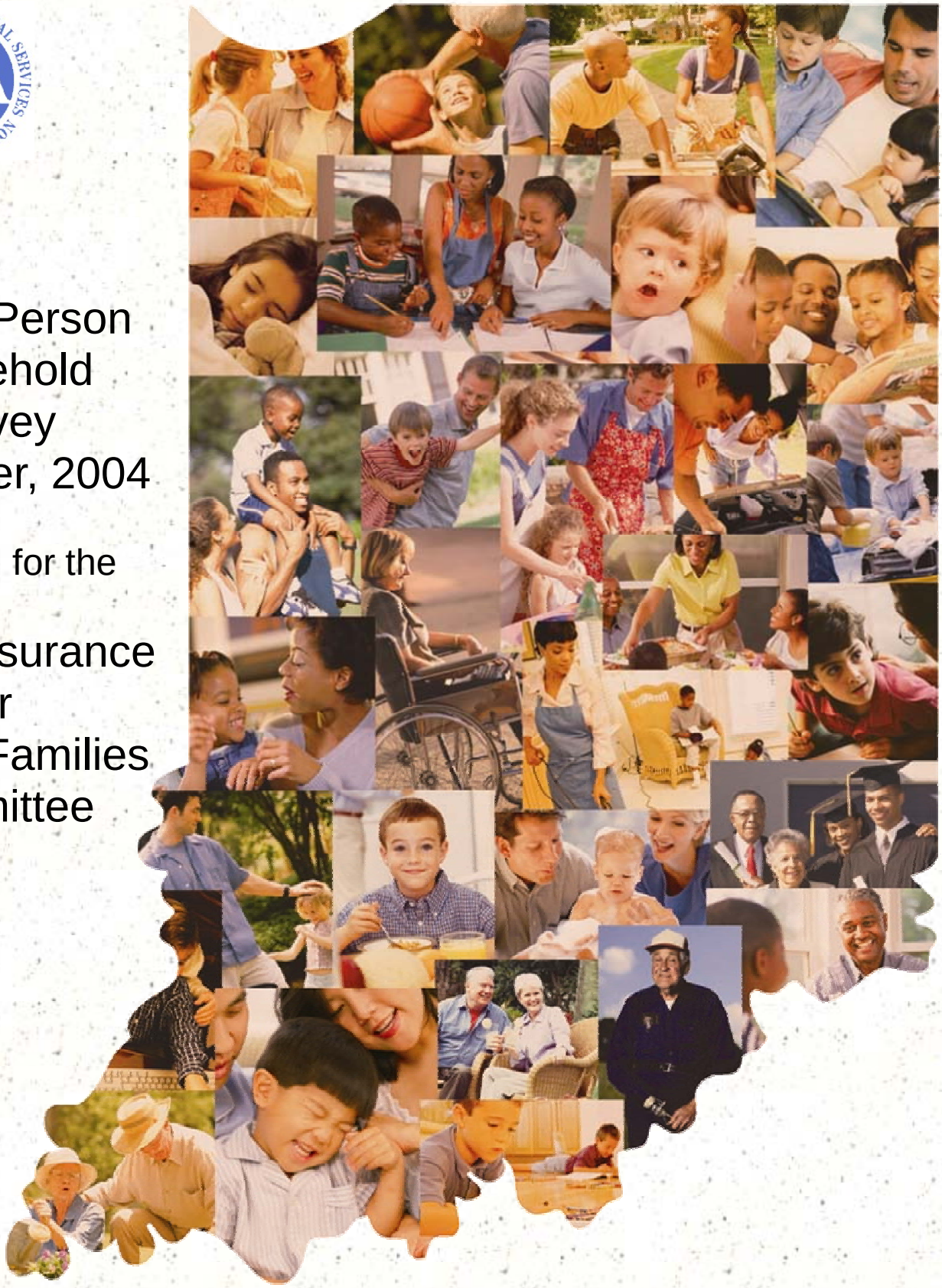
10,000 Person Household Survey November, 2004

prepared for the

Health Insurance for Indiana Families Committee



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FOREWARD

Hoosiers and people around the United States are paying more for health care than ever before. Increases in health care premiums have left some Hoosiers without insurance, underinsured, or on the verge of losing coverage. Employers face double-digit increases in premiums. Rising health care costs undermine the ability of individuals, businesses, and the state to purchase health care coverage.

