



The WV Health Insurance Focus Group Report:  
An Evaluation of the Individual Health Access Plan and Adult Basic  
Benefit Plan by Individuals, the Self-Employed, Small Business  
Owners and Insurance Industry Representatives

West Virginia Health Care Authority  
WVU Institute for Health Policy Research  
Benefit Management & Design, Inc.

**This report was prepared by:**

Heather Starsick, M.A  
Sally K. Richardson, Executive Director .  
West Virginia University Institute for Health Policy Research

William Lindsey, Principal  
Benefit Management and Design, Inc.

**March 2004**

## **Partnerships**

The WV Health Insurance focus groups were sponsored and supported by the following:

West Virginia Health Care Authority  
WVU Institute for Health Policy Research  
Robert C. Byrd Health Sciences Center

The WV Health Insurance focus groups were funded by a grant from the Health Resources and Services Administration of the United States Department of Health and Human Services.

# WV Health Insurance Focus Group Report

## Table of Contents

<b>Introduction</b>	<b>3</b>
<b>Executive Summary</b>	<b>4</b>
<b>Locations: Methodology</b>	<b>4</b>
<b>Summary of Findings</b>	<b>5</b>
<b>The Uninsured</b>	<b>5</b>
<b>Plan Design and Cost</b>	<b>5</b>
<b>Information</b>	<b>6</b>
<b>State Managed Plan</b>	<b>7</b>
<b>Plan Designs</b>	<b>8</b>
<b>Findings Summary</b>	<b>10</b>
<b>Appendices</b>	<b>13</b>
<b>Appendix A: Focus Group Questionnaires</b>	
<b>Questionnaire A: Small Business Owners' Questionnaire</b>	
<b>Questionnaire B: Self-Employed and Individuals' Questionnaire</b>	
<b>Questionnaire C: Agents and Brokers' Questionnaire</b>	
<b>Questionnaire D: Self-Employed, Individuals and Small Business Owners' Questionnaire</b>	
<b>Appendix B: Summary of Questionnaire Responses</b>	
<b>Questionnaire A: Small Business Owners' Questionnaire</b>	
<b>Questionnaire B: Self-Employed and Individuals' Questionnaire</b>	
<b>Questionnaire C: Agents and Brokers' Questionnaire</b>	
<b>Questionnaire D: Self-Employed, Individuals and Small Business Owners' Questionnaire</b>	

## INTRODUCTION

Benefit Management & Design, Inc. was contracted by the West Virginia Health Care Authority and the WVU Institute for Health Policy Research to conduct a series of focus group sessions in mid-December 2003. The purpose of these sessions was to obtain public feedback that would help refine potential benefit packages that were being considered for health insurance expansions in both the individual and small business group markets in the State of West Virginia as part of the HRSA State Planning Grant.

During the course of six separate focus group sessions, the participants were asked for input on two specific plan designs. They were asked to evaluate these two options in terms of the concept of the benefit plan design, as well as the cost. Participants were also asked to provide feedback on other specific matters such as:

- the impact of the proposed 75% employee participation rule on small employers' ability to offer coverage to their employees,
- the impact of the proposed 50% minimum employer contribution rule on small employers' ability to offer coverage,
- relative interest in the individual plan versus the Adult Basic plan (employers only),
- the factors that inhibit individuals and small employers from obtaining coverage,
- how individuals and employers obtain information concerning insurance options,
- impressions individuals and employers may have on the primary cost drivers affecting insurance premiums, and
- whether individuals and employers would look favorably on an insurance program that might be provided through a private insurer versus the State of West Virginia.

The information gleaned from these information sessions is summarized later in this report.

It should be noted that timing for these focus groups was tied to having results available to provide supporting documentation related to State Planning Grant proposals that were being considered for proposal as legislative initiatives in the 2004 Regular Session. It was therefore necessary to use SPG benefit design analyses that were preliminary and based on conceptual rather than detailed design. This created a difficulty for the contractor in its ability to provide definitive responses to focus members who were interested in benefit details. Nevertheless, the contractor was able to solicit relevant qualitative information about public acceptance and interest in the benefit programs being proposed.

## EXECUTIVE SUMMARY

Following is a summary of the participants' reactions to the questions posed in the information sessions. In addition to this summary, the reader is encouraged to review the individual meeting summaries to understand more fully the diversity of responses to the issues and concepts discussed.

