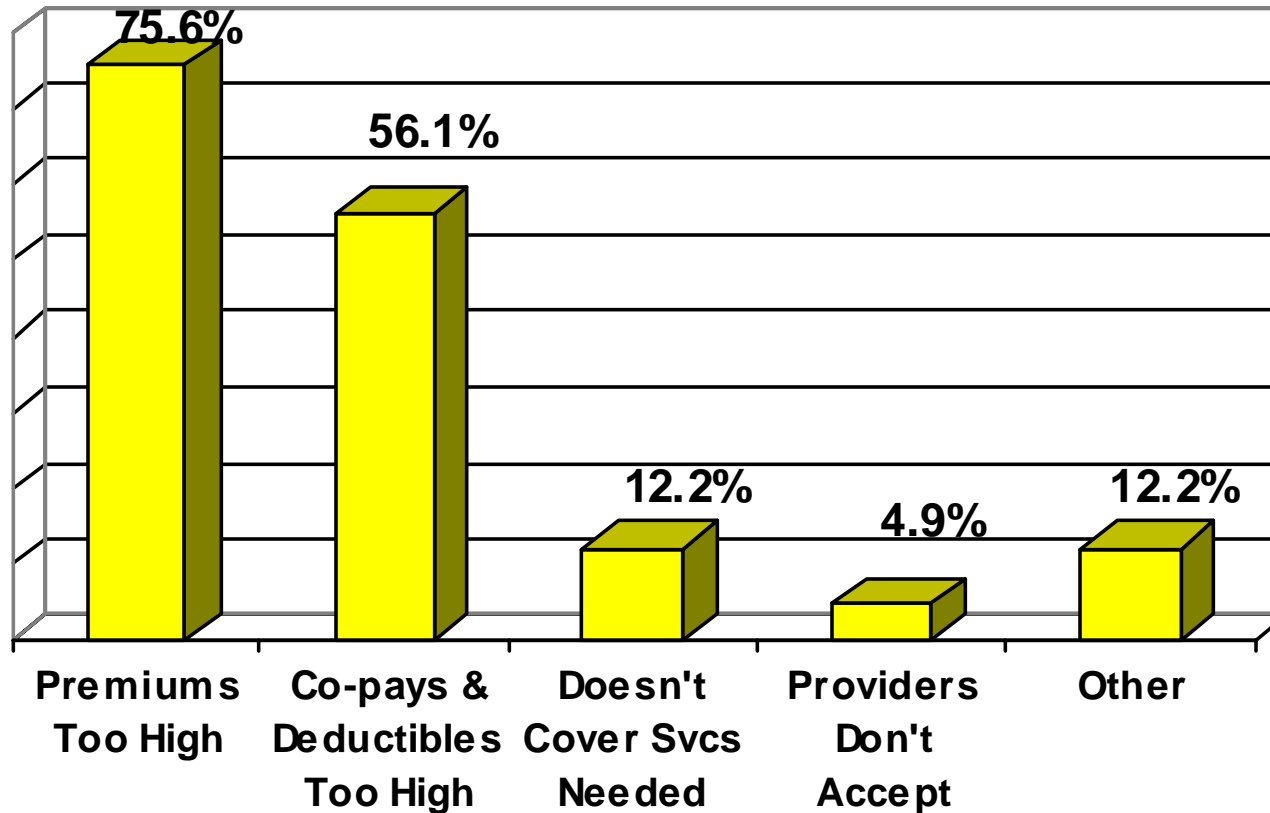


# *Employer Satisfaction with WVSBP*



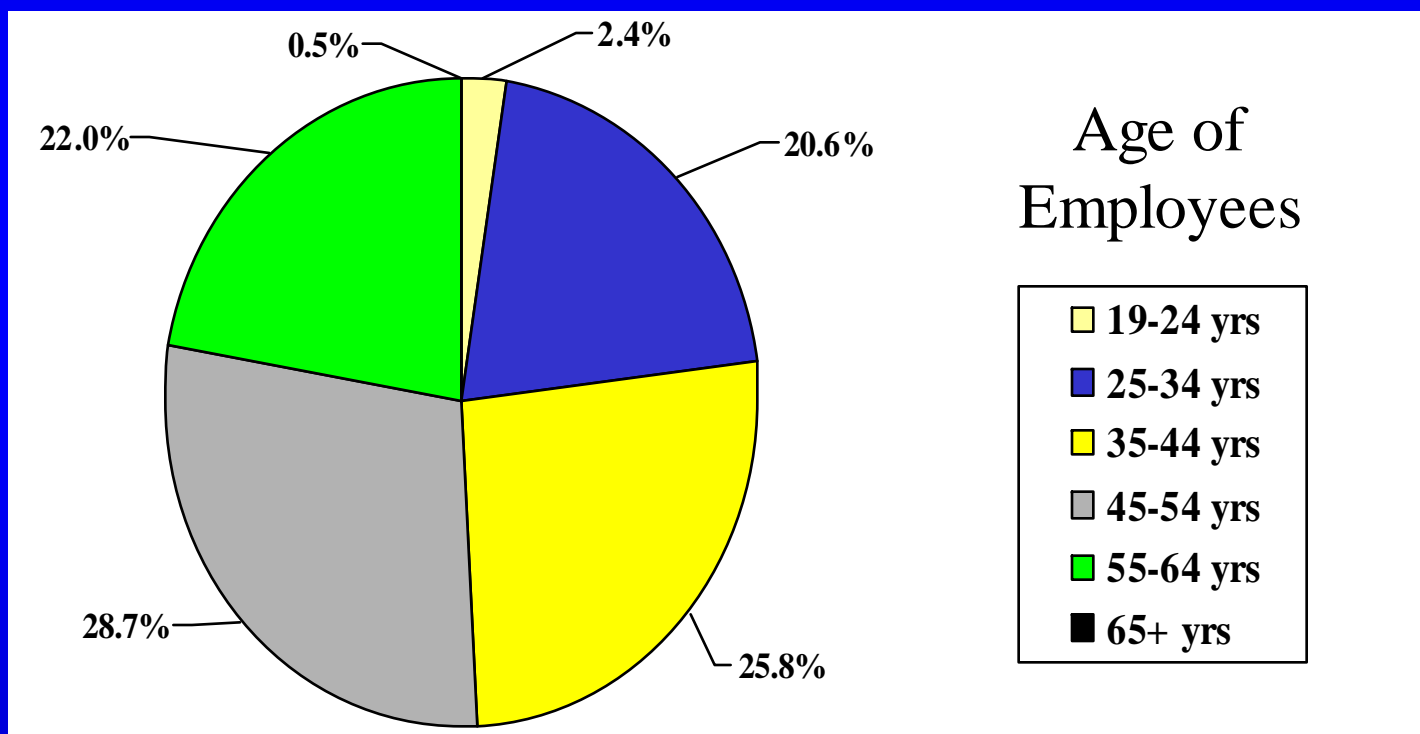