There are approximately 45 million uninsured Americans. In Indiana, the percentage of Hoosiers without coverage is lower than the national average. The Family and Social Services Administration (FSSA) telephone survey reached more than 10,000 people and showed an uninsured rate of 9.2%. National studies put Indiana's rate at 12.9%. This means more than 600,000 Indiana citizens do not have health insurance.

The face of the uninsured has changed. It includes mostly working families and larger numbers of the middle class. Being uninsured has a great impact on individuals, families, communities and the economic vitality of the state. People without health insurance often have poorer health status, which affects their ability to work. Lack of health insurance is one of the leading causes of personal bankruptcy. Uninsured patients often delay care ultimately receiving costly emergency room treatment. Safety net hospitals and other institutions created to provide care for the indigent are struggling.

With great concern for these issues, the Indiana Family and Social Services Administration (FSSA) competed for and was awarded a $1.1 million State Planning Grant from the Health Resources and Services Administration (HRSA) in July 2002. The grant provided Indiana the opportunity to study its uninsured population and develop viable policy options for providing access to affordable coverage.

The Indiana State Planning Grant work was guided by the Heath Insurance for Indiana Families committee, a bi-partisan group that included public and private officials, representatives from small and large businesses, insurers, physicians, hospitals, the Indiana University School of Medicine, safety net providers, and advocates that developed options to address the needs of uninsured Hoosiers.

State Planning Grant funds were used to support data collection to aid committee members in their deliberations. The data collected was unparalleled in its scope and depth in providing information on the uninsured and the Indiana health care system.

The following reports were received by the committee. The contents are not endorsed or recommended by the committee.

I. 10,000 Person Household Survey

Over 10,000 Indiana residents were surveyed between February and April 2003 to understand key characteristics of the uninsured. The survey identified who the uninsured

are, where they live, where they receive care, their age, race, employment and health status.

II. Focus Groups of Businesses, Uninsured, Brokers, and Providers

The purpose of the focus groups was to gain insight from those affected by this issue and to understand the local dynamics of how people access care or experience barriers. Forty-seven focus groups were conducted throughout the state with more than 350 individuals. The stakeholder groups included uninsured and underinsured individuals, physicians, hospital administrators, businesses, insurance brokers, and community group. They were asked about cost, the consequences of no coverage, what should be in a basic plan, and their experience with government health programs.

III. Assessment of Indiana Health Funding

This report attempts to catalogue the major funding sources, eligibility requirements, and restrictions on funding. It also examines Indiana's current financing mechanisms and outlines additional opportunities for leveraging federal dollars. The report lays out issues that must be considered in determining whether the options presented are feasible.

IV. Safety Net Assessment

This report is intended to broadly identify and assess the major providers of safety net services in Indiana. It reviews the availability of primary, specialty, mental health, hospital and dental health care services and their financing. The information in the report was derived, in part, from the results of a survey of the Indiana Step Ahead Councils, as well as from interviews with the Indiana Primary Health Care Association (IPHCA), the Rural Health Association, and others. The report also discusses the Indiana Medicaid program and its significance to safety net providers.

V. Assessment of National & State Efforts to Address the Uninsured

This report focuses on the variety of options most commonly used by other states to expand health coverage. The report examines public program expansions, health insurance market reforms and initiatives, tax-based reforms, community-based programs, and strengthening the safety net.

VI. Indiana Market Assessment and Drivers of Health Care Costs

This report examines Indiana's demographic and economic changes that have affected the affordability and structure of private health insurance. The report provides an overview of Indiana's health care sector, the economic impact of cost reduction, Indiana's health insurance market, employer coverage, and cost drivers.

VII. Indiana Market Assessment & Drivers of Health Care Costs

A. Indiana's Health Care Sector and Insurance Market: Summary Report

This report examines Indiana's demographic and economic changes that have affected the affordability and structure of private health insurance. The report provides an overview of Indiana's health care market place including its impact on the overall economy. The report compares Indiana to neighboring states and identifies cost drivers.

B. Indiana's Health Care Sector and Economy Report

Understanding the impacts of rising health care costs on the economy is important, but it can be difficult to measure. In this report, health care services are considered as a source of employment. Finally, this report includes two analyses: a simulation of the impacts of rising health care costs in Indiana, and estimation of the possible impact of greater insurance coverage on hospital uncompensated care.

