

Health Policy Innovation: The View from the States

June 4, 2008

The 3rd National Medicaid Congress

Todd Eberly, PhD
Asher Mikow, MHA

50 Policy Laboratories

- It is one of the happy incidents of the federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.
 - Louis D. Brandeis - 1932

State Efforts to Expand Coverage to the Uninsured

- The Health Resources and Services Administration (HRSA) funded study of state efforts to implement affordable private and public coverage insurance products
- Six states—Arizona, Michigan, New Mexico, New York, Oklahoma, and Utah

Six-State Study

- Each implemented a public or private insurance program for low-income workers – programs varied greatly
- Initial study compared approaches in four broad areas:
 - **Program Design**
 - **Program Financing**
 - **Program Affordability**
 - **Program Administration**

Follow-Up Study

- Sought to better understand two additional elements
 - Marketing
 - Enrollment
- States included:
 - Arizona, Montana, New Mexico, Oklahoma

The Healthcare Group of Arizona (HCG)

- Created in 1985, statewide in 1993, for:
 - Sole proprietors
 - Small businesses (< 50 employees)
 - Political subdivisions (cities and towns)
 - FT employees & dependents at qualifying firms
- Public-private partnership under Arizona Health Care Cost Containment System, separate from Medicaid and SCHIP
- Coverage via private MCOs & a statewide PPO
- Self-funded via premiums in 2005/2006, seeking additional funds
- 22,400 covered as of April 2008 – 8,000 small businesses

Insure Montana

- Established in 2005
 - Includes a tax credit for small businesses in danger of losing insurance
 - A purchasing pool, with premium assistance, for small businesses not offering insurance
 - Targeted small businesses with 2 to 9 employees earning < \$75,000
 - Funded via cigarette tax
- Enrollment at 9,300 as of April 2008
 - 700 businesses with 5,000 employees on wait list
 - Lifting wait list would require \$11.3 million in new funds

New Mexico State Coverage Insurance

- Began enrolling small employers (< 50 employees) and individuals on July 1, 2005
 - Individuals must have incomes < 200 percent of the federal poverty level (FPL)
 - Funded via unspent SCHIP funds and employer and employee contributions
 - Heavily subsidized – state/fed cover 80% of premiums
- Coverage via 3 statewide MCOs selected through competitive bidding
 - Benefits are similar to a comprehensive commercial plan, but there is a \$100,000 annual benefit limit
- Around 17,000 adults & 700 employers covered by 2008

Oklahoma Employer/Employee Partnership for Insurance Coverage (O-EPIC)

- Two programs: the Premium Assistance Partnership Program and the Premium Assistance Public Program (Individual Plan)
 - Assists small businesses and employees in paying private health insurance premiums
 - Funded via federal matching funds, state tobacco tax funds, and individual and employer premiums
- Premium Assistance began November 2005 (1,100 employers, 2,000+ lives)
- Individual Plan began January 2007
 - Administered by the state Medicaid office
 - Provides a limited package of benefits
- Enrollment as of May 2008
 - Premium Assistance: 2,550 employers, 8,137 employees
 - Individual Plan: 2,639 members

Marketing Challenges

- Diffuse Target Population
- Lack of Dedicated Human Resources Staff
- Program Design and Product Appeal
- Shaping Public Perception

Challenge: Diffuse Target Population

- Target small employers (often < 50 employees)
 - Typical small employer < 5 employees
- How to reach a concentration of small employers
 - Significant effort to reach small employers, yet result is only a few additional covered lives
 - Many states were dealing with rural populations

Challenge: Lack of Human Resources Staff

- Many small employers have no dedicated HR staff
- States, or intermediaries, spend considerable time educating employers and employees
- Time spent comes at expense of marketing and outreach to new participants
- Requires that state officials understand intricacies of small group market and needs of small employers

Challenge: Program Design and Product Appeal

- Good marketing cannot compensate for an unappealing product
 - Product must be competitive with private plans (price and benefits)
 - Enrollment process
 - Incentives for brokers to market
 - Is it a competitive product or an insurer of last resort
- Details may be out of Program Administrator's hands

Challenge: Shaping Public Perception

- Questions about funding and stability
- Misconceptions about eligibility
- Reluctance to participate in a “public” program
- Belief among young, single, healthy workers that insurance is all cost and little benefit