Effort needs to be made to reaffirm the philosophy and focus behind this project, which was to ascertain whether the greatest effort should be placed on reducing the cost of the plan to the individual insured, or whether the emphasis should be placed on ensuring that the product would meet the perceived health care needs of those to be covered? Furthermore, what are the implications of offering an individual health product versus one that would be sold to small employers? The State Planning Grant proposals recognized that the benefit proposals are not mutually exclusive, and that there was need within both markets.. Its concern was to obtain a sense of public priorities and of the most feasible choice(s) for success.

Respondents expressed strong interest in obtaining insurance but emphasized that none of the products currently on the market met their needs or definition of "value." It was interesting that a large number of the participants had recently sought to obtain coverage, but were discouraged by the price of the plans that were offered to them.

## LOCATIONS: METHODOLOGY

Six information sessions were conducted, each with ten to fifteen participants and approximately ninety minutes in length. The sessions were held in the communities of Parkersburg, Charleston, Beckley, Hurricane, Martinsburg, and Morgantown. The Beckley and Hurricane sessions focused on low-income individuals and self-employed individuals without health insurance. The focus groups conducted in Parkersburg, Martinsburg and Morgantown focused on small business owners without health insurance for their employees. The session in Charleston was exclusively for agents, brokers, and employees of insurance companies.

The sessions were structured to include two brief, written questionnaires, plus structured discussions concerning a series of consistent questions. Participants in each of the focus groups were asked to fill out a questionnaire prior to the beginning of each group discussion (Questionnaires A, B and C, respectively). Additionally, participants were also asked to fill out a questionnaire during the group discussion in which they evaluated the health plan that had been presented to their group (Questionnaire D). The technique of using written questionnaires was to provide unbiased comments that would not be influenced by those in the group who might have strong opinions concerning a certain topic. The questionnaires also forced people to concentrate on answers to each question rather than just sitting back and allowing someone else to do that work for them. Copies of the questionnaires and the participants' questionnaire responses can be found in Appendices A and B, located on pages \* through \* of this report.

## SUMMARY OF FINDINGS

### **The Uninsured-**

Meetings with individuals and small businesses clearly indicated that it is the cost of insurance that is the greatest barrier to coverage. Some participants commented on their inability to qualify for coverage because of pre-existing health conditions, but these comments were not listed as a dominant factor. It is possible that those who have not attempted to qualify for insurance recently may not realize that they are uninsurable, but regardless of that, their reaction to barriers did not list health status as a primary barrier to access.

On the other hand, the insurance agents all reported that, in their experience, those who are uninsured have health conditions that preclude them from obtaining coverage. Given that the majority of the uninsured participants mentioned cost as the greatest barrier to coverage, the reaction of agents and brokers may indicate a lack of familiarity with the needs of the uninsured population.

### **Plan Design and Cost-**

The participants were almost evenly divided on the question of whether the benefit plan should be structured as a catastrophic plan (i.e., covering only hospital care or only care after a high out-of-pocket limit was met) versus an ambulatory/preventive care model (i.e., covering a set number of office visits, a maximum number of prescriptions, etc.).

Between these two alternatives, the majority of participants seemed to favor an ambulatory/preventive model, where they could see an immediate benefit, versus a hospital oriented or catastrophic type of plan. However, all agreed that the current market rates for comprehensive major medical plans were too expensive. Participants responded almost uniformly that their initial focus was more on cost than coverage. The price point appeared to be \$100 per month (whether that was their share of premium as an employer, or as an individual).

Between the two product options presented, there appeared to be slightly more interest in an individual plan versus small group plan. That view may have been resulted from the fact that many of the participants were individuals or were business owners who did not have the ability to contribute toward the cost of coverage for employees. There was some interest in the basic design of the Individual Health Access Plan because it appeared to have more first dollar benefits; but it is not clear whether the interest in the individual plan was a function of the plan design, the cost, or the flexibility associated with who could buy the product.

When asked about the plan design features, the attendees frequently asked if they might be able to purchase a basic plan, and then have the option of benefit features or riders to make the plan better fit their specific needs. For instance, several commented on their interest in being able to choose a plan with a basic prescription plan, with a limited number of scripts per year, and adding to it a rider so they could obtain more prescriptions if needed. While this raises design questions of potential adverse selection and administrative complicity; nevertheless, the question of flexibility was raised often, most commonly with regard to either prescriptions or physician office visits.

Agents expressed serious concerns with regard to the two proposed plan designs. First, they worried that people would not understand the limitations of the plans presented and would seek legal action against the agent when they encountered plan limits. It was obvious from their reaction that the issue of professional liability is a major concern for them. They may also have been indicating that they do not have confidence in the ability of the uninsured to understand what is being offered. All said that they had plans currently in the market with much lower cost than the two proposed plans, although the benefits were more limited in some aspects (i.e., a plan with a \$5,000 calendar year deductible).

