Mississippi State Planning Grant for the Uninsured

Interim Report

submitted to

DHHS & HRSA

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EXECUTIVE SUMMARY

The State of Mississippi, Office of the Governor, Division of Medicaid applied for and received funding for a Health Resources Services Administration Grant in June 2003. The Division of Medicaid was designated as the lead agency to administer the grant.

The State of Mississippi focused its research on collecting and analyzing data to describe the characteristics of the uninsured; designing a program to reduce the uninsured through State, federal and private partnerships; and designing feasible options for identified population. Mississippi identified eight goals to direct the state's efforts in this project. Those goals are:

1. Develop a **comprehensive profile** of health insurance coverage and the social, behavioral, economic, and demographic characteristics of the uninsured population in Mississippi, both state-wide and at regional levels.
2. Identify current coverage levels and specific options and explore mechanisms supported by **employers** to address access, affordability and coverage.
3. Identify current coverage levels and specific options and explore mechanisms supported by **insurers** to address access, affordability and coverage.
4. Understand current and future insurance and utilization issues affecting **healthcare providers** and the marketplace.
5. Interview **key health policy makers** to assess the political will to implement specific options that build on and enhance public and private programs.
6. Establish a **Blue Ribbon Task Force** on Health Policy through the Governor's Office to facilitate collaboration, provide oversight for the project, evaluate and monitor outcomes, and develop options for reducing the number of uninsured citizens in Mississippi.
7. Identify current health coverage levels and explore options and mechanisms supported by the Department of Human Services, Family and Children Services Division and Chancery Court system for children who are displaced from their families and children who are entitled to benefit from child support payments that should ensure health care insurance coverage.
8. Prepare and distribute specific reports relevant to the findings of each grant component. Prepare and submit to HRSA a final report on the results of the State Planning Grant activities.

The research data is being collected through use of both qualitative and quantitative methods. The overall research is supervised by a Research Coordinator that provides technical assistance to the researchers and the Office of the Governor, Division of Medicaid.

The State of Mississippi has made tremendous progress in understanding the problems associated with the uninsured in the State through the administration of the HRSA State Planning Grant. Preliminary data suggests that there is an adverse insurance situation in the State of Mississippi. Preliminary data also suggest that approximately 17% of all household members surveyed were without health insurance, and approximately 10% of

the household surveyed were households with children under age 19 with no insurance. The State continues to be faced with the poor health status of its residents. The issue of uninsurance is exacerbated due to the chronic diseases that are prevalent in the State, and those diseases are most often treated in facilities that provide uncompensated care. Those chronic diseases are diabetes, obesity, high blood pressure, cardiovascular disease and asthma. It also indicates that children are particularly at risk. The problem of gaps in insurance and treatment center around the issue of access, as the State of Mississippi is predominantly rural in nature. Additionally, HRSA research supports that access and affordability are problems because certain preventative/maintenance care, some pharmaceutical, dental, mental health and specialty care are unavailable or are financially unattainable. Another problem the State encounters is the reduced federal support to health care providers that will impact the amount of uncompensated care that can be provided is a major concern. As with other states, the issue of inappropriate use of emergency room facilities is a problem in Mississippi. Preliminary HRSA research indicated that those who seek uncompensated care are located throughout the State. Primary care is usually the type of uncompensated care received. The data presents a fairly clear picture that uncompensated care is a significant percentage of patient load for most of the healthcare facilities in the State.

