



Maximizing Enrollment in the Premium Support Program: Results from Employer Interviews

September 2004



**State of New Jersey
Department of Human Services**

***In Collaboration with*
Rutgers Center for State Health Policy**

State of New Jersey
Richard J. Codey, Acting Governor
Department of Human Services, James M. Davy, Commissioner

Lead Agency

New Jersey Department of Human Services (NJDHS)

In Collaboration with

Rutgers Center for State Health Policy (CSHP)

Report Prepared by

Dina Belloff, M.A., Research Analyst, CSHP
Kimberley Fox, M.P.A., Senior Policy Analyst, CSHP

Project Leadership

Ann Clemency Kohler, Director, Division of Medical Assistance & Health Services, NJDHS
Dennis Doderer, Deputy Assistant Director, Division of Medical Assistance & Health Services, NJDHS
Joel C. Cantor, Director and Professor, CSHP
Alan C. Monheit, Professor, UMDNJ and CSHP
Margaret M. Koller, Associate Director for Planning, CSHP

Project Steering Committee

Marie Boragine, Project Administrator, Division of Medical Assistance & Health Services, NJDHS
Virginia Kelly, Manager, Office of Research, Division of Medical Assistance & Health Services, NJDHS
Freida Phillips, Special Assistant to the Deputy Commissioner for Family & Community Services, NJDHS
Michelle Walsky, Chief of Operations, Division of Medical Assistance & Health Services, NJDHS
Joseph Tricarico, Jr., Assistant Commissioner, Managed Care & Health Care Finance, NJ Department of
Health & Senior Services (NJDHSS)
Vicki A. Mangiaracina, Special Deputy Commissioner, New Jersey Dept. of Banking and Insurance (NJDOBI)
Wardell Sanders, Executive Director, NJ Individual Health Coverage Program & Small
Employer Health Benefit Program Boards, NJDOBI



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Acknowledgements

This research was funded by the NJ Department of Human Services with a State Planning Grant from the Health Resources and Services Administration, US Department of Health & Human Services. The authors would like to thank Dennis Doderer and Harvey Myers of the NJ Division of Medical Assistance and Health Services and Wardell Sanders, Executive Director, NJ Individual Health Coverage Program and Small Employer Health Benefit Program Boards, who contributed their time and considerable expertise toward developing the interview protocol, providing employer lists, and reviewing drafts of this report. We would also like to thank the members of the State Planning Grant Steering Committee who provided guidance on the direction of the project and preparation of this report. Finally, we extend our special thanks to the New Jersey employers who volunteered their valuable time to participate in this study.

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Dina Belloff, M.A.; Kimberley Fox, M.P.A.

Executive Summary

New Jersey's Premium Support Program (PSP) subsidizes employer-sponsored health insurance coverage for eligible persons enrolled in NJ FamilyCare when the employer plan meets certain requirements, and when it is more cost-effective to buy-in to the employer's plan than to cover the family or individual through FamilyCare. While the program has the potential to save the state considerable funds, the PSP has experienced lower than expected enrollment because most employers of NJ FamilyCare enrollees do not offer health insurance.

To assist NJ officials in understanding the current challenges that NJ employers face in offering health insurance coverage and in identifying potential actions the state could take to encourage employer-based coverage, Rutgers Center for State Health Policy (CSHP) conducted interviews in the Spring of 2003 with 26 New Jersey employers. The selected employers represented a variety of industries that both offered and did not offer health insurance, and that had been identified by NJ FamilyCare enrollees as their place of employment. The purpose of these interviews was to identify: 1) the reasons for offering or not offering coverage, 2) barriers to providing insurance, willingness to pay, and attitudes toward providing coverage among non-offerers, and 3) challenges to offering health insurance and responses to those challenges among offerers. This report summarizes the findings of those interviews.

Key Findings

- Consistent with findings of many other employer focus groups and surveys conducted nationally and in other states, the primary reason that NJ employers do not offer health insurance, and the primary challenge of maintaining coverage for NJ employers that offer coverage, is that health insurance is increasingly unaffordable.

