

# HIMMA SURVEY OF CONSUMERS SUMMARY REPORT

*Management Consulting  
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## Executive Summary

In May 2006, the US Congress is expected to vote on S. 1955, the Health Insurance Marketplace Modernization and Affordability Act (HIMMA), a bill introduced by Senator Enzi of Wyoming. The bill is intended to make health insurance more affordable to small businesses and their employees, by allowing health insurance companies and small businesses to avoid state mandates that require that certain basic benefits be offered by all health plans in the state (e.g., mammograms, maternity care, well child visits).

To help gauge consumer reaction to the bill and its possible impact on small business employees, the *Coalition to Protect Access to Affordable Health Insurance* commissioned Zogby International, a Utica-based polling and market research firm, to conduct a nationwide survey with a random sample of small business employees, including the self-employed. The study was conducted by telephone over a 5-day period extending from the 20-24<sup>th</sup> of April 2006. A total of 401 small business employees (i.e., individuals who work for businesses with fewer than 50 employees, or are self-employed) were interviewed during this period. The sample size of 401 provided a margin of error of  $\pm 5\%$  in estimating actual percentages in the small business employee population.

Specific issues explored on the survey included:

- General attitude toward HIMMA legislation
- Willingness to purchase lower-cost health insurance that excluded certain basic benefits (e.g., well child visits, maternity care, diabetes monitoring)
- Whether older employees and those with existing health problems should pay higher premiums
- Whether Congress should pass a law allowing health insurance companies and small businesses to avoid state regulations
- State vs Federal regulation of health insurance
- Employer responsibility for providing health insurance to employees
- Whether government health insurance programs should be expanded
- Health insurance coverage among small business employees

### **Key Findings**

#### *HIMMA Legislation*

- Two-thirds of small business employees (66%), the segment that would be most affected by the HIMMA legislation, are opposed to the bill's passage. Only 24% support it. Opposition to the bill was observed across nearly all demographic segments, but was particularly strong among women (73%) and college graduates (71%).
- Fewer than a third say they would purchase a health insurance product that lacked certain basic benefits such as well child visits, cancer and mammography screening, diabetes monitoring, maternal care, or mental health services (28%).

- According to a recent actuarial analysis conducted by a large health insurer, if Congress passes the HIMMA bill, older employees and those having existing health problems are likely to end up paying significantly higher insurance premiums than healthy employees. According to the survey, this is not what most consumers believe is fair. Specifically, most small business employees do not feel that older employees (80%) or those with existing medical conditions (67%) should pay higher premiums.
- Seven of every 10 small business employees say that the cost of health care should be spread evenly across employees, regardless of their age, occupation or medical history.
- Similarly, 71% do not feel that health insurance companies should be allowed to charge higher premiums to small businesses that have a high percentage of employees with existing health problems.

#### *Federal vs State Regulation*

- By a 2-to-1 margin (61% vs 28%), small business employees do not think that Congress should pass a law that would allow health insurance companies and small businesses to avoid state regulations that protect health care consumers.
- A majority of small business employees feel that the State, and not the Federal government, would be better suited for regulating health insurance in their state (54% vs 31% who preferred the Federal government).

#### *Role of Employers/Government in Providing Health Insurance*

- 70% of small business employees think that companies, including small businesses, have a responsibility to provide adequate health insurance for their workers. On average, they feel their company should contribute about 50% toward their health insurance premium.
- When asked if government programs such as Medicaid should be expanded to replace some private health insurance coverage now offered by employers, responses were generally mixed -- 49% agreed while 41% disagreed (10% were not sure).

#### *Health Insurance Coverage Among Small Business Employees*

- 86% of small business employees, including the self employed, reported that they currently have health insurance. Among those who are insured, 37% get their coverage through their employer, 37% get it through their spouse's employer, while 26% pay for it directly. Excluding self employed individuals, just over half get their health insurance through their employer (53%).