To conduct research under the HRSA project, Mississippi employed a total of three vendors that have expertise in collecting and analyzing data in the health related field. There are two private vendors and the Institution of Higher Learning which subcontracts with two universities in the State to collect data. The staff and vendors continue the work to collect and synthesize data, prepare reports, and make policy option recommendations. The University of Southern Mississippi is collecting data from a household survey to develop a comprehensive profile of the uninsured in Mississippi. Mississippi State University will profile the underrepresented population by conducting focus groups with college students and four major ethnic groups in the State to determine the cultural issues unique to the uninsured. The Fairman Group conducted focus groups with part-time and low income employees; and Nelums and Associates is conducting focus groups of CHIP and Medicaid non-renewals to determine what issues prevent their participation in the public health insurance programs. The household survey has been completed. The preliminary data from the survey suggest that of the uninsured surveyed over half (56%) of them were eligible for one of the State's public health insurance programs; more than half of the uninsured surveyed are female; forty-six percent did not seek medical attention because they could not afford it; forty-two percent were not employed; nearly 12% have more than one paying job; twenty-five-percent work less than 40 hours a week and most respondents without insurance were Caucasian (54%) or African American (44%).

The focus groups to develop an understanding of the cultural issues as they relate to the underrepresented populations are still being held. Preliminary data collected indicates that the Hispanic population feel that having health insurance is very important to them and that they did not have the information needed to access the programs and to make appropriate selection options available through their employers. The African American population stated that due to their being unemployed, they found health insurance to be

financially out of their reach. They expressed that they were unaware of the community resources and eligibility requirements for Medicaid. Many stated a need for surgeries, and drugs for chronic conditions.

The focus groups for the low-income and part-time employees corroborate the preliminary findings of the underrepresented population. Sixty-nine percent of the participants in the low-income and part-time employee focus groups did not have access to employer sponsored health insurance; more than half had been uninsured for two or more years. They worked in low income industries such as restaurants/food, retail, labor/construction, farming, child care, home health and office/clerical. The respondents reported a need for medical attention that they could not afford to access. Some of those conditions were asthma, diabetes, hypertension, ulcers, depression, heart disease, hepatitis C and others. Prescription drugs were also noted by this group to be cost prohibitive.

Focus groups for college students, SCHIP non-renewals and Social Workers, Child Support workers and Chancery Judges are still in process.

Three hundred employers are being surveyed in the State of Mississippi to determine what health insurance options they would support and what issues they had relative to access, affordability and coverage. Preliminary data suggests that employers are supportive of tax credits, subsides and incentives or support from State/federal sources.

All health care providers in the State were surveyed to determine current and future insurance and utilization issues that affect health care providers and the marketplace. Overall, health care providers were found to support public policies that provide subsidies and tax incentives that would help make insurance more affordable for low-income individuals. They were generally concerned about the funding to offset cost associated with uncompensated care.

To assess the political will to implement specific options, personal interviews with key elected health policy makers were conducted. The preliminary report indicated that there was support for current public health programs, but there was concern about the continued ability to adequately fund these programs at the current levels.

The State of Mississippi is working diligently to ensure participation and to build consensus among partners as move to ferret all issues relative to uninsurance in our State. The Blue Ribbon Taskforce has been established and is composed of representatives from the Mississippi State Department of Health, Mississippi Department of Human Services, Department of Insurance, Department of Finance and Administration (Office of Insurance), Mississippi Hospital Association, rural health centers, community health centers, key legislative leaders, employers, insurers, faith bases organizations, consumers, and health policy makers. The taskforce meets on a regular basis. To date a total of three (3) meetings have been held. This group is responsible for evaluation of outcomes of the grant, facilitate consensus building and prioritize options for reducing the number of uninsured in the State. There is active participation among all agencies.

Mississippi has not selected health policy options to address the needs of the uninsured. An informed decision relative to policy options and recommendations for Federal and State actions to provide health insurance to the uninsured will be undertaken once all research has concluded and analyses completed.

Section 1. Summary of Findings: Uninsured Individuals and Families

To obtain information about uninsured individuals and families, a telephone household survey was conducted between the months of November 2003 and April 2004. The Coordinated State Coverage Survey instrument developed by the State Health Access Data Assistance Center (SHADAC) was used as the basis for the Mississippi household survey instrument. The instrument was reviewed by the Blue Ribbon Task Force and several items were added to accommodate the needs of stakeholders. The survey instrument was pilot tested to validate coding and the questions that were added by the Blue Ribbon Task Force.