- Employers that do not offer coverage tend to be extremely small businesses with workers who work part-time and/or earn too little to afford coverage, or are covered through another source and are not pressuring their employer to offer this benefit. Most of them have never offered health insurance and indicated that they are unlikely to in the future, even with state subsidies or tax incentives.
- About half of the non-offering employers showed some interest in purchasing alliances, but did not seem to have a clear understanding about the extent to which these alliances might reduce the costs of insurance or how they work. More education of small employers may be needed in this area.
- In contrast, most employers that offered health insurance had done so for some time and intended to continue to provide coverage despite reported premium increases of 15-30%.
- While employer contributions were generally high, offering employers have responded to increasing premium costs by reducing the employer contribution to the premium, purchasing plans with higher levels of cost sharing, and in some cases, forgoing wage increases. Some employers reported that employees were forced to disenroll from the health insurance plan in response to rising premiums because the cost became unaffordable.
- The majority of employers that offered health insurance did not cover part-time workers that work more than 25 hours a week, even though by state law these workers should be eligible. Employers who only offer coverage to full-time employees (i.e., 30-40 hours per week or more) were generally not interested in offering coverage to part-time workers even with a subsidy. FamilyCare enrollees may be among these part-time workers.
- Few of those interviewed were aware of information available through the state on options for purchasing within the small group market. Those that had coverage largely relied on brokers, while those without coverage relied on carriers. None of the employers we spoke with – offerers or non-offerers – mentioned the Department of Banking and Insurance (DOBI) website specifically as a source of information. Similarly, only one of the 26 employers interviewed had experience with the PSP or was familiar with the program even though some of their employees were potentially eligible.

While not necessarily generalizable to the entire NJ employer population, our findings offer some insights that may be helpful to the PSP as well as insurance market regulators. Many non-offering employers as well as those that offered were interested in options that could significantly reduce the cost of insurance, including pooled purchasing. While more than half of those we interviewed showed considerable interest in purchasing alliances, none were aware that legislation had been passed in New Jersey to support such alliances. While purchasing alliances may or may not be a realistic solution for reducing employers' costs, the state could play a more active role in informing employers of these options or supporting a state-sponsored alliance for employers to join.

Also, given the lack of knowledge of the PSP or use of information from the DOBI website in making coverage decisions, the State may want to increase educational efforts for New Jersey employers about these options. Declining employee participation rates that threaten their ability to provide coverage may motivate employers to relay information about the PSP to employees that are potentially eligible to maintain required participation rates. Employees may also have children that are eligible for NJ KidCare, which could provide a subsidy for family coverage through the employer, possibly making the employment-based coverage more affordable.

Maximizing Enrollment in the Premium Support Program: Results from Employer Interviews

Dina Belloff, M.A.; Kimberley Fox, M.P.A.

Introduction

New Jersey's Premium Support Program (PSP) subsidizes employer-sponsored health insurance coverage for persons enrolled in NJ FamilyCare who are employed and eligible for employer-sponsored health insurance that meet certain requirements and where it is cost-effective to do so. Buying into employer plans through PSP can result in considerable savings for the NJ FamilyCare program. For current PSP enrollees, the state saves approximately \$2,925 per enrollee per year. However, enrollment in PSP has been lower than expected. As of November 2003, only 750 individuals or less than 1% of all NJ FamilyCare enrollees were enrolled in PSP.

Based on PSP administrative data, the most common barrier to participation in the PSP program is lack of access to employer-sponsored health insurance. While most NJ FamilyCare enrollees are employed, many of their employers do not offer health insurance. Other employers may offer health insurance, but the NJ FamilyCare enrollee is ineligible for coverage, possibly because of part-time or seasonal work status, or because the enrollee has been employed there for only a short time. Only a small percentage of NJ FamilyCare enrollees are ineligible for PSP because the plan that their employer offers does not meet minimum plan requirements.

Lack of employer-sponsored coverage in businesses that employ low-income workers is an issue of concern both for maximizing PSP enrollment and also for reducing the number of uninsured persons in the state. To assist NJ officials in understanding the current challenges that NJ employers face in offering health insurance coverage, Rutgers Center for State Health Policy conducted interviews with employers of various firm size that both offer and do not offer health insurance. The primary purpose of the interviews was:

1. To identify reasons why employers do and do not offer health insurance;
2. For non-offerors, to identify barriers to providing health insurance coverage, their willingness to pay for insurance, their attitudes about health plan options

available to them and potential incentives that might encourage these employers to offer; and

3. For offerors, to identify the major challenges that employers have faced in maintaining coverage for all employees and how they have dealt with those challenges.

