REPORT OF THE
STATE CORPORATION COMMISSION'S
BUREAU OF INSURANCE ON

Degree of Health Insurance Coverage of the General Population of Virginia

TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA

House Document No. 20

COMMONWEALTH OF VIRGINIA
RICHMOND
1987

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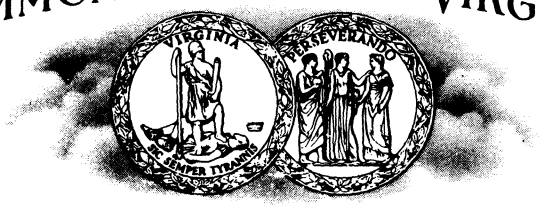
COMMONWEALTH OF VIRGINIA



STATE CORPORATION COMMISSION

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December 19, 1986

TO: The Honorable Gerald L. Baliles
Governor of Virginia
and
The General Assembly of Virginia

The report contained herein is pursuant to House Joint Resolution No. 83 of the 1986 Session of the General Assembly of Virginia.

This report represents the response of the State Corporation Commission's Bureau of Insurance to the legislative directive to study and report on the degree of health insurance coverage of the general population of Virginia.

Respectfully submitted,

Thomas P. Harwood, Jr.
Thomas P. Harwood, Jr., Chairman

Elizabeth B. Lacy
Elizabeth B. Lacy, Commissioner

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Preston C. Shannon, Commissioner

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The 1986 Session of the General Assembly requested in House Joint Resolution No. 83 that the State Corporation Commission's Bureau of Insurance determine the degree of health insurance coverage of Virginia's population.

The resolution requested that the study include information on the employment status and income level of the uninsured as well as information about other factors that contribute to lack of health care coverage. Information was also requested about the population at risk of medical indigency.

Virginia Commonwealth University's Survey Research Laboratory (SRL) conducted the survey of the general population on behalf of the State Corporation Commission. The survey was initially drafted by State Corporation Commission staff and then refined by SRL. Modifications to the questionnaire were made based on the results of the pretesting of the questionnaire.

The results of the survey conducted of the general population reveal that 10% of Virginia's population are totally uninsured for health care. An additional 8% have some coverage but do not have comprehensive coverage. The combined 18% means that over one million Virginians lack adequate health coverage. In addition to the 18% of Virginians who have no coverage or who do not have comprehensive coverage, an additional three percent of the population are estimated to be at risk of medical indigency. The additional three percent of the population has fair or poor health and family incomes below $15,000. These individuals would probably not be able to absorb the additional costs of health care that are above the limits of their comprehensive coverage.

In an era of heart, lung, and kidney transplants and expensive operations requiring lengthy hospital stay, nearly every individual has the potential to be medically indigent. However, for 21% of Virginia's population the risk of indigency is pronounced.

Family income and type of employment are the key variables to health insurance coverage. Half of the individuals in Virginia's low income families are without comprehensive health coverage. This does not include those individuals who qualify for Medicaid and are therefore insured through a public program.

The results of this study will be used by the Governor's Task Force on Indigent Health Care Policy to assist the task force in its decision making.

GENERAL ASSEMBLY OF VIRGINIA -- 1986 SESSION

HOUSE JOINT RESOLUTION NO. 83

Requesting the Bureau of Insurance of the State Corporation Commission to conduct a comprehensive analysis of the degree of health insurance coverage of the general population.

Agreed to by the House of Delegates, February 7, 1986
Agreed to by the Senate, March 6, 1986

WHEREAS, over the past two decades, national expenditures for hospital care increased an average of fourteen percent per year; and

WHEREAS, the dramatic increases in health-care costs have led insurance companies to reevaluate how they underwrite risks, which has resulted in many Americans no longer being able to afford health insurance; and

WHEREAS, the uninsured and underinsured are at risk of becoming medically indigent if they do not have the funds to pay for basic health-care services or if they experience catastrophic illness; and

WHEREAS, several national and state studies have shown that fifteen to twenty percent of the population has neither public or private insurance coverage; and

WHEREAS, a 1977 National Medical Care Expenditure Survey found that almost one-half of those who were always uninsured came from middle to upper income families; and

WHEREAS, a recent report commissioned by the Virginia Hospital Association on Uncompensated Care suggests that Virginia is likely to have a greater rate of uninsurance because of its mix of industries, which includes construction, retail trade, and service industries which have higher rates of uninsurance than most; and

WHEREAS, a comprehensive analysis of the degree of health insurance coverage of the general population should be conducted to reveal information on the uninsured and underinsured population, the population at risk of medical indigency, so that sound policy on indigent health care can be developed; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Bureau of Insurance of the State Corporation Commission is requested to conduct a comprehensive analysis of the degree of health insurance coverage of the general population. The study should include analysis of data on the employment status and income level of the uninsured population in Virginia and should highlight the variables that contribute to the absence of insurance coverage. Data should also be collected and analyzed about the health status, health-care needs and health-care use of the population at risk of medical indigency.

The Bureau of Insurance shall report the findings of its analysis to the 1987 Session of the General Assembly.

INTRODUCTION

The State Corporation Commission's Bureau of Insurance was requested by the General Assembly to determine the degree of health insurance coverage of the general population. This study was requested because there was previously no specific data on the number of Virginians who have no health coverage or inadequate health coverage.