The sample was randomly selected using random digit dialing from a sampling frame of non-elderly households in Mississippi. Seventy-five percent (75%) of the sample was drawn from households with incomes less than $35,000 and twenty-five percent (25%) of the samples was drawn from households with an estimated income between $35,000-75,000. These income criteria were selected to help target the survey to those groups that were likely to be without health insurance. Since Mississippi is divided into five regions for the Medicaid program, 1500 completed calls were obtained in each of the five regions. This sample size allows for comparison across regions with a sampling error of less than four percent (4%).

The survey was conducted by the Center for Applied Research and Evaluation (CARE) at The University of Southern Mississippi. The CARE survey research lab features an 11 station Computer Assisted Telephone Interviewing (CATI) system using Ci3 WinCATI software, a dedicated server, and one supervisor computer. Interviewers were selected and trained specifically for this project. They were supervised at all times.

The response rates and average length of call is specified below:

Region	Call Timeframe	Response Rate (%)	Average Length Of Call (Minutes)
1	Nov-Dec 2003	42	9.0
2	Mar-Apr 2004	32	6.0
3	Feb-Mar 2004	34	6.5
4	Feb 2004	29	7.0
5	Jan-Feb 2004	34	8.5

The total number of respondents for the survey was 7620 households. Analysis of the data is being conducted using SPSS 11.5. Due to contract delays and extension, the analysis is not complete. A summary of preliminary findings follows.

1.1 Level of Uninsurance

The survey instrument asks questions about the target respondent and, to a lesser extent, about the members of the household. Nearly 14% of the target respondents did not have insurance nor anyone to pay their bills when they go to the doctor or the hospital. Of those target respondents that had insurance, 6.1% did not have it for all of the past twelve months. When considering insurance status for all members of the household, over 17% did not have health insurance. For members of the household below age 19, nearly 10% did not have insurance.

1.2 Characteristics of the Uninsured

The following information is based on responses from the target respondents who are uninsured.

Income
For the target respondents without insurance, 27% were below 100% of the Federal Poverty Level and 29% were between 100-200% of the Federal Poverty Level.

Age
The age of target respondents without insurance ranged from birth to 93 years of age, with a mean age of 38 years and a standard deviation of 16 years.

Gender
Of the uninsured target respondents, 56% were female and 44% were male.

Family composition
Only 38% of the uninsured were married. The number of people living in the household ranged from 1-12 with a mean of 2.53 and a standard deviation of 1.5 people.

Education
Over 65% had a high school education or less, while 21% did not graduate from high school.

Health status
Of those without insurance, 46% did not seek medical care over the past year because they could not afford it. Those that did seek care went to an emergency room or community clinic. Approximately 40% of those without insurance have not had a routine check-up in over two years. Of those without insurance, 32% missed work due to illness and nearly 24% missed three or more days of work. Almost 25% rate their health status as fair or poor.

Employment status
Of those without insurance, 42% are not employed and 10% are self-employed. Nearly 12% of those without insurance have more than one paying job. Approximately 25% of

those without insurance work less than 40 hours/week and 11% are in temporary or seasonal jobs. Many work for smaller employers, with 50% working for employers with less than 25 employees and 33% working for employers with less than 10 employees.

The most common employer groups for those without insurance are: retail sales (18%), construction/mining (17%), health care (8%), manufacturing (8%), agriculture (7%), and personal services (7%).

Availability of Private Coverage

When asked if the target respondent's employer provided health insurance benefits, 35% responded that they did not. Nearly 13% of the employers did, however, offer insurance that could be extended to dependents. Approximately 20% of the employers contribute to the cost of insurance. The primary reasons for not acquiring insurance include (1) cost (52%) and (2) not being eligible due to length of employment, number of hours worked, or health conditions (19%) .