#### ***Conclusions***

The majority of small business employees, including the self-insured, are opposed to key features of the HIMMA bill, as well as possible outcomes of the bill if Congress approves it. These HIMMA features and outcomes include the following:

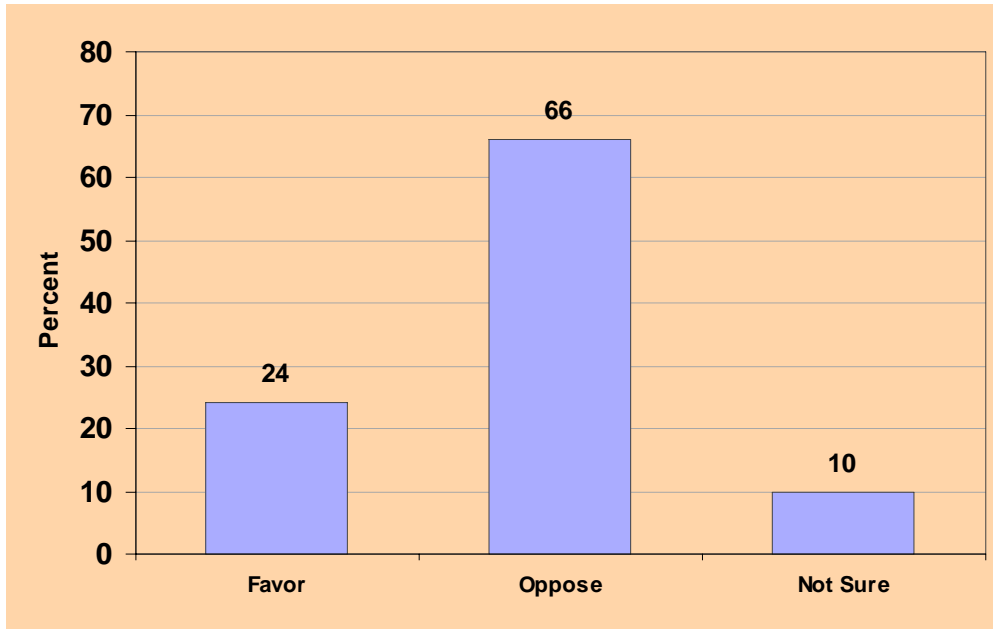
- Allowing health insurance companies to offer lower-cost health plans that exclude certain state-mandated benefits, such as well child visits, maternity care, diabetes monitoring, and mental health services.
- Allowing the Federal government to pass a law that would allow health insurance companies and small businesses to avoid state regulation of the health insurance industry.
- Having older employees, and those with existing health problems, paying higher health insurance premiums than young or healthy employees.
- Allowing health insurance companies to charge higher premiums to small businesses that have a higher percentage of employees with existing medical conditions.

Most small business employees believe that employers, including small businesses, should play a role in providing adequate health insurance for their employees (70%). On average, they would like to see their employers contribute about 50% toward the premium. Currently, just over half of small business employees get their health insurance through their employer (53%).

Tables and charts summarizing some of the key findings are presented in the sections which follow. In order to provide better estimates of population responses, all results have been weighted by age, gender, and region.