In two of the six meetings, participants expressed strong interest in the concept of Medical Savings Accounts (MSA). In both of these meetings one of the participants had purchased an individual health insurance plan for themselves with an MSA feature. They were convinced that such plans were their answer to the insurance problem and they encouraged the other participants to consider such a plan. We understand that there is at least one vendor promoting some form of MSA in the state. This may be a concept that could be considered along with some plan redesign.

An important strategic and philosophical consideration in rating the products to be offered is the degree to which the rates will be structured on either a "community rated" basis (i.e., one rate regardless of the age of the applicant) or "tier rated" (i.e., rated in five year age bands). Since the market in West Virginia uses age based rates for individuals and small groups, offering a community rated product may result in adverse selection, (i.e., appealing more to older, less healthy individuals who are above the average age used to develop the rates). Furthermore, the ability to provide lower cost options that will attract the interest of younger families and new workers could have the advantage of protecting the plan from unexpected initial cost due to possible pent up demand from those who were previously uninsured.

### **Information-**

Focus Group participants indicated that their greatest source of information concerning health insurance options is the agent community. However, participants commented that local agents in their community were not actively seeking individual or small business customers. On two occasions participants felt that lack of agent interest was a problem for them. Interestingly, the internet was mentioned by many focus group participants as

their means of obtaining information about potential insurance options. In both the individual and self-employed groups, as well as the small business owner groups, the internet ran second to the agent community as a source of information, outranking newspapers, television and radio.

### **State Managed Plan-**

Participants expressed appreciation that the state was concerned about them and their ability to obtain health insurance. While some participants expressed concern that a plan managed by the state might be too burdensome or inefficient to be effective, 40% of small business owners and 42.3% of individuals and the self-employed said that they would not have concerns about participating in a state-run plan versus a commercial insurer. Only 24% of small business owners and 38.5% of the self-employed and individuals expressed that they would have concerns about buying into a state-run plan, as opposed to one offered by commercial insurers. Meanwhile, 100% of brokers stated that they would be willing to offer a non-traditional plan to previously uninsured individuals or small businesses which would be provided by the State of West Virginia versus a commercial insurer.

## PLAN DESIGNS

Based upon comments from the meeting participants, along with our own experience in developing and communicating benefits plans to prospective clients, the following comments are provided. These comments are not intended to be critical of the plans being proposed. They are intended as considerations that might make the plan more easily understood, or more effective in meeting the needs of the target audience(s). Unfortunately, there are no absolutes in terms of plan design, other than the impact that plan features may have on total cost.

The comments pertaining to plan designs outlined in the input sessions are summarized below.

### Adult Basic Plan—

- The plan design is too complicated:
  - when does the deductible apply (diagnostic x-ray, lab, etc.)? Are lab services related to preventive care handled differently? Is deductible handled differently in the event of maternity/prenatal care?
  - is the deductible for each family member or is there a family maximum?
  - is there a deductible that is applied to in-patient charges or is there merely co-insurance?
  - how are ambulatory services to be covered?
  - how is ambulance handled? Is air ambulance covered? Any limit?
  - why is there an emergency room co-payment that is separate from the co-payment for emergency room supplies?
  - how is an “emergency” defined in terms of the emergency wording in the plan?
  - why are emergency room treatments subject to co-pays, deductibles and co-insurance?
  - is the pharmacy maximum exclusive of inpatient medication?
  - what preventive care services are covered?
  - are pre-admission testing, etc. subject to only co-insurance or does the deductible apply?
  - why are growth hormones covered under the pharmacy benefit?
  - how are diabetic supplies covered under the pharmacy benefits (does a co-pay apply)?
  - why would podiatry be covered, but not chiropractic care?
  - 150 days of preventive care is a significant benefit. Is that level necessary?
  - Is 100 days of skilled nursing necessary?
  - The \$1,000 limit for O/T, P/T, S/T appears low and inconsistent.
  
- What are the plan exclusions or limitations (e.g., outpatient mental health or substance abuse, etc.)?
- Is this a network-based product (e.g., a PPO)? If so, what is the network?
- Is the 75% participation requirement based upon net eligible individuals or gross?
- Will the rates vary by the loss experience of the group?