Only 8% of the target respondents without insurance had spouses with insurance coverage. Of that 8%, 71% could get insurance for themselves. The most common reason for (63%) not taking advantage of access to insurance is that it is too expensive.

Public Insurance Awareness

For those without insurance, nearly 44% had never asked about or been given information about public programs such as Medicaid. Nearly 8% of those without insurance would not enroll in a public program even if they were eligible.

Race

Most respondents without insurance were either Caucasian (54%) or African American (44%).

1.3 Target Expansion Options

Target expansion options will be determined in upcoming months after all research is complete and discussed with the Blue Ribbon Task Force.

1.4 - 1.13 Qualitative Research Findings

Several qualitative research projects were included in the overall project to provide additional insights into the health insurance situation in Mississippi.

Focus Groups with Underrepresented Populations

In order to develop a comprehensive understanding of the uninsured populations in Mississippi, it is important to address cultural issues as they relate to various underrepresented populations including African Americans, Hispanic Americans, Asian Americans and Native Americans. Mississippi State University is conducting 8 focus groups (two focus groups per population identified).

The data from the Underrepresented Population Focus Groups is being gathered using the traditional "flipchart" facilitation. Minority facilitators are being recruited to conduct the appropriate focus groups. The data collection began in April 2004. Various locations within Mississippi were identified including: Philadelphia (Native Americans), Biloxi (Asian Americans), Stoneville (African Americans), and Morton (Hispanic Americans).

Participants have been identified through the assistance of local community offices, one-on-one contact and visiting populated areas within each location. Focus group sessions typically last two hours and include up to 10 participants in each session. Each participant has received a Wal-Mart Gift Card for $30.00 for their participation in the focus groups. Once all focus group data are collected, a final report will be written and submitted. The following preliminary information is provided for two of the target population groups:

Hispanic Population

Hispanics reported that having health insurance is very important but the majority of them indicated that they need information about insurance programs. Those who reported being employed stated that they need assistance with selection options for health insurance plans offered by their employers. They did not know who is eligible for the Mississippi Medicaid Program. They suggested that perhaps some type of educational workshops or classes be held with Spanish speaking instructors to educate them about health insurance. They described feeling a level of discrimination as they seek attention to their health needs. They also reported the need for translators in hospitals and clinics so that emergent care needs can be taken care of in a timely fashion. Unmet health concerns reported by this group were dental and vision care, prescription drug needs, gynecological services, treatment for internal disorders, rehabilitation services, and preventive checkups.

African American Population

African Americans indicated that having health insurance is very important. The majority related that they were not employed and because of that fact, they found health care to be very costly to the point of not being able to have the services they needed. It was surprising to learn that many of the participants did not know about services in their communities that were available to low income individuals and families. The majority of African American participants did not know the eligibility requirements for Medicaid. Unmet health needs reported by this group were needed surgery, prescription drugs for chronic conditions such as diabetes and high blood pressure, and preventive checkups.

Focus Groups with Low-Income and Uninsured Workers

The Fairman Group, Inc. (TFG), a health care research, development and management consulting firm with offices in Jackson, Mississippi, and Washington, DC, conducted focus groups with part-time and low income workers across the state.

The Fairman Group, Inc. conducted 11 focus groups across the State of Mississippi in November 2003 and February 2004 with low income, uninsured workers. Most participants were recruited from public health care facilities and community action agencies in local communities in all five Medicaid regions. The resulting convenience sample, while tapping into all segments of Mississippi's population of low income uninsured workers, was not statistically representative of this population. However, the sample was more than adequate to gather qualitative information about the issues and concerns facing uninsured low income workers.

In all, 89 men and women participated in the focus groups. Most (89%) were African American, and most (85%) had incomes of $400 or less per week. About half (45%) had children under 18 years of age. A number of low income industries were represented by the focus group participants, including restaurant/food, retail, labor/construction, farming, child care, home health care, and office/clerical. The majority of workers (69%) did not have access to employer-sponsored insurance. Half (50%) had been uninsured for two years or more.