A complete list of the questions that were asked of employers can be found in Appendix A

Methods

In Spring 2003, Rutgers Center for State Health Policy contacted 200 New Jersey businesses that NJ FamilyCare enrollees identified as their place of employment on forms submitted to the PSP. The list included both large and small businesses that offered and did not offer health insurance based on the self-report of enrollees.

As shown in Table 1, many employers could not be reached, or were deemed ineligible because the central headquarters that administered health benefits was located out of state, or they were a government-related entity eligible for public coverage. Of the 116 eligible employers that we were able to reach by phone, 26 employers agreed to be interviewed. Table 2 provides a breakdown of employers interviewed by firm size and type of industry and by whether they offered health insurance. Fifteen employers interviewed offered health insurance and 11 did not offer insurance. Ten of the firms interviewed had 10 or fewer employees, five had between 11 and 50 employees, eight had between 51 and 149 employees, and three had 150 or more employees. The employers represented many industries in the state, but were primarily concentrated in the retail goods and services sector.

Table 1: Employers Contacted from PSP List Sample by Status

	#	%
Total Employers Contacted*	200	100%
Total Disconnected/Wrong #	20	10%
Total Ineligible	39	20%
Total No Answer/ Answering Machine	25	13%
Total Refused to Participate*	46	23%
Total Knowledgeable Person Could Not be Reached/Did Not Take Call/Did Not Return Calls	44	22%
Total Interviews Completed*	26	13%

*Includes 3 employers who showed interest in speaking to us when we called for the focus groups. Of those three, two completed an interview and one refused.

Table 2: Characteristics of Employers Interviewed

	#	%
Firm Size*		
Less than 10	10	38%
11-50	5	19%
51-149	8	31%
150+	3	12%
Industry		
Retail Goods and Services	6	23%
Manufacturing	3	12%
Construction	3	12%
Health Services	3	12%
Business Services	3	12%
Transportation/Storage	4	15%
Restaurant	4	15%
Health Insurance		
Offers	15	58%
Does Not Offer	11	42%
Total Employers	26	100%

*Based on the number of full-time workers.

Findings

Reasons Why NJ Employers Do Not Offer Health Insurance (Table 3)

- ***Too expensive.*** Most employers that did not offer health insurance indicated that their reason for not offering was the high cost of coverage. A few explained that the low wages of many of their employees' restricted their ability to pay a significant portion of the premium, leaving the employer to contribute a significant portion of the costs in order to ensure sufficient take-up. Most employers did not feel that they support these costs and thus could not afford to offer coverage.
- ***Employees get coverage elsewhere.*** The second most common reason that employers did not offer health insurance is that most employees purchased coverage through other sources, such as through their spouse's plan, so there was no reason to offer coverage. This reason was most commonly mentioned by very small employers with only a few employees.
- ***Lack of employee interest.*** Related to the reason above, four of the 11 employers that do not offer said that lack of employee interest in coverage makes it difficult to offer health insurance. These employers indicated that employees were not interested in coverage either because they could not afford to contribute anything toward coverage, because they did not plan to stay on the job for long, or because they had coverage through other sources. However, the other seven employers that did not offer did not feel that lack of interest was a particular barrier.
- ***Other reasons.*** Other individual reasons mentioned by one or two employers included that:
 1. Most of their employees were covered under NJ FamilyCare and that the NJ FamilyCare benefit was far more generous than anything they could offer, for a very reasonable cost;
 2. The inflexibility of having a minimum participation rate of all employees, limited the ability to offer coverage to only certain staff. This employer had wanted to provide coverage to management and office workers but thought he was not allowed to without offering to all of the employees;

3. Employees do not stay on the job long enough or work too few hours to provide coverage; and
4. No one in the industry offers and employees don't expect coverage.
(Note that some of the employers we interviewed that offered were in a similar industry.)

Table 3: Reasons for Not Offering Health Insurance

Reasons*	Total Number of Employers (n=11)
Health insurance is too expensive.	8
Employees get coverage elsewhere.	4
Not legally required to offer health insurance.	1
Not my problem.	1
Administrative hassles.	1
Other	4

*Includes all reasons mentioned. Respondents often cited more than one reason for not offering.