# *Employer Satisfaction ~ continued*

## **Reasons for Dissatisfaction**



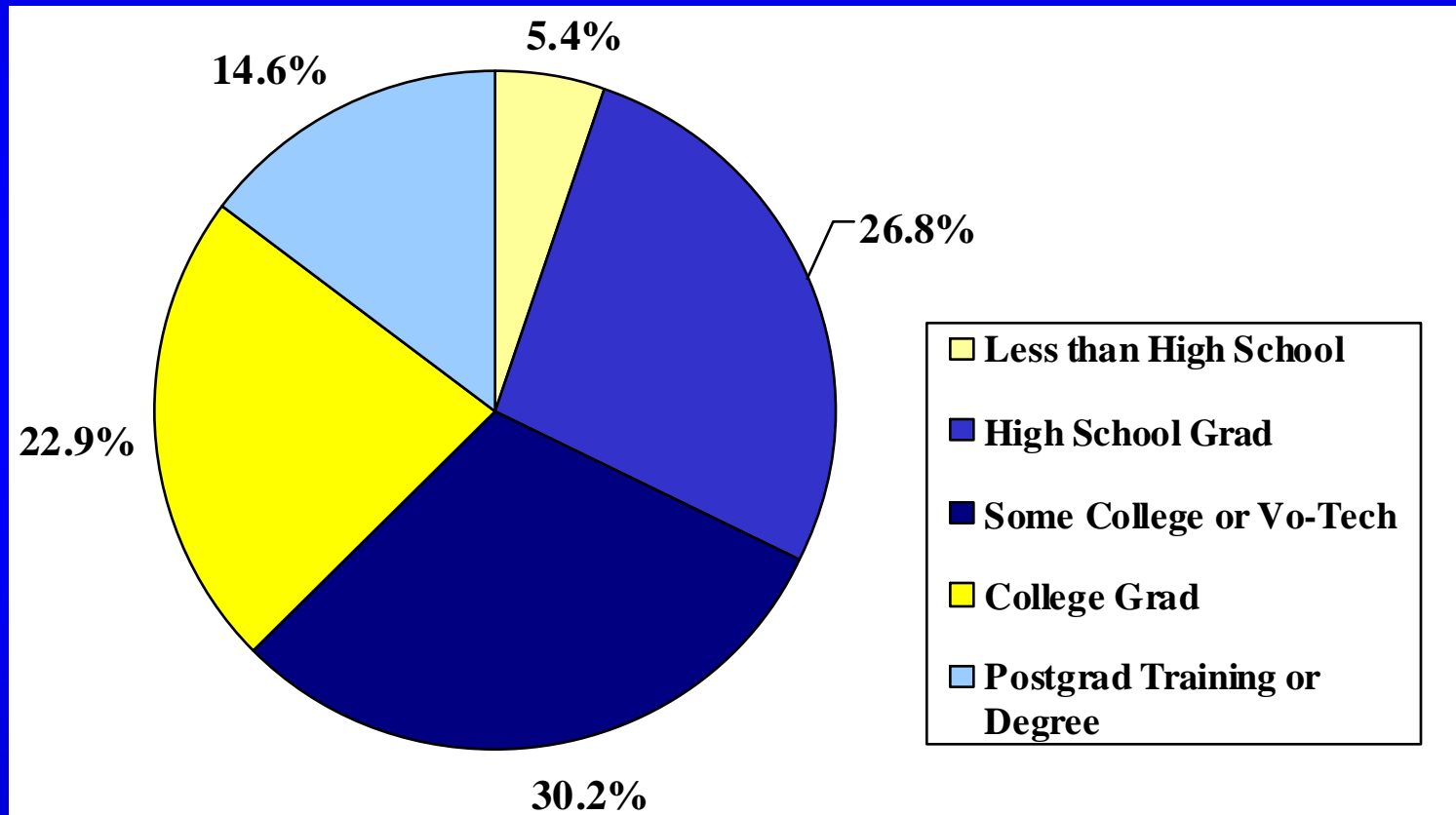
# Results: Employees

- 209 respondents (23% response rate)
  - 46% female, 54% male
  - 70% married, 17% divorced, 12% never married, 1% widow