Focus group participants reported having a range of health conditions that required medical attention that they could not afford to access—asthma, diabetes, hypertension, ulcers, depression, heart disease, hepatitis C and others. Several needed additional diagnostic tests to determine whether or not they needed surgery, and several needed surgery for diagnosed conditions, including tumors, hemorrhaging and resetting of bones they had tried to set themselves. A number of participants had already experienced dire consequences from being uninsured. One 48 year-old man had recently recovered from a stroke which disabled him for a year – because he couldn't afford his hypertension medicine. He was still unable to afford this medication at the time the focus group was held.

Though they were well aware of the importance of regular checkups and health screenings, most participants sought health care only when over-the-counter medications and home remedies failed to alleviate pain and discomfort. A number had been turned away by private physicians and specialists because they hadn't been able to pay for services in advance. However, it was common knowledge among participants that emergency rooms cannot turn patients away. For this reason, a small subset of participants used the emergency room as their usual source of care for minor ailments. Most, however, reserved the emergency room for true emergencies. A small number, wanting to avoid financial ruin, failed to access care even for true emergencies, including broken bones, asthma attacks, acute anemia, and appendicitis.

Prescription drugs also were cost-prohibitive for most participants, many of whom could not afford to fill prescriptions for acute infections and chronic conditions including hypertension, diabetes and ulcers. Many people said that they asked the pharmacist to give them only a few pills, tried to reserved pills for future illnesses, asked relatives for leftover pills, and/or sought over-the-counter alternatives to prescription medications. One man borrowed his brother's asthma inhaler during acute attacks.

The reason participants gave to explain why they didn't have coverage was the lack of affordable premiums. About one-third of participants had access to employer-sponsored insurance but couldn't pay for it on their incomes, nor could they afford to access primary or preventive care. The people most likely to access primary care were those living near a publicly funded community health center.

Focus Groups with College Students

Mississippi State University is in the process of conducting 10 focus groups on college campuses around Mississippi.

The data from the College Students Focus Groups are being gathered using the Social Science Research Center's Decision Support Laboratory (DSL) at various campus locations across Mississippi.

Data collection began in April 2004, at various locations within Mississippi including: Mississippi State University (Starkville), University of Southern Mississippi (Hattiesburg), Delta State University (Cleveland), Mississippi University for Women (Columbus), Mississippi Valley State University (Itta Bena), Pearl River Community College (Poplarville) and East Mississippi Community College (Mayhew). Focus groups at University of Mississippi (Oxford), Alcorn State University (Lorman), and Jackson State University (Jackson) will be held during September and October of 2004.

Participants have been identified through the assistance of various instructors, organizational groups and one-on-one contact with students at each university. The groups consist typically last two hours and involve up to 20 participants in each session. Each participant has received a money order for $20.00 for their participation in the focus groups. Once all focus group data are collected, a final report will be written and submitted.

Focus Groups with SCHIP and Medicaid Non-Renewing Enrollees

Nelums and Associates is conducing five focus groups in the counties with the highest percentages of non-renewing enrollees for CHIP and Medicaid. These counties are: Desoto, Lafayette, Lee, Neshoba, and Warren. Once all focus group data are collected, a final report will be written and submitted.

Focus Groups with Social Workers, Child Support Workers, and Chancery Court Judges

Nelums and Associates is conducting nine focus groups with DHS social workers in each of Mississippi Department of Human Services regions. The regional director was contacted to arrange a meeting time so that 6-8 social workers would be available. In

addition, personal interviews were conducted with five Chancery Court Judges in four districts. The focus groups with Child Support Workers are in-process. Once all focus group data are collected, a final report will be written and submitted.