Reasons Why NJ Employers Offer Coverage (Table 4)

- ***Getting and retaining employees.*** The primary reason for offering health insurance coverage is to attract and retain high quality employees. These employers felt that offering a health insurance benefit was important to their prospective employees and that not offering coverage would significantly impede their ability to hire and retain good employees.
- ***Felt a moral responsibility to offer coverage.*** One-third of employers offering coverage felt a moral responsibility to provide this benefit. These employers understood that most often health insurance coverage is provided through an employee's place of work and wanted to feel they had done right by their employees by providing them with this protection.
- ***Others in my industry offer coverage.*** Many employers felt that providing a comprehensive benefit package helped them compete in a tight labor market. They felt that without this benefit other employers in their industry would have an advantage in hiring high quality industry employees.

- **Employer wants coverage for self.** Only two employers reported that they offered coverage to their employees in order to get coverage for themselves. These employers also provided a greater employer contribution for upper management than for subordinates.
- **Other reasons.** Two employers indicated that their employees were unionized and they had to provide health insurance. Others offered to maintain good relationships with employees.

Table 4: Reasons for Offering Health Insurance

Reasons*	Total Number of Employers (n=15)
Getting and retaining employees.	11
Felt a moral responsibility to offer coverage.	5
Others in my industry offer coverage.	4
Employer wants coverage for self.	2
Other	4

*Includes all reasons mentioned. Respondents often cited more than one reason for not offering.

Differences between NJ Employers that Offer and Do Not Offer Health Insurance

- **Most employers that do not offer have never offered, but those that offer have done so for a long time.** NJ employers that offer health insurance have done so for a long period of time. Thirteen of the fifteen employers who offer health insurance indicated that they have always offered insurance as an employee benefit and the remaining two employers have offered coverage for five to seven years. In contrast, with only one exception, NJ employers that do not offer had never offered health insurance to their employees. The one employer who had offered insurance in the past, stopped offering two years ago because his long-time, committed employees retired or moved away, and since then most of the workers he has hired have been more transitory, often leaving after a few months. This employer would be willing to offer insurance once again if he could hire employees that remained on the

job for longer periods. The fact that most non-offering employers never offered coverage may indicate that this group would always be difficult to convert to offering employers.

- ***Non-offerers tend to be very small businesses.*** Consistent with data on offer rates nationally and in New Jersey, the NJ small employers were much less likely to offer health insurance than larger employers. Nearly all of the employers that did not offer health insurance were small businesses with less than 10 full-time employees (Table 5).

Table 5: Employers that Offer and Do Not Offer Health Insurance by Size

	Very Small (1 to 10 Employees)	Small (11 to 50 Employees)	Medium (51 to 49 Employees)	Large (150+ Employees)	Total
Offer	3	2	7	3	15
Does Not Offer	7	3	1	0	11
Total	10	5	8	3	26

- ***No clear difference in offering by industry.*** Although the sample for this study is too small to generalize to the broader population, there were no particular industries among the employers that we spoke with that were more or less likely to offer health insurance than other industries.
- ***Differences in source of information on health coverage options.*** The vast majority of employers that offered health insurance got their information on available health plans through an insurance broker. Only a few got their information by calling health insurance carriers themselves, through mailings, or through the internet. In contrast, most employers that do not offer health insurance but had investigated their options got most of their information through the carriers themselves, either by calling the carriers directly, through mailings, carriers' Internet sites, or phone calls from carriers. Only two non-offering employers reported getting information from brokers. None of the employers we spoke with – offerers or non-offerers – mentioned the DOBI

Small Group Plan Handbook or website specifically as a source of information. Most employers felt that the information they got from whatever source they used was helpful to them in making insurance coverage decisions. A few of the employers that did not offer felt the information available was not helpful because it did not help them to overcome other challenges to offering coverage such as employee turn-over and the cost of coverage.

- ***Employers that offer health insurance are more satisfied with plan options available.*** Most employers that offer health insurance are happy with the plan options available to them. However, a few of those that offer would have liked to cover more employees, wanted more services for less cost, and wanted employees to be able to buy insurance for only the services they would use (not understanding the concept of insurance). In contrast, more than half of employers that did not offer health insurance were not satisfied with the plan options available to them. Several indicated that the plans available were simply too expensive. One indicated that this was partly because they offered such comprehensive coverage; his employees could only afford minimal coverage. In contrast, one employer believed that the health insurance available did not cover all medical needs and was worried that she would get sick with an illness they would not cover. Another was concerned about the available plans not covering pre-existing conditions. Both of these employers indicated that if the plans covered all services and pre-existing conditions at a reasonable cost they would buy coverage.