## Individual Health Access Plan—

- The benefit provisions may need some further clarification:
  - is preventive care covered?
  - does the limit of six outpatient visits include prenatal care?
  - does the limit of one outpatient procedure include diagnostic testing or are those separate?
  - can options be offered to enhance certain benefit categories (e.g., pharmacy)?
  - does the \$250 deductible apply to physician office visits or only hospitalizations?
  - beyond the calendar year deductible is there co-insurance or other cost sharing?  
What about in the case of pharmacy?
  - is maternity/delivery included and if so does the child have a separate limit in terms of deductible and maximum inpatient days, or are those recorded separately?
- How are rates calculated for multiple family members and would the rate for a child be different than the rate for an adult?

## FINDINGS SUMMARY

- It may be a good idea to consider offering the health plans on an age-rated basis. Community rating may place them at a competitive disadvantage with the rest of the individual or small group products offered in the state.
- The price for the Adult Basic Plan appears to be too high for the benefits listed. Possibly using age rating tiers will make it more affordable for some applicants.
- The philosophy of offering a catastrophic plan versus basic health benefit plan needs to be evaluated, as does the need for an individual health product versus one sold in the small employer market. The respondents appeared to favor the Individual Health Access Plan slightly more than the Adult Basic Plan, but that might have been driven as much by the price as the plan features.
- Cost is the major factor impacting uninsureds' inability to obtain coverage.
- The ultimate product must be streamlined to make it easy to understand and communicate. The Adult Basic Plan appeared somewhat complicated to many.
- Although the industry standards of 75% participation and 50% minimum contributions are barriers to obtaining insurance for some, they are not significant enough limitations to seek to modify those requirements. It should be noted that of these two requirements the 50% minimum contribution is more of a concern, but that issue is really more a function of the underlying cost of the plan.
- The role of the agent may be critical in promoting the product, but those who are involved need training specific to this market. The agents we spoke with were not in touch with the issues facing the uninsured market.

## **Appendices**

### **Appendix A: Focus Group Questionnaires**

- Questionnaire A: Small Business Owners' Questionnaire**
- Questionnaire B: Self-Employed and Individuals' Questionnaire**
- Questionnaire C: Agents and Brokers' Questionnaire**
- Questionnaire D: Self-Employed, Individuals and Small Business Owners' Questionnaire**

### **Appendix B: Summary of Questionnaire Responses**

- Questionnaire A: Small Business Owners' Questionnaire Responses**
- Questionnaire B: Self-Employed and Individuals' Questionnaire Responses**
- Questionnaire C: Agents and Brokers' Questionnaire Responses**
- Questionnaire D: Self-Employed, Individuals and Small Business Owners' Questionnaire Responses**



## **Appendix A: Focus Group Questionnaires**

## Questionnaire A: Small Business Owners' Questionnaire

### Question #1

What is the nature of your business?

Agriculture    Construction  
Retail        Service  
Trades        Wholesale  
Other

### Question #2

What is your role in the business?

Owner  
Bookkeeper  
Spouse of owner  
Other

### Question #3

How many total employees do you have?

1  
2-5  
6-10  
11-20  
21-50  
51

### Question #4

Do you currently have health insurance?

Yes    Individual    Group  
No

### Question #5

Have you had health insurance in the past two years?

Yes  
No (If No, skip to question #7)

### Question #6

If you dropped insurance within the past two years, why did you do so?  
(Check all that apply)

Cost	Rate Increases
Poor Quality Plan	Insurer Dropped Us
Economic Conditions	Lack of Interest from Employees

**Question #7**

How do you obtain information about potential insurance options currently?  
(Check all that apply)

- |                                |                     |
|--------------------------------|---------------------|
| Newspaper                      | Radio               |
| Television                     | Chamber of Commerce |
| Insurance Agents               | Internet            |
| Trade or Industry Publications | Other               |

**Question #8**

Have you recently looked for health insurance?

- Yes    This month    Last 3 months    Last 6 months    Within the past year  
No

**Question #9**

In considering health insurance coverage, what frustrates you most?  
(Rank your top choices 1, 2 or 3, with 1 being the greatest concern.)

- |                                     |                                |
|-------------------------------------|--------------------------------|
| Needing to qualify for coverage     | 75% participation rule         |
| 50% contribution rule               | Complexity of coverage         |
| Concern about future rate increases | Limited options to select from |
| Lack of impartial information       | Cost                           |
| Not sure where to start             |                                |

**Question #10**

If coverage assistance was available from the State of West Virginia, would you be interested?

- Yes    No    Uncertain

**Question #11**

Would you have concerns about participating in a state-run plan vs. a commercial insurer?