Section 2: Employer Based Coverage

The Center for Applied Research and Evaluation is conducting a survey of employers. The survey was developed after a review of instruments used in other states, particularly Georgia. The sample was randomly selected for a database of employers with less than 50 employees provided by the Mississippi Development Authority.

The goal is to complete 300 surveys in each of the five Mississippi Medicaid regions. Surveys were mailed to the businesses with an explanatory cover letter and a business reply envelope. Employers who did not return the survey were contacted by telephone to assist in completion of the survey. All surveys have been received and data is being entered and prepared for analysis.

Before the survey instrument was finalized, employer focus groups were conducted in Jackson, Hattiesburg, and Gulfport to test concepts. The following observations were made from the focus groups:

- Affordable coverage from the Employer Focus Groups ranged from $50 per month per employees to up to $100-$150 per month per employee.

- Employers were interested in subsidies. Both daycare and non-profit organizations said subsidies were a necessity for them to be able to offer health insurance to their employees.

- Employers supported tax credits and incentives. Many of them mentioned these before the focus group question even arose. One focus group member stated, "If there were no tax credit or incentive, providing health insurance would become just like another tax." The non-profit organization representatives said that tax credits would not affect them as they are not required to pay taxes

- Other barriers to health insurance coverage include: Lack of choice in selecting a provider, ease of access to free care at University Medical Center, availability of Medicaid, and limited access/coverage provided by cheaper plans. Most feel that people without insurance can get their needs met by using the ER and going to University Medical Center for free care.

- Employers indicated that a number of factors affect their decision about whether or not to offer coverage to include affordability, employees' interest in having coverage, and employees eligibility for health insurance (some employees are currently on Medicaid and would not be willing to pay for health care coverage since they currently receive free care).

- Alternatives that might motivate employers that do not provide or contribute to coverage to do so include: tax credits, subsidies, and other incentives or support from state/federal agencies (cost sharing programs) to help pay the premium

Section 3 Health Care Marketplace (Health Providers)

On September 1, 2003, the Office of the Governor, Division of Medicaid (DOM) contracted with PathFinders & Associates, Inc., to provide research assistance and services addressing various goals identified in Mississippi's State Planning Grant funded by the Health Resources and Services Administration (HRSA).

The purpose of the assigned research goal was to obtain a better understanding of current and future insurance and utilization issues affecting healthcare providers and the marketplace. To this end, the following issues affecting healthcare for the uninsured were to be addressed: (a) gaps in terms of insurance and treatment, (b) utilization practices, (c) amount and type of uncompensated care and (d) any relevant market issues. More specifically, the following research questions provided the basis for the discussion of this report:

> What are the gaps in insurance and treatment?
>
> What are the utilization practices of those who seek uncompensated care?
>
> What do we know about the amount and type of uncompensated care?
>
> Are there other relevant market issues which must be understood relative to uncompensated care?

Both quantitative and qualitative techniques were used to gather data for this report. During the time span of November 2003, through January 2004, a statewide survey of 269 healthcare providers was conducted.

After reviewing the literature, a draft ***Health Care Provider Survey*** instrument was prepared by the research team. The development of the questions was guided by the goal and issues for investigation established by the State in its planning grant. The draft survey instrument was pre-tested with a panel of experts composed of former or current healthcare practitioners and administrators, private healthcare consultants, university healthcare researchers and a methodology expert. Written feedback was provided to the research team from each panel member. The *Technical Working Group* for the HRSA State Planning Grant also provided input into the final development of the Health Care Provider Survey. The *Healthcare Provider Survey* was divided into seven sections: (a) organizational profile, (b) uncompensated care, (c) preventive/maintenance care, (d) finance, (e) future trends, (f) respondents profile and (e) optional data. There were 81 questions in the survey, they are organized as either check off questions or asked using a likert scale. At the end of the survey, there were two optional questions which asked the respondent to provide financial data, and one open-ended question which allowed respondents to provide any additional information not covered by the survey.