Coverage Issues for Part-time Workers

- ***More than one-third of employers that offer allow part-time workers to be eligible*** - In most cases only full-time workers are eligible for the health insurance benefit as shown in Table 6. However, while employers are not obligated to provide health insurance to part-time workers, several employers, particularly those in small businesses or those whose workers are unionized, offered coverage to both part-time and full-time employees. One large hospital system said they cover some part-time employees in order to attract employees to positions that are generally harder to fill, such as nursing.

Table 6: Employee Eligibility for Health Insurance

	Part-Time Employees Eligible	Only Full-time Employees Eligible
Very Small (1 to 10 Employees)	1	2
Small (11 to 50 Employees)	2	0
Medium (51 to 149 Employees)	1	6
Large (150+ Employees)	1	2
Total	5	10

- ***Most employers define 'full-time' much more conservatively than State.*** While the state of New Jersey defines eligibility for health insurance benefits in the small group market as those employees who work 25 hours or more, only four of the employers that offered and three that did not offer health insurance used this definition (Table 7). In fact, most employers interviewed consider full-time workers those who work 30, 35, or 40 hours per week.

Table 7: Number of Hours an Employee Must Work to be Considered Full-Time

	35 Hours	40 Hours	30 Hours	25 Hours	20 Hours
Offerer (n=15)	2	5	4	2	2
Non-Offerer (n=11)	3	3	3	0	1
TOTAL (n=26)	5	8	7	2	3

Note: One Non-Offering employer did not respond to this question.

- ***Employers who only offer to full-time workers not interested in covering part-time workers, even with subsidy.*** Most employers that do not offer health insurance to part-time workers were generally uninterested in adding part-time workers to their plan even if an employee subsidy were

available. A few mentioned concerns about the administrative burden and the costs of having to contribute toward this coverage. Only two employers said that they would include part-time workers if a subsidy were available to those workers to cover premium costs.

Employer Contributions, Take-Up and Knowledge of PSP Among NJ Employers that Offer Health Insurance

- ***Employer contributions high and usually uniform for all eligible employees.*** Most employers that offered health insurance contributed more than 75% of the cost of the premium for the employee (Table 8). This finding is consistent with the experience of the PSP program that has found if an employer offers coverage, the plan usually meets the minimum contribution standards. Generally the employer contribution was the same for all employees, but a few paid higher contributions for office employees or for management. Two only provided an employer contribution toward the employees coverage leaving the employee to pay the full cost of family coverage.

Table 8: Employer Contributions toward Employee Health Insurance Premiums

	<i>TOTAL (n=15)</i>
75% or more	9
50%- 60% of Premium	5
None of the Premium	1

- ***Employees often purchase insurance if employers offer coverage.*** Reflecting the high employer contribution rates, take-up rates by NJ employees in businesses that offered were generally high. Most had take-up rates of greater than 70%, not accounting for employees that may be covered by another source. Employers that offered lower employer contributions generally reported lower employee take-up, reflecting the higher cost to the employee.

- **Limited knowledge of the NJ Premium Support Program.** Despite the fact that the employers contacted came from a list provided by the PSP few of the employers knew of the program specifically. Only one employer had some experience trying to enroll one employee in the program, but the employee was never enrolled.

Challenges in Maintaining Coverage in Businesses that Offer Health Insurance

- **Increasing Premium Costs.** The greatest challenge that employers have faced in maintaining insurance has been the increasing costs of health insurance. Nearly one-third of offering employers had seen increases in premiums of 30 to 35 percent per year and another third have had increases of about 15 to 20 percent.
- **Employers respond by purchasing lower cost packages, lowering contributions, and foregoing wage increases.** In response to increasing premiums, employers were most likely to decrease the benefit package, primarily through purchasing lower cost plans with higher co-payments and deductibles (Table 9). Several employers reported that employees preferred higher cost sharing to higher premiums or reduced services. In fact, few employers reduced the services offered under their plan. Other employers decreased the employer contribution, particularly those that saw premium increases of 20-30%. One third of employers that offered also indicated that they had sustained the increases by foregoing wage increases.
- **Employees disenroll.** According to employers that offer, employees have responded to rising health insurance costs by disenrolling from employment-based plans where they are required to pay a higher proportion of the premium (Table 9). Employees subject to moderate employer contributions are more likely than others to disenroll in response to rising costs.