- Yes    No    Uncertain

## Questionnaire B: Self-Employed and Individuals' Questionnaire

### Question #1

Are you:      Sole Proprietor with no employees  
                  Business Owner only seeking coverage for yourself  
                  Unemployed Individual  
                  Spouse of Worker with Insurance  
                  A worker who thinks the coverage offered by employers is too expensive

### Question #2

Do you have health insurance right now?  
                  Yes      No      Uncertain

### Question #3

If you are currently uninsured, do you desire to be insured?  
                  Yes      No      Uncertain

### Question #4

If you are currently uninsured, why don't you have coverage?  
                  Cost  
                  Existing Medical Conditions  
                  Lack of available insurance options  
                  Other

### Question #5

Have you looked for Health Insurance recently?  
                  Yes      This month      Last 3 months      Last 6 months      Within the past year  
                  No

### Question #6

How do you obtain information about potential insurance options?  
                  Newspaper                      Radio  
                  Television                      Chamber  
                  Insurance Agent              Internet  
                  Other

### Question #7

In considering health insurance coverage, what frustrates you most?

Needing to qualify for coverage	Complexity/confusion of coverage
Concern about future rate increases	Cost
Limited options to select from	Lack of impartial information
Not sure where to start	

**Question #8**

Do you have any type of condition that makes you uninsurable?

Yes    No

**Question #9**

If a program were available from the State of West Virginia, would this have appeal to you?

Yes    No    Uncertain

**Question #10**

Would you have concern about a state-run program vs. a commercial insurer?

Yes    No    Uncertain

## Questionnaire C: Agents and Brokers' Questionnaire

### Question #1

What percentage of your business is in health insurance?

### Question #2

How many health care insurers do you represent?

### Question #3

What percentage of your health insurance business is:

Group   Small Group   Large Group

Individual

Other

### Question #4

Are you interested in growing your small employer (less than 51 lives) business?

Yes   No

### Question #5

Do you have concerns offering insurance to those who were previously uninsured?

Yes   No

### Question #6

What is your typical commission today for:

Individual   Small Group

### Question #7

What do you believe are the primary reasons that individuals or small businesses may be uninsured today? (Mark your answers 1, 2 and 3, with 1 being the primary reason).

Cost

Rapidly increasing premiums

Low income/Low profits

Limited options to select from

Lack of information

Don't see an economic value in the insurance

Can hire without having to offer it

### Question #8

Would you be willing to offer a non-traditional plan to previously uninsured individuals or small businesses which would be provided by the State of West Virginia versus a commercial insurer?

Yes   No

**Question #9**

Would this plan design have appeal to your customers?

Adult Basic	Yes	No	Uncertain
IHAP	Yes	No	Uncertain

**Question #11**

Would this price have appeal to your customers?

Adult Basic	Yes	No	Uncertain
IHAP	Yes	No	Uncertain

**Questionnaire D: Self-Employed, Individuals and  
Small Business Owners' Questionnaire**

**Question #1**

In your opinion, what is the greatest single reason for the cost of insurance?  
(Select one):

- |                    |                                |
|--------------------|--------------------------------|
| Uninsured          | Insurer Profits                |
| Physician Charges  | Executive Salaries             |
| Hospital Charges   | Use of health care by patients |
| Prescription Costs | Government cost shifting       |

**Question #2**

What is the most important component of a health insurance plan?  
(Rank your selections 1-6, with 1 being the most important and 6 being the least important):

- |                                 |                                   |
|---------------------------------|-----------------------------------|
| In-Patient Hospital             | Out-Patient Hospital              |
| Primary Care Physician services | Specialty Care Physician services |
| Prescriptions                   | Diagnostic Testing                |

**Question #3**

What is the premium level you would be willing to pay per employee for a comprehensive health plan for your employees?

**Question #4**

In order to make your health plan more affordable, would you be willing to consider:

- Limited Benefit Plan (e.g., 5 days inpatient, 7 physician office visits, 6 prescriptions per year)
- Limited Annual Benefit Limit (e.g., \$15,000)
- High Cost Sharing Plan (e.g., \$1,000 deductible, 50% co-insurance to \$10,000 maximum out-of-pocket per year)

**Question #5**

In purchasing insurance, are you more concerned about catastrophic claims or a more basic level of coverage?

- Catastrophic    Basic

**Question #6**

Would this plan design have appeal to you?

- |             |     |    |           |
|-------------|-----|----|-----------|
| Adult Basic | Yes | No | Uncertain |
| IHAP        | Yes | No | Uncertain |

**Question #7**

Would this price have appeal for you?

Adult Basic	Yes	No	Uncertain
IHAP	Yes	No	Uncertain

**Question #8**

Would you be willing to accept a health plan that uses a limited or restricted panel of health care?