Marketing and Enrollment Strategies

- Creating Program Awareness
 - Identify the target population
 - Find the target population
 - Capitalize on “free” marketing
- Marketing the Product
 - Educate potential enrollees
 - Use agents and brokers
- Enrolling Eligible Individuals
 - Streamline the enrollment process
 - Facilitate the renewal process

Lessons Learned

- Marketing and Public Awareness Requires Diverse Approach
- Application and Enrollment Process Requires Support and Multiple Entry Points
- Plan Design Encourages, but does not Assure, Enrollment
- Involving Agents and Brokers can be Beneficial

Lessons: Marketing and Awareness

- Presents ongoing challenges
- Target population is diverse and dispersed
- Requires creative strategies
- Found little consensus on “best” approach
 - Word of mouth, local Chambers of Commerce, news coverage (free media) generated most awareness
- Know your population and target them

Lessons: Application and Enrollment

- Must have multiple points of entry
 - Health plans, agents/brokers, state offices
- Employers and employees may require considerable assistance
- Paperwork, eligibility determination, enrollment
 - Considerable time spent but only a few covered lives

Lessons: Involve Agents and Brokers

- Agents and brokers know the market and small employers – use that expertise
 - All but one state recognized significant role
- States relying on commercial market reported greater broker involvement
 - Brokers described as: “important,” “necessary,” “critical,” and “essential”
- States with a public initiative reported less broker involvement
 - May redound to issue of commissions

Marketing Tips: Enrollment Brokers

- Offer Continuing Education Credits for brokers who attend training sessions
- Offer to list brokers' contact info on program website if they participate in training sessions
- Share broker marketing costs for materials that promote the Coverage Initiative

Best Practices: Marketing

- Arizona uses in-house sales staff, participating plan sales staff, and brokers
- Oklahoma
 - Internet presence - <http://www.oepic.ok.gov>
 - Works with Chambers of Commerce
 - Extensive certification and training of brokers
 - Share marketing costs
 - Continuing Education credits
 - Brown bag lunch series

Best Practices: Marketing O-EPIC

:: About Us :: Contact Us



Oklahoma Employer/Employee Partnership for Insurance Coverage

Employer

Individual

Agent

Health Plans

Agent

- FAQ
- Tool Kit
- NEW Income Guidelines
- Find an Agent
- Co-op Advertising Program
- Insure Oklahoma/O-EPIC Rules
- Agent Events Calendar
- Agent Events Page

AGENT

We help you expand your small business client base, earn your normal commission and receive free continuing education credits!

Welcome new Agent Partners to the Insure Oklahoma/O-EPIC Team!

Insure Oklahoma is proud to announce **Yvonne Marsh**. She will be able to provide education and support for current producers as well as traveling throughout the state to recruit new producers. She comes to Insure Oklahoma with a vast background and personal experience in the insurance field and is a licensed agent. Please contact Yvonne with any questions or to schedule an appointment at yvonne.marsh@eds.com or (405) 923-3314.

Rebecca Ross is a longstanding Tulsa health insurance professional who brings 20+ years experience in marketing and customer service. She has first-hand knowledge of the challenges a producer licensed to sell life and health coverage may have in today's market place. Please contact Rebecca with any questions or to schedule an appointment at rebeccaross@insurance.state.ok.us or (918) 399-0590.



Best Practices: Marketing O-EPIC

Small business owners...

A state program may subsidize the cost of health insurance for your employees!

SAVE 60% or MORE
on health coverage premiums!

- INSURE OKLAHOMA:**
- helps businesses with 50 or fewer employees **SAVE 60% or MORE** on health coverage costs for **lower to moderate income employees**,
 - features **NEW INCOME GUIDELINES** that make more workers eligible than ever before!
 - is funded by the Oklahoma tobacco tax and federal money.

DON'T WAIT - call me now to learn more about INSURE OKLAHOMA!



SUBSIDIZING HEALTH COVERAGE

INSURE OKLAHOMA is enhancing the Oklahoma Employer/Employee Partnership for Insurance Coverage (O-EPIC) subsidy.

AGENT CONTACT INFO:

ALL types of small businesses are signing up!



SAVE 60% or MORE
on health coverage premiums!