Table 9: Actions Taken by Employers and Employees in Response to Rising Premiums

Responses	Total # of Employers (n=15)
Decreased Benefit Package	11
Employees Disenrolled	6
Decreased Employer Contribution	6
Forego Wage Increases	5

Potential Incentives for Offering or Maintaining Coverage

- ***Willingness to pay for coverage.*** Of the eleven non-offering employers we spoke to, only five had ever looked into buying health insurance for their employees or were able to identify what they would be willing to pay. The price quotes that these five employers had remembered receiving over the past year or two were fairly low – approximately \$300 per month for single coverage and prices quotes ranging from \$500 to \$900 per month for family coverage. Most of these employers were unsure of what they would be willing to pay, if anything, to get coverage. The three employers that offered rough estimates of what they would be willing to pay generally estimated only \$200-\$450 for family coverage.
- ***Interest in Tax Incentives, Employer Subsidies, or Purchasing Alliances.*** Five of the eleven employers said that they would be at least somewhat interested in tax incentives or employer subsidies to offer coverage if the incentive made the cost low enough so that it was affordable. However, of those five, only one said they would be very likely to offer coverage with these tax incentives or subsidies. Slightly more employers that did not offer said they would be very likely to offer coverage through a purchasing alliance. Six employers expressed interest in joining purchasing alliances to help reduce the costs of health insurance for their employees. Of these six, five said they would be very likely to offer coverage if purchasing alliances existed and reduced premium costs enough to make it affordable. However, several

employers were simply not interested in offering coverage and had no thoughts of what might encourage them to offer. They were committed to not offering.

- ***Other Potential Ways the State Can Encourage Coverage.*** Many employers that offered health insurance as well as those that did not offer coverage felt the state should play a stronger regulatory role in reducing premium costs and holding them to a reasonable level. Small employers with low-wage workers, one of whom expressed concern about his workers' ability to continue paying their portion of the cost, wanted the state to offer more affordable product options with low co-payments and deductibles. Another employer wanted a prescription drug benefit for seniors because otherwise retirees choose to stay in the employment-based health plan so that they have drug coverage. Two employers thought that capping malpractice awards could also reduce premium costs. One employer that did not offer coverage believed that the availability of government health insurance programs such as NJ FamilyCare may unintentionally put employers that offer health insurance at a competitive disadvantage as workers may be attracted to those companies that do not offer but pay higher wages, knowing they can get health coverage from the state. He also suggested that the government pursue businesses that pay workers off the books in his industry for similar reasons. Another employer suggested that the state provide more information on the insurance options available, of which he did not feel he was fully aware.

Summary of Key Findings and Implications for PSP and Small Group Market Initiatives

Our interviews with a small number of employers in the state that employ NJ FamilyCare enrollees, while not necessarily generalizable to the entire NJ employer population, do offer some insights that may be helpful to the PSP as well as regulators looking at changes in the small group market.

Consistent with findings of many other employer focus groups and surveys conducted nationally and in other states, the primary reason that NJ employers do not offer health insurance and the primary challenge of maintaining coverage for NJ employers that offer coverage is that health insurance is increasingly unaffordable. As

premiums rise by double digits with no respite in sight, many employers -- both offerers and non-offerers -- are looking for the government to take a larger regulatory role in controlling insurance costs and in offering lower cost product options.

That being said, from the employers we spoke with, those who do not offer health insurance show a long-time commitment to not offering coverage and may not be amenable to offering even with significant state support. Non-offerers tend to be extremely small businesses with workers who work part-time and/or earn too little to afford coverage, or are covered through another source and are not pressuring their employer to offer this benefit. Somewhat surprisingly, the employers that did not offer did not seem particularly interested in subsidies or tax incentives. Less than half of these employers said that they would be at least somewhat likely to offer if subsidies or tax incentives were available, putting the viability of this type of an approach in doubt. Some felt this was a 'government-handout' that would not reduce costs over time, so premiums would continue to increase. It may be difficult for the state to significantly increase coverage among employers through subsidies.