Yes	No	Uncertain
-----	----	-----------

## **Appendix B: Focus Group Questionnaire Responses**

### Questionnaire A: Small Business Owners' Questionnaire Responses

		Results	Percentages
<b>Question #1</b>			
What is the nature of your business?	<b>Agriculture</b>	0	0%
	<b>Construction</b>	1	4%
	<b>Retail</b>	7	31%
	<b>Service</b>	13	57%
	<b>Trades</b>	1	4%
	<b>Wholesale</b>	1	4%
	<b>Other</b>	0	0%
<b>Question #2</b>			
What is your role in the business?			
	<b>Owner</b>	17	68%
	<b>Bookkeeper</b>	1	4%
	<b>Spouse of owner</b>	3	12%
	<b>Other</b>	4	16%
<b>Question #3</b>			
How many total employees do you have?			
	<b>1EE</b>	1	4%
	<b>2-5 EE's</b>	17	68%
	<b>6-10 EE's</b>	3	12%
	<b>11-20 EE's</b>	4	16%
	<b>21-50 EE's</b>	0	0%
	<b>51+ EE's</b>	0	0%
<b>Question #4</b>			
Do you currently have health insurance?			
	<b>Yes</b>	9	36%
	<b>Individual</b>	4	44%
	<b>Group</b>	5	56%
	<b>No</b>	16	64%
<b>Question #5</b>			
Have you had health insurance in the past two years?			
	<b>Yes</b>	10	40%
	<b>No</b>	15	60%
<b>Question #6</b>			
If you dropped insurance within the past two years, why did you do so?			
	<b>Cost</b>	2	66.6%
	<b>Rate Increases</b>	0	0.0%
	<b>Poor Quality Plan</b>	0	0.0%
	<b>Insurer Dropped Us</b>	1	33.3%
	<b>Lack of Interest from Employees</b>	0	0%
	<b>Economic Conditions</b>	0	0%

**Questionnaire A: Small Business Owners' Questionnaire Responses continued**

<b>Question #7</b>				
How do you obtain information about potential insurance options currently?				
		<b>Newspaper</b>	4	10%
		<b>Radio</b>	2	5%
		<b>Television</b>	1	2%
		<b>Chamber of Commerce</b>	3	8%
		<b>Insurance Agents</b>	16	40%
		<b>Internet</b>	10	25%
		<b>Trade or Industry Publications</b>	4	10%
		<b>Other</b>	0	0%
<b>Question #8</b>				
Have you recently looked for health insurance?				
		<b>Yes</b>	14	56%
		<b>    This month</b>	6	43%
		<b>    Last 3 months</b>	3	21%
		<b>    Last 6 months</b>	4	29%
		<b>    Within the past year</b>	1	7%
		<b>No</b>	11	44%
<b>Question #9</b>				
In considering health insurance coverage, what frustrates you most?				
	<b>1st</b>	<b>Cost</b>	17	77%
		<b>75% participation rule</b>	2	9%
	<b>2nd</b>	<b>Not sure where to start</b>	5	31%
		<b>50% contribution rule</b>	4	25%
	<b>3rd</b>	<b>Complexity of coverage</b>	8	42%
		<b>Limited options</b>	4	21%
<b>Question #10</b>				
If coverage assistance was available from the State of West Virginia, would you be interested?				
		<b>Yes</b>	19	76%
		<b>No</b>	1	4%
		<b>Uncertain</b>	5	20%
<b>Question #11</b>				
Would you have concerns about participating in a state-run plan vs. a commercial insurer?				
		<b>Yes</b>	6	24%
		<b>No</b>	10	40%
		<b>Uncertain</b>	9	36%

## Questionnaire B: Self-Employed and Individuals' Questionnaire Responses

<b>Question #1</b>			<b>Results</b>	<b>Percentages</b>
Are you:		<b>Sole Proprietor with no employees</b>	1	4%
		<b>Business Owner only seeking coverage for yourself</b>	1	4%
		<b>Unemployed Individual</b>	13	46%
		<b>Spouse of Worker with Insurance</b>	3	10%
		<b>A worker who thinks the coverage offered by employers is too expensive</b>	10	36%
<b>Question #2</b>				
Do you have health insurance right now?				
		<b>Yes</b>	1	3.6%
		<b>No</b>	27	96.4%
		<b>Uncertain</b>	0	0.0%
<b>Question #3</b>				
If you are currently uninsured, do you desire to be insured?				
		<b>Yes</b>	24	88.9%
		<b>No</b>	0	0.0%
		<b>Uncertain</b>	3	11.1%
<b>Question #4</b>				
If you are currently uninsured, why don't you have coverage?				
		<b>Cost</b>	21	70.0%
		<b>Existing Medical Conditions</b>	1	3.3%
		<b>Lack of available insurance options</b>	3	10.0%
		<b>Other</b>	5	16.7%
<b>Question #5</b>				
Have you looked for Health Insurance recently?				
		<b>Yes</b>	15	53.6%
		<b>No</b>	13	46.4%
<b>Question #6</b>				
How do you obtain information about potential insurance options?				
		<b>Newspaper</b>	4	8%
		<b>Radio</b>	3	6%
		<b>Television</b>	10	19%
		<b>Chamber</b>	0	0%
		<b>Insurance Agent</b>	17	32%
		<b>Internet</b>	15	29%
		<b>Other</b>	3	6%