## **A. HIMMA LEGISLATION**

## WOULD YOU FAVOR OR OPPOSE THE HIMMA BILL?



**Note:** The full description of HIMMA and the actual question is shown below:

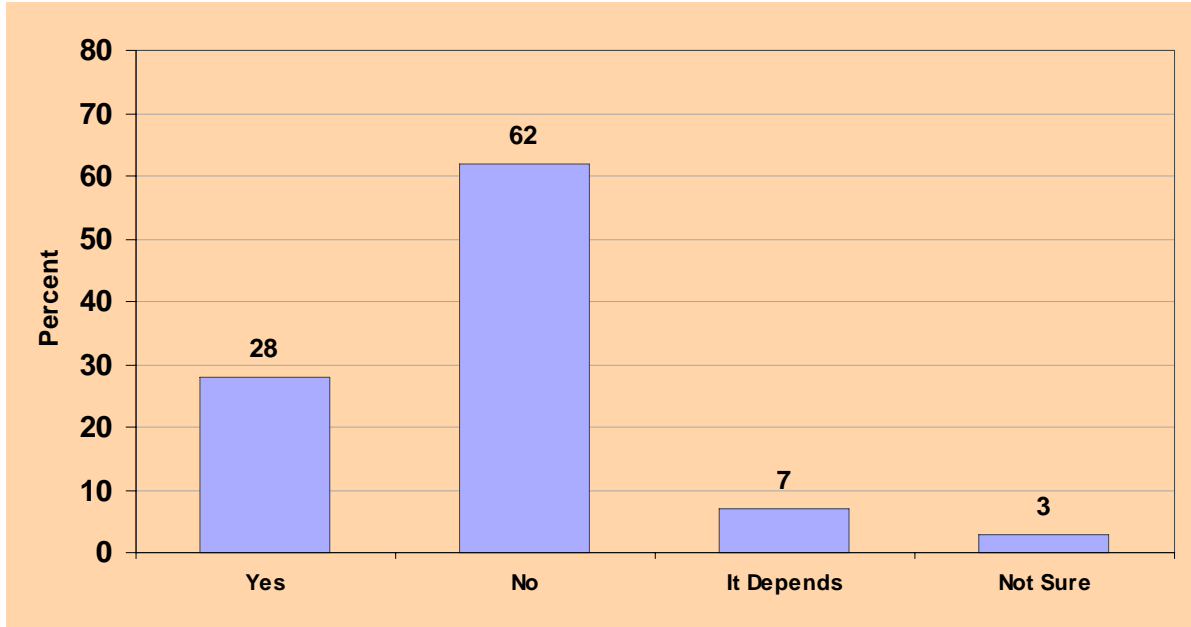
Today, all states require health insurance companies to meet certain health insurance standards and to provide certain basic benefits. These standards vary from state to state. They may include laws to require coverage for certain medical conditions, rules to ensure that small businesses have equal access to health insurance, or laws to protect consumers.

Some groups have argued that these state health insurance regulations have added to the cost of health insurance, and have made it especially difficult for employees of small businesses to get health insurance.

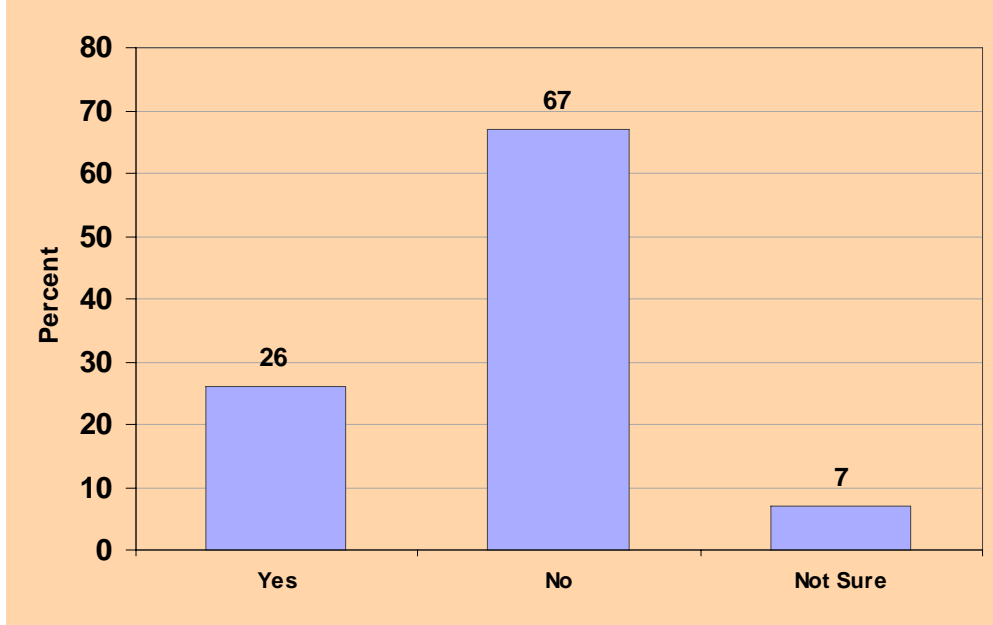
Have you heard anything about this?