Since the primary reason that employers do not offer health insurance is the high-price of health insurance, many non-offering employers were more interested in options that could significantly reduce the cost of insurance, including pooled purchasing. While more than half of those we interviewed showed considerable interest in purchasing alliances, none were aware that legislation had been passed in New Jersey to support such alliances. While purchasing alliances may or may not be a realistic solution for reducing employers' costs, the state could play a more active role in informing employers of these options or supporting a state-sponsored alliance for employers to join.

Fortunately, the NJ employers that do offer coverage appear fairly committed to maintaining this coverage. Those who choose to offer health insurance are committed to this benefit and have always offered health insurance. The employers we spoke to show no sign of eliminating coverage or even drastically reducing the benefit package. However, many were reducing the employer contribution, which could lead to greater employee disenrollment over time. Most had moderately increased cost sharing through higher co-payments and deductibles in order to keep premium costs manageable.

Many of the smallest employers did not offer insurance. A little over half of interviewed employers with 50 or fewer employees provided fairly comprehensive benefits with generous employer contributions. Also, small employers were surprisingly more likely than other employers to offer coverage to both part-time and full-time

employees. This may be because the small group market requires that coverage be offered to those working 25 hours or more. However, many of these employers suggested that their reasons were more due to “moral obligation” or “to maintain a good relationship with the employees” – laudable ideals but ones that are not necessarily conducive to getting other employers to follow suit.

For the Premium Support Program, the greatest challenge appears to be that, even if the state were able to encourage greater coverage through purchasing alliances, many NJ FamilyCare enrollees may still not be eligible because they do not work full time. Employers were split on the issue of creating incentives to provide coverage to part-time workers. Those who valued it were already offering this coverage; those that did not did not want to cover them even with subsidies to support them due to the administrative hassles, job turnover, and potential increased employer contributions to cover them. Furthermore, most employers had not heard of the Premium Support Program but may have eligible employees either because the employee is enrolled in NJ FamilyCare or an employee’s dependent is enrolled. The State may be interested in better informing New Jersey employers about this subsidy program so that they can communicate this opportunity to their employees. Employees may also have children that are eligible for NJ KidCare, which could provide a subsidy for family coverage through the employer, possibly making the employment-based coverage more affordable.

Appendix A

APPENDIX A: **EMPLOYER INTERVIEW PROTOCOL**

Greeting and Purpose of Call: Hello. My name is _____. I am calling from Rutgers University. We are conducting a study on behalf of the state of New Jersey to identify the challenges that New Jersey employers face in offering health insurance to their employees and how employers deal with those challenges.

May I speak with the person most knowledgeable about employee benefits?

When speaking to appropriate person (if different than above): Hello. My name is _____. I am calling from Rutgers University. We are conducting a study on behalf of the state of New Jersey to identify the challenges that New Jersey employers face in offering health insurance to their employees and how employers deal with those challenges.

Request permission to interview: We would like to ask you a few questions that will take approximately 15-20 minutes of your time. Your participation is voluntary. If you choose to participate, your participation will be completely confidential, meaning that neither you nor the name of your business will be identified in any information that we report. May I ask you a few questions?

If NO: This is a great opportunity for NJ businesses to share their concerns about health insurance with the state and to help identify potential policy solutions that

will serve employers needs. Your participation is very important and may serve to inform future state policy decisions. Would you participate?

If NO: End Phone Call.

If YES: Great. Your input is very important to us. If, after we speak, you would like a more detailed explanation about how Rutgers University protects your confidentiality you can call the Rutgers Sponsored Programs Administrator at 732-932-0150 ext. 2104.

1. What type of industry is your company in?

- Retail
 - Construction
 - Manufacturing
 - Finance, insurance, real estate
 - Personal Services (e.g. beauty shops, dry cleaners)
 - Business Services (e.g. advertising, computer processing)
 - Other services (legal, health)
 - Transportation
 - Communication/ Utilities
 - Wholesale trade
 - Other, please specify
-

2. How many full-time workers do you employ? How many part-time or seasonal workers do you employ? How do you define part-time?