**Questionnaire B: Self-Employed and Individuals' Questionnaire Responses continued**

<b>Question #7</b>				
In considering health insurance coverage, what frustrates you most?				
	<b>1st</b>	<b>Cost</b>	23	82%
		<b>Concern about future rate increases</b>	2	7.1%
	<b>2nd</b>	<b>Limited options to select from</b>	6	25%
		<b>Concern about future rate increases</b>	6	25%
	<b>3rd</b>	<b>Complexity/confusion of coverage</b>	13	56.5%
		<b>Concern about future rate increases</b>	3	13%
<b>Question #8</b>				
Do you have any type of condition that makes you uninsurable?				
		<b>Yes</b>	3	10%
		<b>No</b>	27	90%
<b>Question #9</b>				
If a program were available from the State of West Virginia, would this have appeal to you?				
		<b>Yes</b>	23	85.2%
		<b>No</b>	0	0.0%
		<b>Uncertain</b>	4	14.8%
<b>Question #10</b>				
Would you have concern about a state-run program vs. a commercial insurer?				
		<b>Yes</b>	10	38.5%
		<b>No</b>	11	42.3%
		<b>Uncertain</b>	5	19.2%

### Questionnaire C: Agents and Brokers' Questionnaire Responses

<b>Question #1</b>				
What percentage of your business is in health insurance?			<b>Results</b>	<b>Percentages</b>
		<b>Responses:</b>	80%	<b>Group Average</b>
			60%	76%
			75%	
			90%	
			80%	
			95%	
			30%	
			100%	
<b>Question #2</b>				
How many health care insurers do you represent?				
		<b>Responses:</b>	25	<b>Group Average</b>
			10	13 insurers
			20	
			10	
			8	
			8	
			30	
			6	
			1	
<b>Question #3</b>				
What percentage of your health insurance business is:				
		<b>Group</b>	65%	
		<b>Small Group</b>	56%	
		<b>Large Group</b>	46%	
		<b>Individual</b>	29%	
		<b>Other</b>	20%	
<b>Question #4</b>				
Are you interested in growing your small employer (less than 51 lives) business?				
		<b>Yes</b>	7	100%
		<b>No</b>	0	0%
<b>Question #5</b>				
Do you have concerns offering insurance to those who were previously uninsured?				
		<b>Yes</b>	4	57%
		<b>No</b>	3	43%

**Questionnaire C: Agents and Brokers' Questionnaire Responses continued**

<b>Question #6</b>				
What is your typical commission today for:				
		<b>Individual</b>	<b>Group Average</b>	
			16%	
		<b>Small Group</b>	<b>Group Average</b>	
			7%	
<b>Question #7</b>				
What do you believe are the primary reasons that individuals or small businesses may be uninsured today?				
	<b>1st</b>	<b>Cost</b>	6	75%
	<b>2nd</b>	<b>Rapidly increasing premiums</b>	5	62.5%
		<b>Low income/low profits</b>	2	25%
	<b>3rd</b>	<b>Rapidly increasing premiums</b>	2	25%
		<b>Low income/low profits</b>	2	25%
<b>Question #8</b>				
Would you be willing to offer a non-traditional plan to previously uninsured individuals or small businesses which would be provided by the State of West Virginia versus a commercial insurer?				
		<b>Yes</b>	7	100%
		<b>No</b>	0	0%
<b>Question #9</b>				
Would this plan design have appeal to your customers?				
		<b>Adult Basic</b>		
		<b>Yes</b>	0	0
		<b>No</b>	6	75%
		<b>Uncertain</b>	2	25%
		<b>IHAP</b>		
		<b>Yes</b>	0	0
		<b>No</b>	6	75%
		<b>Uncertain</b>	2	25%
<b>Question #11</b>				
Would this price have appeal to your customers?				
		<b>Adult Basic</b>		
		<b>Yes</b>	1	12.5%
		<b>No</b>	6	75.0%
		<b>Uncertain</b>	1	12.5%
		<b>IHAP (Arkansas Model)</b>		
		<b>Yes</b>	2	28.6%
		<b>No</b>	2	28.6%
		<b>Uncertain</b>	3	42.8%