The rate of return for each healthcare provider type was above the expected 35% rate. Seven of the 10 highest ranking hospitals by beds, responded to the survey solicitation. Nine of the 10 largest comprehensive/community health centers by annual patient loads, participated in the survey and all nine of the public health districts returned their surveys. It was not possible to rank the certified rural health clinics by any criteria because the data was not available. The overall responses for all types of healthcare providers were 46.1%.

Based upon the analysis of the survey and the findings above, there are clearly problems with the provision of care for persons who are uninsured. The problems of gaps in insurance and treatment center around the issues of access to different types of treatment which clearly influence the content of care that patients receive. Based upon the data, we can see that the types of illnesses/diseases which are most prevalently treated, (heart disease, diabetes and hypertension), are most effectively and efficiently treated through on-going healthcare. The fact that they are often treated in emergency rooms may indicate issues which relate to the reduced continuity of care for these chronic diseases which then creates other more costly medical complications. The issue of gaps in insurance and treatment also relates to the fact that pharmaceutical, dental, mental health, specialty and preventive/maintenance care are not available.

Also, gaps in insurance and treatment relate to the fact that although there are a high percentage of healthcare facilities in Mississippi which offer uncompensated care, patients in Medicaid Region 3 and 4 have more physical access to this kind of care. Additionally, those persons who must rely on certified rural health clinics are much less likely to have physical access to uncompensated care. The fact that the respondents indicated that the typical patient who receives uncompensated care in their facility is an African-American female, may point to some disparities of access which are indicative of gaps in insurance and treatment, and also speak to utilization practices. Since healthcare providers indicated that the aforementioned patients are often also in families that receive Medicaid and SCHIP, and this provides another indication of problems of gaps in coverage.

To some extent a discussion of gaps in insurance and treatment drive an understanding of the utilization practices of those who seek uncompensated care. Our research indicated that persons who seek uncompensated care are located throughout the State, and seek uncompensated care in all types of healthcare facilities. The type of uncompensated care the uninsured most often receive is primary care, although public health districts and comprehensive / community health centers do provide some types of preventive / maintenance care. Additionally, the data indicated that chronic diseases are often treated by facilities which provide uncompensated care. However, healthcare providers indicated that more uncompensated preventive/maintenance care should be provided; such care could reduce the need for primary care and thus actually reduce the amount of uncompensated care.

In many ways, the relevant market issues dominate the findings. Since most of the survey population provided some degree of uncompensated care, financing this care becomes an important focus. Healthcare facilities indicate that local subsidies, private donations and external fund raising are not important funding streams so that the costs of providing uncompensated care is built into other charges. While there is some funding from the federal government, it seems from the data received that it is logical to assume that insured customers and others who can afford to pay provide the funding through their costs which are passed on to them from the patients who receive uncompensated care. Reduced access to capital and shrinking federal support are seen by the healthcare providers as the two most important environmental factors that will impact their ability to provide more uncompensated care.

The healthcare providers support public policies which provide subsidies and tax incentives that would help make insurance more affordable for low-income persons. They also favor an expansion of SCHIP and Medicaid to include family coverage. The expansion of all types of health clinics which serve the uninsured was also listed as a positive mechanism. The healthcare providers thought there ought to be mechanisms which would provide more funding to healthcare facilities providing uncompensated care.

3.1-3.9 Summary of Findings: HEALTH CARE MARKETPLACE (Insurance)

Personal Interviews with Insurers

PathFinders & Associates is in the process of conducting personal interviews with insurers to identify and test specific options and mechanisms to address access, affordability, and coverage. The interview guide was developed based on models identified in other states such as, but not limited to, guides used in Texas, Kansas, and Illinois. These instruments were used to inform the development of the Personal Interview Guide for management of public and private insurers. A draft of the Personal Interview Guide was submitted and approved by the Division of Medicaid and the Technical Work Group.