3. Do you currently offer health insurance to any of your employees?

If YES (Do offer health insurance) to Question 4:

4. Have you always offered health insurance? YES/NO
If NO: How long has health insurance been offered?

5. What are the primary reasons for offering health insurance to your employees?
 - ___ Getting and retaining quality employees
 - ___ Want to get coverage for self/family
 - ___ Others in my industry offer
 - ___ Moral responsibility to offer
 - ___ Other _____

6. Which employees are eligible for the health insurance benefit? [Probe: Do you offer health insurance to part-time employees? If so, what is the minimum work hours you require?]

7. How many employees that are eligible for the health insurance benefit actually enroll? (Probe: Estimated percentage is fine. If they offer to part-time workers, ask for take-up by FT versus PT)

8. What percentage of the health insurance premium does the business contribute for employees' coverage? Is it the same for all employees? If not, how does it differ?

9. Has the percentage that the business contributes increased, decreased, or stayed the same over the past few years?

10. On average, at what rate have your health insurance premiums increased over the past few years? (Probe for percentage if they give amount.)

11. How has the business responded to increasing health insurance costs thus far? [PROBE: Have you decreased the employer contribution, percentage or amount? (yes/no) Have you or your employees foregone wage increases? (yes/no) Have your employees disenrolled from the health insurance plan? (yes/no) Have you reduced the benefit package offered? (yes/no)]

12. If employee subsidies were available for some part-time workers to purchase health insurance, would you be interested in including these part-time workers in your health insurance plan? If no, why not?

13. How do you get information about health insurance for your company? (Probe: brokers/agents, DOBI, etc.) Is this information helpful?

14. Are you satisfied with the plan options available to you? YES/NO

If NO, what types of other benefit plans do you wish were available?

15. Have you heard of the New Jersey Premium Support Program? (The Premium Support Program is a state program that subsidizes premiums for some low-income workers.) YES/NO.

If YES:

Do you have any experience enrolling employees in this subsidy program?

YES/NO

If YES:

How has your experience been with having employees in that program? Do you have any thoughts/suggestions on that enrollment process?

16. Is there anything we have not discussed that you feel the NJ State government could do to help you continue offering good health insurance plans to your workers?

If NO (Do Not offer health insurance) to Question 3:

4. Have you ever offered health insurance to your employees? When was that? Why did you stop offering health insurance?

5. What are the major reasons why you do not offer health insurance to your employees?

FOR CODING/ DO NOT READ:

Economic Factors

- Too expensive
- Costs too unpredictable
- Cuts into profits
- Costs exceed benefits

Non-economic factors

- Not legally required
- Not my problem
- Compensate well enough for employees to buy
- Employees prefer cash wages
- Administrative hassles
- Employees get health insurance coverage elsewhere

6. Have you ever looked into getting health insurance for your employees?
(yes/no) When? _____ Did you go so far as to get a price quote?
(yes/no) And how much were you quoted at that time? What amount would
you have been willing to pay?
7. (If <50 employees) Has lack of employee interest in paying for health
insurance made it difficult for you to purchase small group health insurance?
YES/NO
8. Where do you get information about available health insurance plans?
(Probe: brokers/agents, DOBI, etc.) Is this information helpful?
9. Are you satisfied with the plan options available to you? YES/NO

If NO, what types of other benefit plans do you wish were available?

IF RESPONDED TO PREVIOUS Q - If these other options were available, how likely would you be to purchase health insurance?

Very likely

Somewhat likely

Not very likely

Won't purchase

10. How likely would you be to purchase health insurance if,
a) There were additional tax incentives to purchase?

Very likely

Somewhat likely

Not very likely

Won't purchase

b) If employer subsidies for low-income firms/workers were available? [Same response categories above]

Very likely

Somewhat likely

Not very likely

Won't purchase

c) If you could join a purchasing alliance with other businesses that may lower the premium costs? [Same response categories above]

Very likely

Somewhat likely

Not very likely

Won't purchase

11. Is there anything we have not discussed that you feel the NJ State government could do to help you or make you more interested in offering health insurance to your workers?



**State of New Jersey
Department of Human Services**

***In Collaboration with*
Rutgers Center for State Health Policy**

Project funded by the U.S. Department of Health & Human Services,
Health Resources and Services Administration, State Planning Grant # 6 P09 OA 00040-02-01