The state of Oklahoma can help you provide quality health insurance coverage for your qualifying employees with the support of **INSURE OKLAHOMA**. Take advantage of this subsidy, designed to give you and your employees peace of mind.



THIS HEALTH COVERAGE SUBSIDY IS ADMINISTERED BY THE OKLAHOMA HEALTH CARE AUTHORITY (OHCA).

AGENT CONTACT INFO:

Oklahoma Employer/Employee Partnership for Insurance Coverage (O-EPIC)

Oklahoma Small Business Owners this program is for you!

The state of Oklahoma can help you provide quality health insurance coverage for your qualifying employees with the support of **INSURE OKLAHOMA**. Take advantage of this subsidy, designed to give you and your employees peace of mind, **ALL TYPES** of small businesses are signing up!

- | | |
|-----------------|--------------------|
| RESTAURANTS | ELECTRICIANS |
| DENTAL OFFICES | CHURCHES |
| SECRETARIES | NON PROFITS |
| DAY CARE | NEWSPAPERS |
| LAWYERS | RAIL BONDS |
| DOCTORS | CONVENIENCE STORES |
| RETAIL | DRY CLEANERS |
| VETERINARIANS | TRAVEL AGENCIES |
| SALES CLERKS | CONSTRUCTION |
| MOVIE THEATERS | LANDSCAPERS |
| TAIL AND GARAGE | HOTELS |
| PLUMBERS | LIQUOR STORES |
| BANKS | GITTS & TOWNS |
| | AND MORE! |

CALL NOW FOR DETAILS!



THIS HEALTH COVERAGE SUBSIDY IS ADMINISTERED BY THE OKLAHOMA HEALTH CARE AUTHORITY (OHCA).

AGENT CONTACT INFO:

Oklahoma Employer/Employee Partnership for Insurance Coverage (O-EPIC)

Best Practices: Build on Existing Market

- Arizona incorporates brokers in marketing product
- Oklahoma uses the existing insurance market
 - Provides a subsidy to pay for existing insurance policies

Best Practices: Utilize Existing State Infrastructure

- Arizona uses MMIS and state managed care expertise
- New Mexico providers already contracted with Medicaid MCOs
 - Familiar with state administrative requirements
- Oklahoma uses Medicaid FFS network, MMIS, and State Insurance Commission

Best Practices: Administrative Simplicity

- Provide subsidies to pay for ESI
 - Utah UPP, O-EPIC
- Minimal employer responsibility
 - Utah UPP – bi-annual reporting to state

Parting Thoughts

- Take-up process will be a long slog
- Coverage must be affordable *and* meaningful
- Consider a survey of small employers
- Consider employer and employee share of the premium
- Ease for employers does not assure ease for the state
 - Coverage Initiative can be difficult to administer

Parting Thoughts

- Hire a marketing staff or use agents/brokers
 - Brokers must receive meaningful compensation
- Individual means testing is a huge administrative burden
- Expect high initial costs due to pent-up demand
- In the absence of premium subsidies, design affordable benefit packages
 - Appreciate the tension between meaningful benefits and low program costs
- Know your target population

The Studies

Efforts to Expand Coverage to the Uninsured: Program Design Challenges and Tradeoffs in Six States

<http://www.hrsa.gov/stateinsurance/>

Marketing State Insurance Coverage Programs: Experiences from Four States

<http://www.statecoverage.net/pdf/issuebrief1107.pdf>

St. Mary's College of Maryland

St. Mary's College of Maryland, designated the state's honors college, is an independent public institution in the liberal arts tradition. Founded on the site of Maryland's first capital, the College stands as a living legacy to the ideals of freedom and inclusiveness.

The Hilltop Institute

The Hilltop Institute* at the University of Maryland, Baltimore County (UMBC) is a nationally recognized research center dedicated to improving the health and social outcomes of vulnerable populations. Hilltop conducts research, analysis, and evaluation on behalf of government agencies, foundations, and other non-profit organizations at the national, state, and local levels.

**formerly the Center for Health Program Development and Management*

Contact Information

Todd Eberly, PhD
St. Mary's College of Maryland
240-895-2127
teeberly@smcm.edu

Asher Mikow, MHA
The Hilltop Institute
410-455-6239
amikow@hilltop.umbc.edu