Within the next few weeks, the US Congress will be considering a bill that would allow health insurance companies and small businesses to avoid state health insurance requirements. This bill would allow health insurance companies and small businesses to offer lower-cost health plans that would exclude certain basic benefits such as well child visits, cancer and mammography screening, diabetes monitoring, maternity care, and mental health services. Do you think you would favor or oppose such a bill?

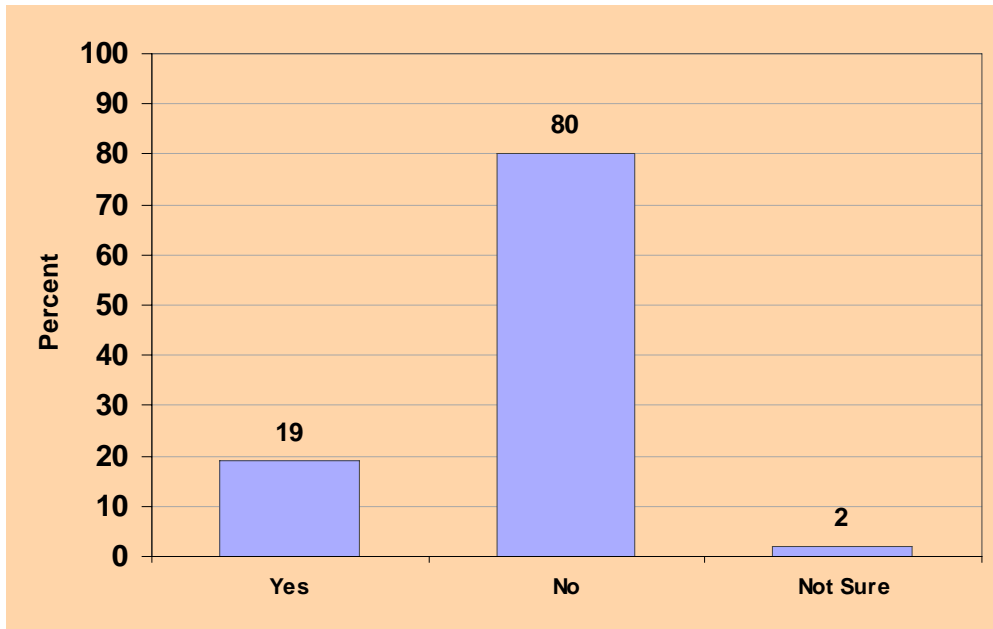
Would you purchase health insurance if it were slightly less expensive, but did not pay for well child visits, cancer and mammography screening, diabetic monitoring, maternity care or mental health services and you had to pay for such expenses out of pocket?



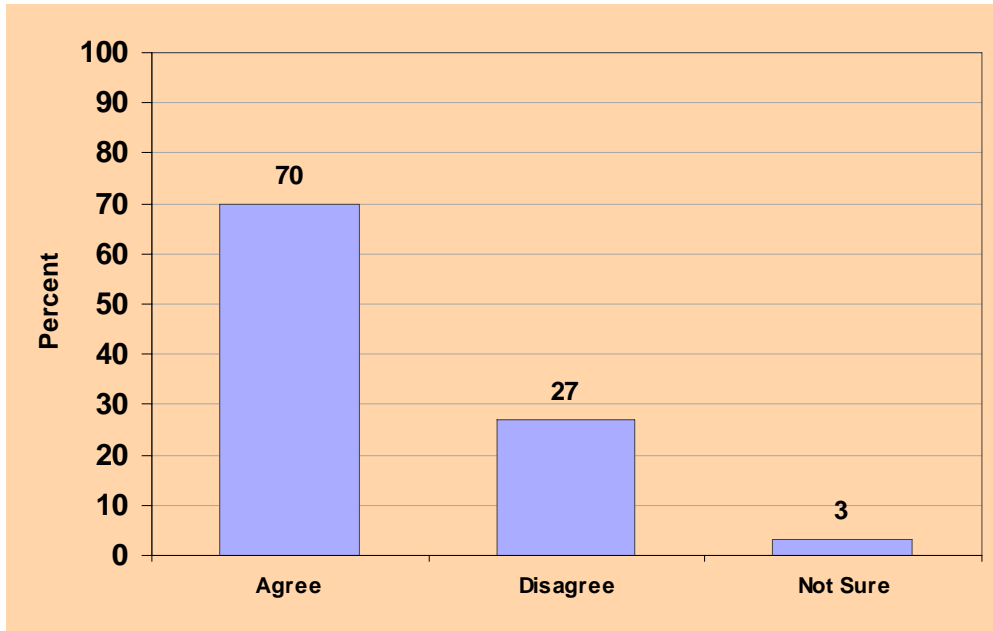
**Some have argued that if state health insurance regulations were eliminated for small businesses, employees that have existing medical conditions would end up paying higher insurance premiums. Do you think that employees with existing medical conditions should pay higher health insurance premiums than healthy employees?**