**Questionnaire D: Self-Employed, Individuals and  
Small Business Owners' Questionnaire Responses**

<b>Question #1</b>			<b>All Participants</b>	
In your opinion, what is the greatest single reason for the cost of insurance?			<b>Results</b>	<b>Percentage</b>
		<b>Uninsured</b>	9	15.5%
		<b>Insurer Profits</b>	12	20.7%
		<b>Physician Charges</b>	10	17.2%
		<b>Executive Salaries</b>	2	3.4%
		<b>Hospital Charges</b>	15	25.9%
		<b>Use of health care by patients</b>	5	8.6%
		<b>Prescription Costs</b>	3	5.2%
		<b>Government cost shifting</b>	2	3.4%
<b>Question #1</b>				
In your opinion, what is the greatest single reason for the cost of insurance?			<b>Small Business Owners Only</b>	
		<b>Uninsured</b>	4	15.4%
		<b>Insurer Profits</b>	6	23.1%
		<b>Physician Charges</b>	5	19.2%
		<b>Executive Salaries</b>	1	3.8%
		<b>Hospital Charges</b>	7	26.9%
		<b>Use of health care by patients</b>	0	0.0%
		<b>Prescription Costs</b>	2	7.7%
		<b>Government cost shifting</b>	1	3.8%
<b>Question #2</b>			<b>All Participants</b>	
What is the most important component of a health insurance plan?				
	<b>1st</b>	<b>Primary Care</b>	22	45%
		<b>In-Patient Hospital</b>	19	39%
	<b>2nd</b>	<b>Prescriptions</b>	12	24%
		<b>Out-Patient</b>	11	22%
	<b>3rd</b>	<b>Diagnostic Testing</b>	12	24%
		<b>Prescriptions</b>	9	18%
<b>Question #3</b>				
What is the premium level you would be willing to pay per employee for a comprehensive health plan for your employees?				
		<b>&gt;\$26</b>	3	7%
		<b>&gt;\$51</b>	7	16%
		<b>&gt;\$101</b>	17	38%
		<b>&gt;\$151</b>	10	22%
		<b>&gt;\$201</b>	3	7%
		<b>&gt;\$251</b>	0	0%
		<b>&gt;\$301</b>	2	4%
		<b>&gt;\$500</b>	1	2%
		<b>&gt;\$1,000</b>	0	0%
		<b>&gt;\$1,501</b>	2	4%

**Questionnaire D: Self-Employed, Individuals and  
Small Business Owners' Questionnaire Responses continued**

<b>Question #4</b>				
In order to make your health plan more affordable, would you be willing to consider:				
		<b>Limited Benefit Plan</b>	22	41%
		<b>Limited Annual Benefit Limit</b>	21	40%
		<b>High Cost Sharing Plan to \$10,000 Maximum</b>	10	19%
<b>Question #5</b>				
In purchasing insurance, are you more concerned about catastrophic claims or a more basic level of coverage?				
		<b>Catastrophic</b>	16	29%
		<b>Basic</b>	39	71%
<b>Question #6</b>				
Would this plan design have appeal to you?			<b>Small Business Owners</b>	
		<i>Adult Basic</i>		
		<b>Yes</b>	20	80%
		<b>No</b>	0	0%
		<b>Uncertain</b>	5	20%
		<i>IHAP Arkansas Model</i>		
		<b>Yes</b>	13	81.25%
		<b>No</b>	1	6.25%
		<b>Uncertain</b>	2	12.50%
		<i>IHAP Arkansas Model</i>	<b>All Participants</b>	
		<b>Yes</b>	37	67%
		<b>No</b>	6	10.9%
		<b>Uncertain</b>	12	21.8%
<b>Question #7</b>				
Would this price have appeal for you?				
		<i>Adult Basic</i>		
		<b>Yes</b>	28	51%
		<b>No</b>	14	25%
		<b>Uncertain</b>	13	24%
		<i>IHAP Arkansas Model</i>		
		<b>Yes</b>	15	100%
		<b>No</b>		0%
		<b>Uncertain</b>		0%
<b>Question #8</b>				
Would you be willing to accept a health plan that uses a limited or restricted panel of health care?				
		<b>Yes</b>	32	59%
		<b>No</b>	10	19%
		<b>Uncertain</b>	12	22%