# *Results: Employees ~ continued*

## **Education Level of Employees**



# *Results: Employees ~ continued*

## **Type of Coverage Represented**

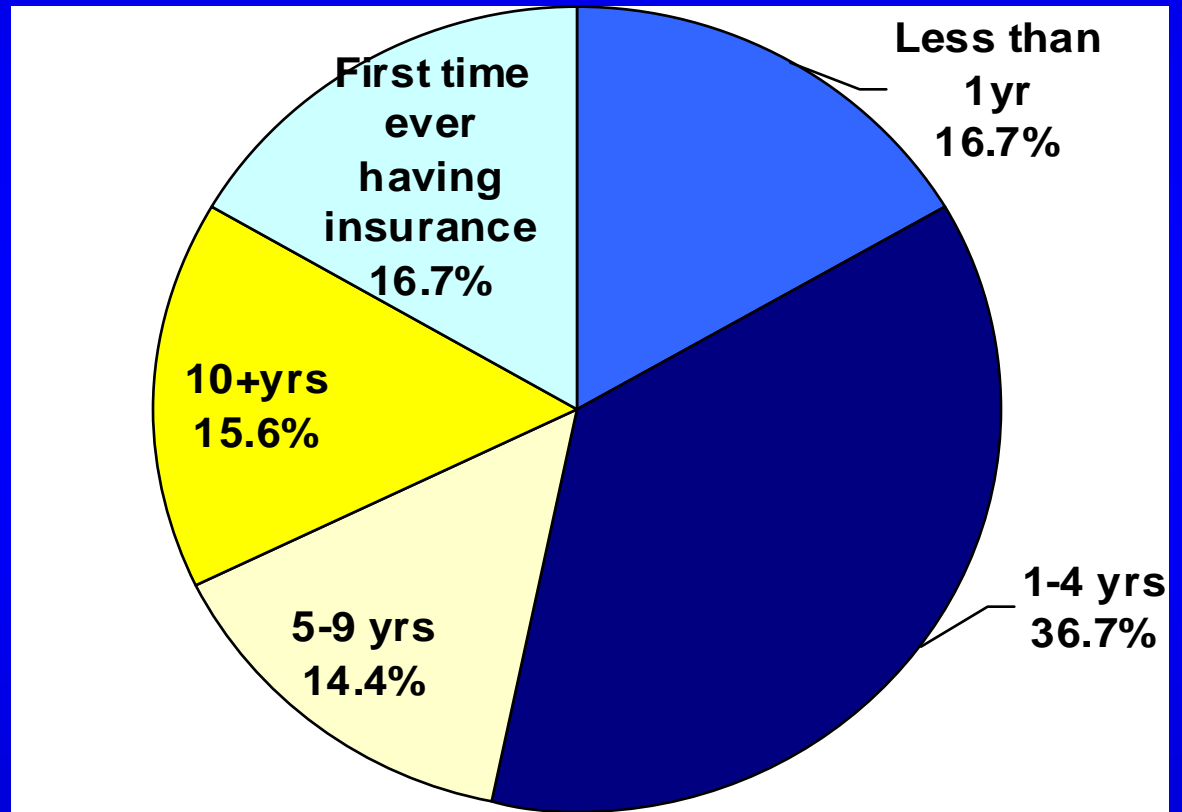
Type of Coverage	Percent of Respondents
Individual Coverage	59.5%
Family Coverage	18.1%
Individual plus Spouse	13.2%
Individual plus Children	9.3%



# Results: Employees ~ continued

- Insurance status before WVSBP:
  - 43.2% no health insurance
  - **56.8% had health insurance**