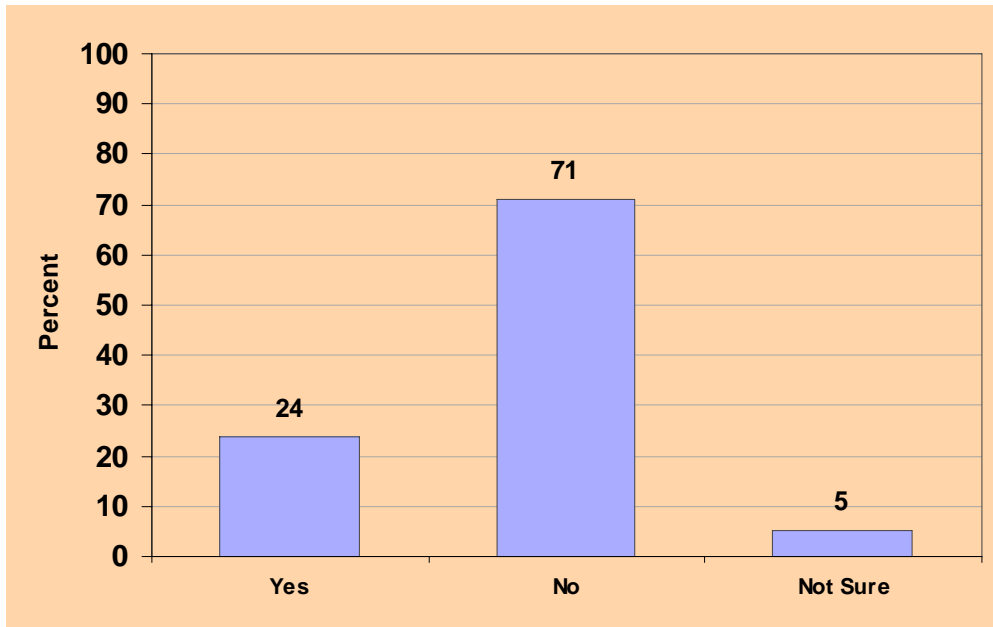
**As people age, they are more likely to experience health problems and to need more health care services. Do you think older employees should pay higher insurance premiums than younger employees?**



**“The cost of health care should be spread evenly across everyone, regardless of their age, occupation or medical history.”**