C. Indiana's Health Insurance Market

This report reviews the literature on state regulation of the small group and individual health insurance markets and describes three types of small-group insurance regulation.

D. Employer Sponsored Coverage in Indiana

This report reviews coverage rates overall (including both private- and public-sector workers and their families), as well as rates of employer offer, eligibility and take up. This report considers aspects of employer-based coverage that have cost implications.

E. Factors That Drive Health Care Costs in Indiana

This report examines trends in health care spending in Indiana for various types of services, changes in service utilization and price data. Several factors that may drive cost increases are considered, including changes in demographics, health insurance, service supply, and population health status.

VIII. Actuarial Analysis of Policy Options

This analysis estimates the number of people eligible and enrolling in the program at various income eligibility levels up to 250 percent of the Federal Poverty Level (FPL). The report also estimates the cost of coverage under three alternative benefits packages. The actuarial analysis of alternative benefits packages addresses the selected expansions in eligibility, program costs under alternative benefits packages, minimizing crowd-out, the impact of premium contribution requirements, and buy-in.

ACKNOWLEDGMENTS

The final report of the Health Insurance for Indiana Families represents the work of many individuals who donated their time, expertise, and energy to oversee the data collection efforts and to develop policy recommendations. The committee and subcommittees met monthly for more than two years and their efforts are sincerely appreciated. Additionally, we would like to thank members of the FSSA Technical Assistance Group which included Kathy Moses, Kari Kritenbrink, Joe Shelton, Judy Tonk and Michelle Geller.

HIIF Committee Members:

Cindy Collier
Director Policy, Planning and Communication
Indiana Family and Social Services Administration

Sam Odle
Chief Operating Officer
Methodist, IU and Riley Hospitals

Anne M. Doran
Lobbyist
Ice Miller, Donadio, & Ryan

John Fitzgerald, M.D.
Associate Dean
Indiana University School of Medicine

Janet Johnson
Deputy Director
Head Start

Richard King
Executive Director
Indiana State Medical Association

Bruce Melchert
Vice President of Government Affairs
Methodist, IU and Riley Hospitals

Alice Rae
Deputy Director
Indiana Primary Health Care Association

Allison Wharry
Director of Health Care Policy
Indiana Hospital & Health Association

Vicki Perry
President/Chief Executive Officer
ADVANTAGE Health Solutions, Inc

Charlotte Macbeth
President/Chief Executive Officer
MDwise, Inc.

Lynn Clothier
Chief Executive Officer
Indiana Health Centers Inc.

Michael Harding
Executive Director
CONNECT

Theresa Jolivette, Director
Health Care and Human Resource Policy
Indiana State Chamber of Commerce

Joy Long
Deputy Commissioner
Indiana State Department of Insurance

Jon Mack
Director, Primary Care
Indiana State Department of Health

Jason Shelley
State Director
National Federation of Independent Business

Stephanie Dekemper/ Nancy Jewell
President/Chief Executive Officer
Indiana Minority Health Coalition

Ex Officio:

David A. Roos
State Program Director
Covering Kids and Families of Indiana

Stacey Olinger
Director Community Access Program
Rural Underserved Access to Health

Leslie B. Zwirn
Health Care Consultant

Connie Floerchinger
Director of Cultural Competency & Community Programs
ADVANTAGE Health Solutions, Inc.sm

HIIF Subcommittees/Chairs

Options for Small Business Subcommittee
Chair: Vicki Perry
President/CEO
ADVANTAGE Health Solutions, Inc

Safety Net Subcommittee
Chair: John Fitzgerald, M.D.
Associate Dean
IU School of Medicine

Strategies Subcommittee
Chair: Charlotte Macbeth
President/CEO
MDwise, Inc.

State Planning Grant Staff

Seema Verma, Consultant
State Planning Grant Project Director

Jamalia Brashears
State Planning Grant Project Assistant

Katherine Humphreys
Consultant
Health Evolutions

Douglas Elwell
Consultant
Health Management Associates

The HIIF Reports and Recommendations Are Online At :

http://www.in.gov/fssa/dfr/3021.htm

2003 Health Insurance for Indiana's Families Survey

Indiana Survey Results Additional Analysis