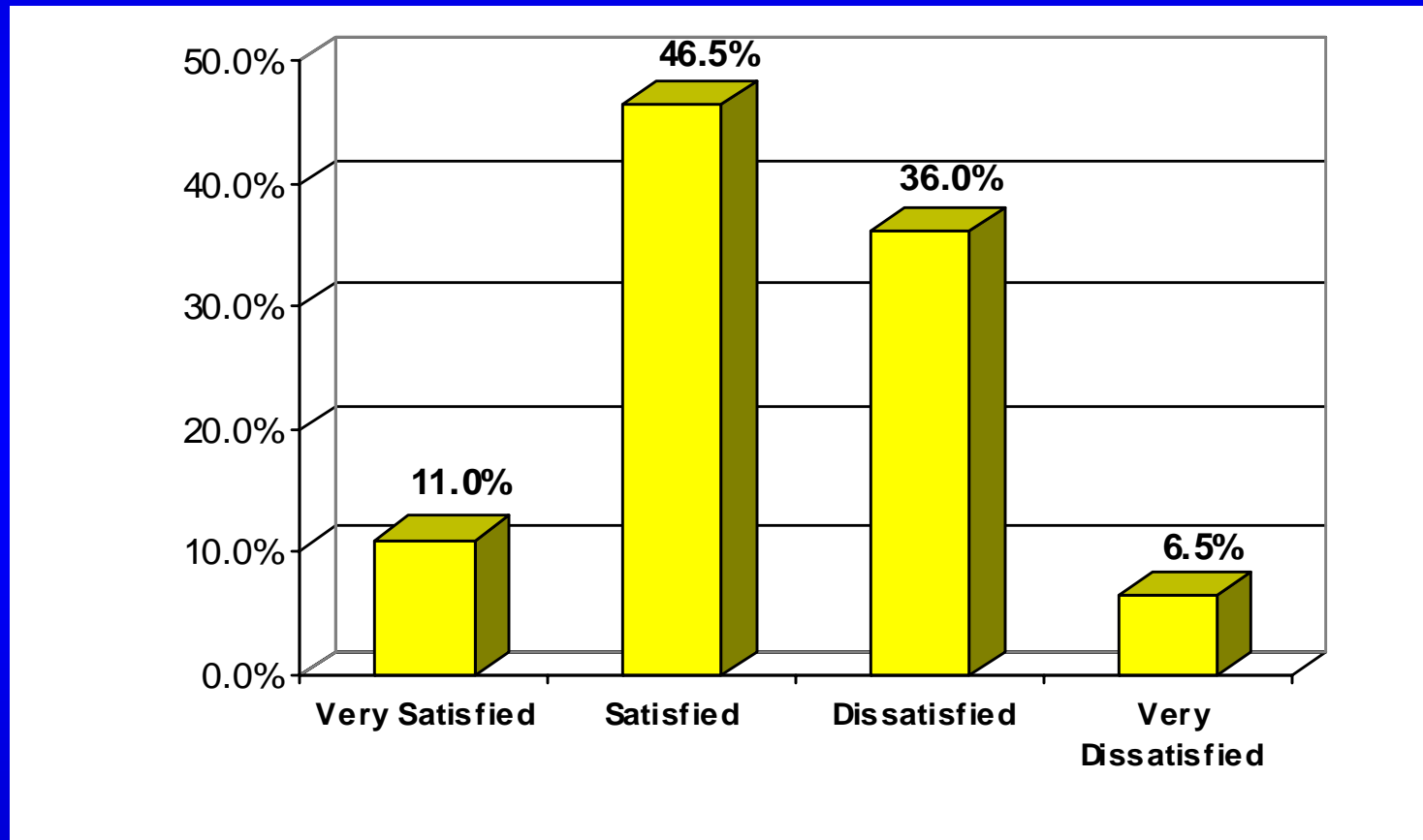
## Length of Time Without Insurance





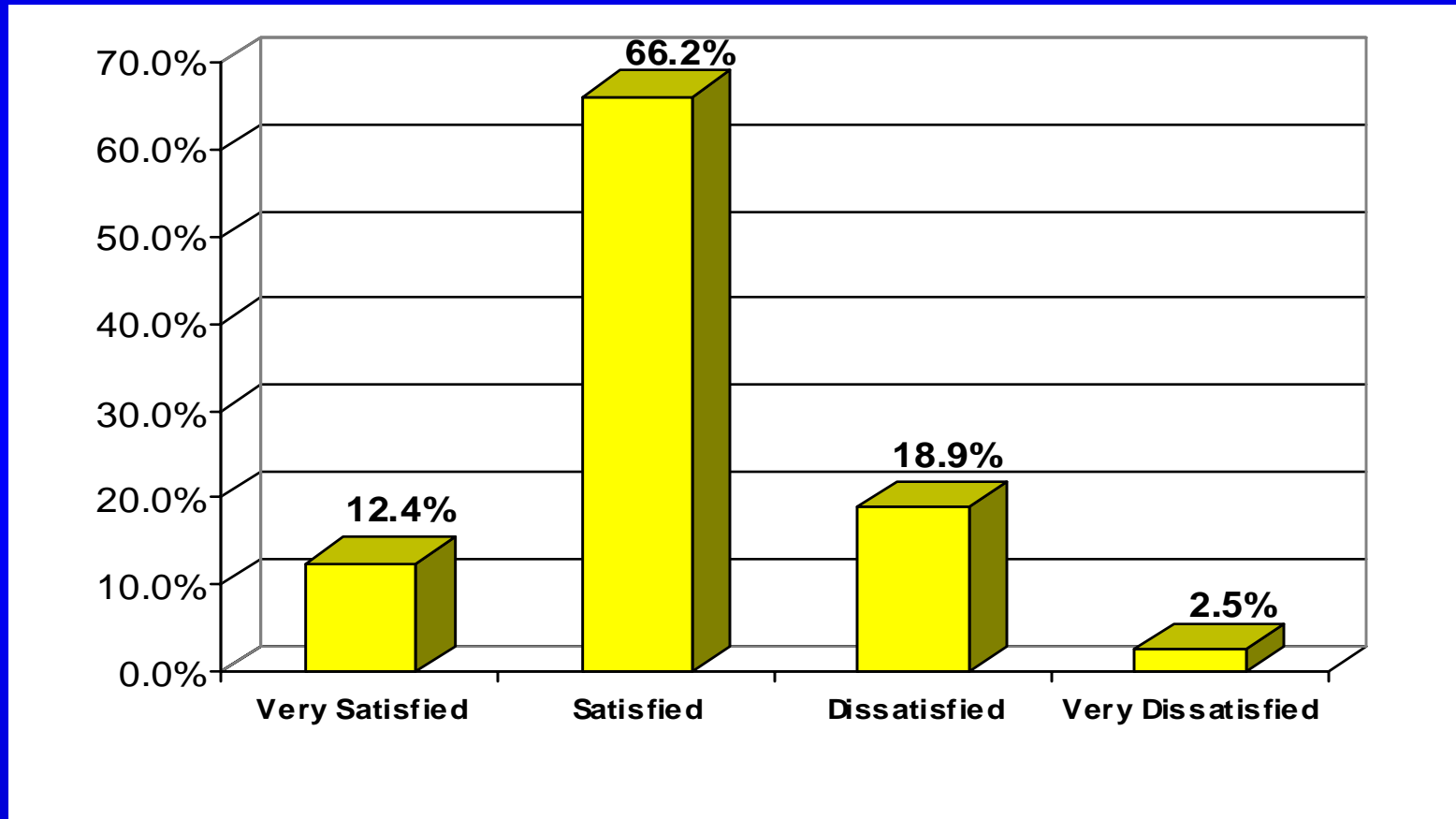
# *Results: Employees ~ continued*

## Employee Satisfaction with COST of WVSBP



# Results: Employees ~ continued

## Employee Satisfaction with BENEFITS of WWSBP



# *Results: Employees ~ continued*

## **Reasons for Dissatisfaction with Costs**

- 69.2% - Premiums Too High
- 53.9% - Co-pays or Deductibles Too High

## **Reasons for Dissatisfaction with Benefits**

- 51.9% - Doesn't Cover Services I Want or Need
- 37.0% - Other Reasons
- 9.3% - Too much Trouble/Too Complicated
- 1.9% - Providers Don't Accept Product



## *Summary/Conclusions*

- WVSBP seems to motivate small employers to offer group health insurance to their employees.
- Costs are still a major problem for both employers and employees.
- Premium rates increase to next rating tier at annual renewal, effectively eliminating the discount.



## *Next Steps*

- Round two interviews of panel of businesses and employees is currently underway.
- Claims data is currently being analyzed to address actual utilization of services: number, nature, timing.



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