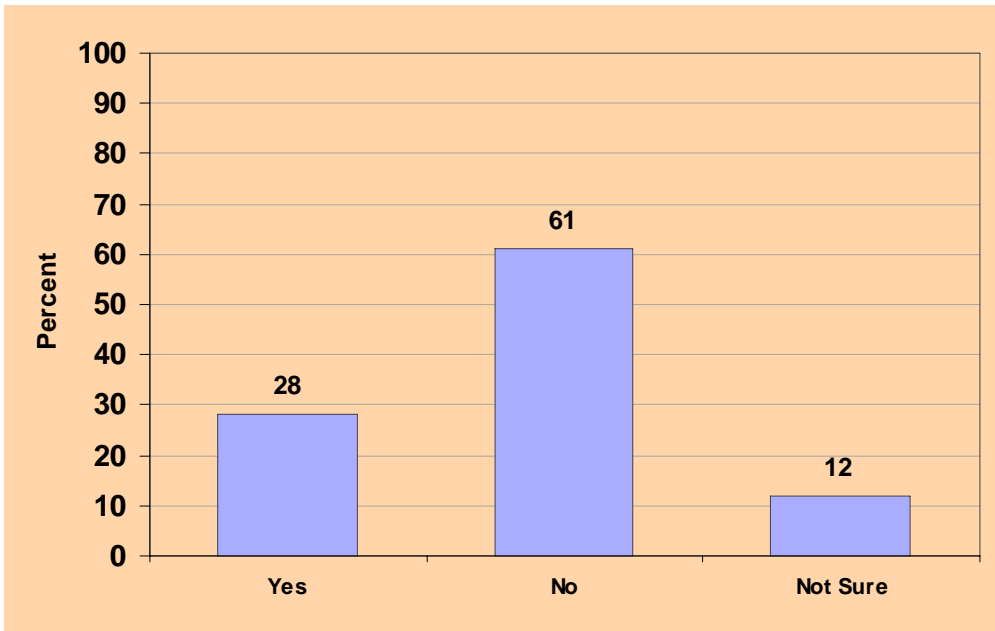


**Do you think health insurance companies should be allowed to charge higher premiums to small businesses that have a high percentage of employees with existing medical conditions?**