PathFinders & Associates has identified ten private health insurers based upon their market share as published in ***The 2002 Annual Market Share Report*** by the Mississippi Department of Insurance. These ten insurers represent 63.3 % of the market share in Mississippi. The public insurers include the Mississippi Medicaid Program, State Children Health Insurance Program and State and School Employees Health Insurance Plan. These public programs represent 912,304 enrollees.

The interviews are underway with an expected completion day of November 1, 2004.

Section 4. Options and Progress in Expanding Coverage

4.1 Coverage Options

Coverage options have not been selected, pending results of all research. However, the household survey did test public reaction to a number of policy options. Over 86% of all respondents favored allowing uninsured families to purchase Medicaid coverage at a reduced cost. Likewise, 81% of the respondents favored expanding the CHIP program to cover parents.

Survey participants were also asked about their level of support for a 50-cent increase in the tax on a pack of cigarettes. Approximately 74% would support an increase in cigarette taxes to increase healthcare coverage. Of all respondents, 52% would be willing to pay higher taxes for guaranteed health care coverage for everyone. However, only 31% of respondents were willing to pay higher taxes for prescription drug coverage.

4.2-4.19

To be addressed this year.

Section 5: Consensus Building Strategy

5.1 Governance Structure

The *Office of the Governor, Division of Medicaid* (DOM) is designated as the lead agency for this project by the Governor. The Division of Medicaid is responsible for the administration of the grant and is to act as the liaison between the other branches of the governance structure.

The *Blue Ribbon Taskforce on Health Policy* (BRTF) was formed to guide the project and bring together representatives from all constituents. The BRTF consists of representatives from the State Department of Health, Mississippi Department of Human Services, Department of Insurance, Department of Finance and Administration (Office of Insurance), Mississippi Hospital Association, rural health centers, community health centers key legislative leaders, employers, insurers, faith-based organizations, consumers, and health policy leaders.

The *Technical Working Group* (TWG) was appointed by the BRTF to review and oversee the research projects. Appointments to the TWG were made based upon research expertise, the ability to offer insight on research findings, and the ability to provide oversight on how goals can be accomplished within timeframes. The Technical Working Group reviews the issues and findings prior to submission to the BRTF

All recommendations will be presented to the BRTF. The BRTF then discusses the findings, determines the feasibility, and approves or disapproves the recommendations made by the TWG prior to submission to the Governor.

To date there have been three Blue Ribbon Taskforce meetings and five Technical Working Group meetings.

5.2 Public Input

In addition to the participative nature of the Blue Ribbon Task Force, a number of focus groups were conducted to gain information that will supplement the two quantitative research projects (Household Survey and Employer Survey). These efforts included underrepresented populations, college students, low income workers, insurers, policy makers, and others across the State.

5.3 Public Awareness

Once the research findings are collected, efforts to publicize the findings and encourage participation in developing solutions will be explored. Possible options include dissemination of information via web sites and other agency meetings.

5.4 Policy Environment

Because the project is still in the research phase, the policy environment has not been tested. Realistically, however, these are challenging times in Mississippi with a slow economy and many demands on the state budget.

As part of the project, Nelums and Associates conducted personal interviews with twelve legislators serving on the Medicaid and Public Health and Human Services Committees in the House of Representative and on the Public Health and Welfare Committee in the Senate. The participants consisted of seven Democrats and four Republicans of which nine were male and two were females. One legislator denied the invitation to participate.

Participants expressed support for the Medicaid and CHIP programs, but there was expected concern about the ability to fund adequate healthcare coverage. Barriers to support centered on the size and growth of the Medicaid and CHIP budget and the perception of fraud as a significant contributor of rising costs. Most participants were not aware of the three-share program being implemented in other states such as Michigan. Suggestions for building support included education for legislators about the "true needs of Mississippians".

Section 6. Lessons Learned

This section will be address upon completion of the project.

Section 7. Recommendations to the Federal Government

This section will be address upon completion of the project.