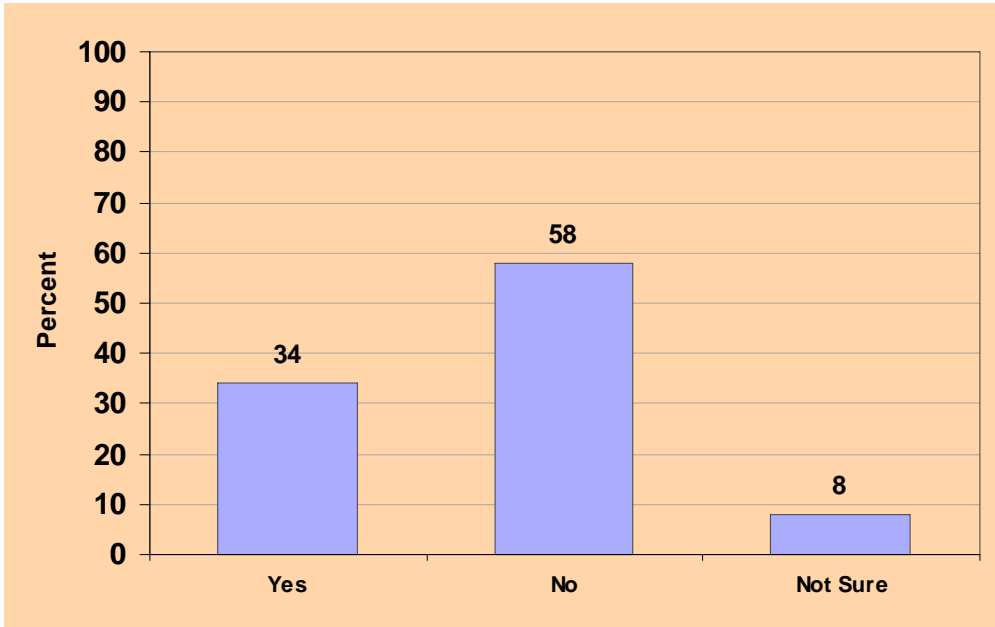


## **B. FEDERAL VS STATE REGULATION**

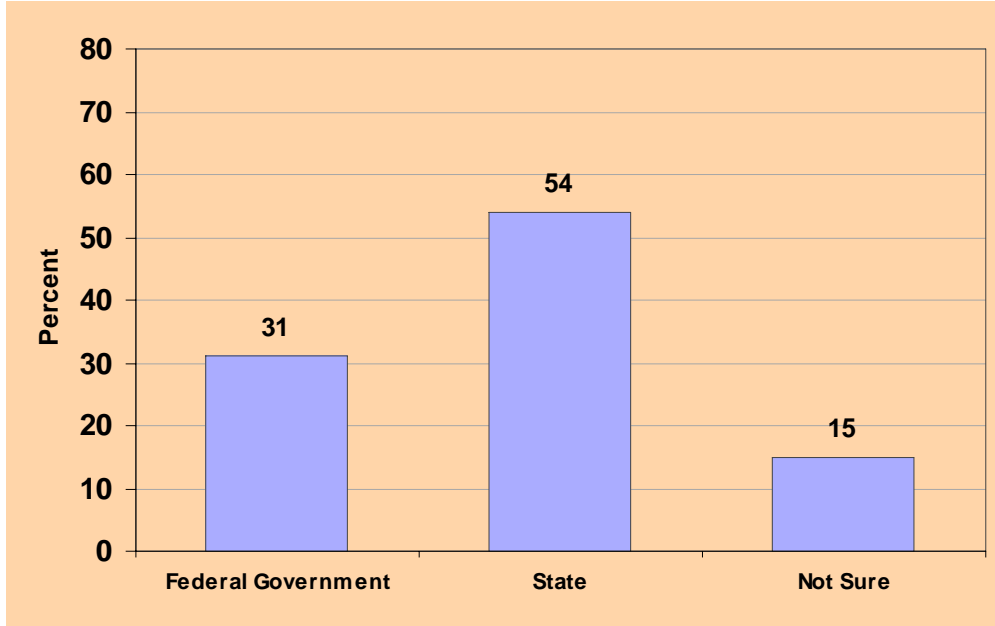
**Do you think Congress should pass a law that would allow health insurance companies and small businesses to avoid state regulations that protect health care consumers?**



**Do you think Congress should pass a law that would eliminate state health insurance regulations that give small businesses equal access to health insurance?**

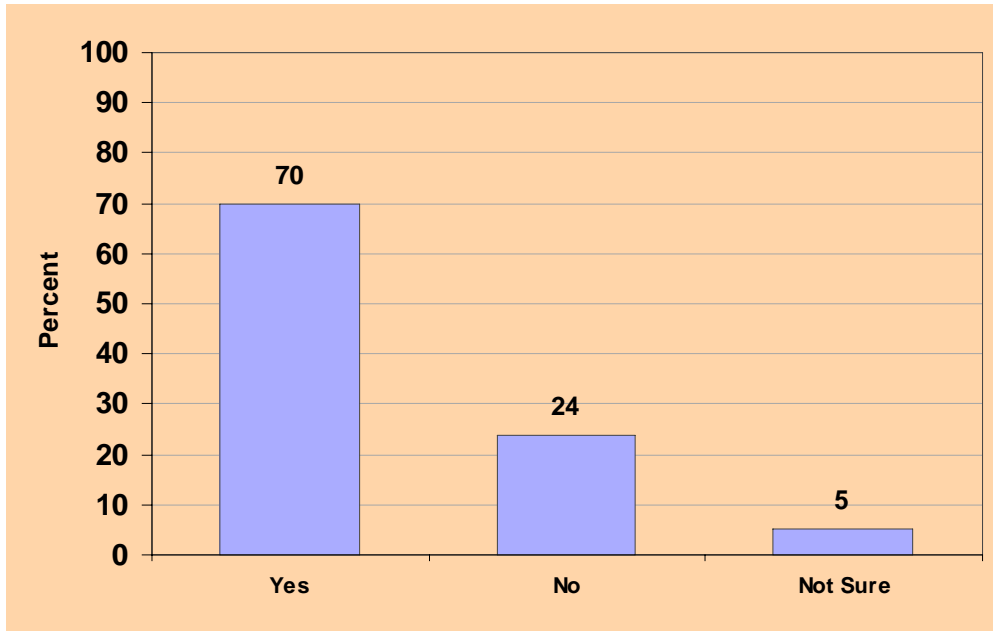


## WHO IS BETTER SUITED FOR REGULATING THE HEALTH INSURANCE MARKET IN YOUR STATE?



## **C. ROLE OF EMPLOYERS/GOVERNMENT IN PROVIDING HEALTH INSURANCE**

**Do you feel that employers, including small businesses, have a responsibility to provide adequate health insurance coverage for their employees?**



**Do you think it would be better if government health insurance programs, such as Medicaid, were expanded to replace some of the private health insurance coverage now offered through employers?**