The request for this study was made on the recommendation of the Joint Subcommittee studying alternatives for a long-term state indigent health care policy. The subcommittee made its report to the 1986 General Assembly in House Document No. 29.

Although national data on the numbers of uninsured are available, it was the recommendation of the joint subcommittee that Virginia data be gathered because differences in Virginia's economic and industry mix could result in significant variance from adjusted national data.

There has been increasing analysis of the number of uninsured and inadequately insured individuals over the years as the cost of health care services has increased dramatically. Those who are not adequately insured for health care are at risk of significant economic hardships if a major illness or accident strikes a family member or in the event a prolonged hospital stay is required. For some families, even paying for the birth of a child is an economic burden.

Some of the increases in health care costs have been the result of technological and research advances. The technical capabilities of America's health care system have increased both the longevity and the quality of life that we enjoy. However, the cost of advanced technology is significant. Consumer health care providers and insurers and other third party payors have all experienced the effect of increased costs. Many insured consumers are paying higher out-of-pocket costs, providers are absorbing more of the costs of uncompensated care and insurers have had to increase premiums in order to maintain the same level of benefits.

Alternatives to traditional insurance and health care delivery systems have developed in part as a response to the changes in Americans' view of health care as well as in efforts to reduce health care costs. The development of health maintenance organizations (HMOs), preferred provider organizations (PPOs), and walk-in medical facilities have all influenced the cost of health care as providers and third-party payers attempt to lower costs.

Health care cost containment is recognized as a major objective that we have not been able to completely accomplish thus far. As a result of higher costs for health care and the accompanying higher cost of insurance, and other various reasons, many individuals decide to go without the protection of health coverage. Some of these individuals may not be eligible for federal and state funded Medicaid, and are described as "falling through the cracks" of our health care system. In formulating an overall policy on indigent care in this state it is necessary to know how many of these individuals live in Virginia.

To accomplish this purpose, the State Corporation Commission's Bureau of Insurance felt it was first necessary to develop working definitions of the terms "medically indigent, uninsured, and underinsured." The working definitions that were utilized as we began the study were:

Medically Indigent:

> A person with (1) income under the federal poverty level, resources insufficient for self-care (includes individuals without health insurance, or with inadequate health insurance, or who are ineligible for public health care programs), and a need for health care; or (2) a catastrophic illness that generates expenses exceeding 50% of the household's gross annual income after any available insurance is exhausted.

Uninsured:

> A person (1) without health insurance coverage or other health benefit coverage or (2) who is ineligible for any public health care assistance program.

Underinsured:

> An individual who has some type of health insurance but does not include a combination or sufficient amount of (1) hospital/medical/surgical coverage and (2) major medical coverage whether offered by a traditional insurer, Blue Cross and Blue Shield, a Health Maintenance Organization or a Preferred Provider Organization.

The methodology utilized in this study was decided upon after reviewing the studies of other states and national studies. After examining the various methodologies employed, and in recognition of the time requirements and the importance of this study, the State Corporation Commission decided to use the Virginia Commonwealth University's Survey Research Laboratory (SRL) to conduct the survey of the general population. SRL is experienced in survey methodology and had the staffing capabilities to execute the survey within the time requirements of the study request. The results of the SRL survey are contained in Section IV. Summaries of the data from in state and national studies that we reviewed are found in Appendices A and B to this report.

It was necessary to obtain information about the availability of coverage through employers because the majority of health insurance is provided through groups, primarily employee groups. A random survey of Virginia employees was conducted to determine if coverage is available in certain industries or through organizations of a certain size. The results of that survey can be found in Section V.

SECTION IV

GENERAL POPULATION SURVEY

Virginia Commonwealth University's Survey Research Laboratory (SRL) was contracted by The State Corporation Commission's Bureau of Insurance in July of 1986 to conduct a telephone survey of a sample of the population of the Commonwealth in order to facilitate the study of health insurance coverage of the general population. Particular emphasis was to be placed on determining the characteristics relating to the incidence of uninsurance and underinsurance within the Commonwealth. The following document presents the results of this survey.

The content of the survey and the manner in which the questions were asked was developed by State Corporation Commission staff. The survey instrument was refined by SRL and subsequently approved by State Corporation Commission staff, as were the relationships that form the basis of the analysis of the data.

The section of the SRL document that discusses medical payments coverage (pp. IV-19, 20) requires further clarification. We believe that most individuals who responded to this question were confusing the dollar amount of their medical payments coverage with their liability coverage. This presumption is based on the large number of individuals (53%) who indicated that they had more than $10,000 of this type of coverage.

Health Insurance and Health Care Utilization

A SURVEY OF THE VIRGINIA PUBLIC

Prepared for The State Corporation Commission
Commonwealth of Virginia

by

Survey Research Laboratory
Virginia Commonwealth University

December 4, 1986

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Table of Contents

LIST OF TABLES

LIST OF GRAPHS

EXECUTIVE SUMMARY

Telephone interviews with a sample of 1219 households in Virginia, accounting for a total of 3070 individuals, were used to measure the extent of health insurance coverage and health care utilization in the state.

Overall, 82 percent of the state's citizens are estimated to have comprehensive health insurance coverage. Ten percent are totally uninsured, while another 8 percent have non-comprehensive coverage. Based upon an estimated population of 5,780,000, Virginia has over one million citizens with inadequate health insurance.

Family income and type of employment are the most important predictors of the extent of coverage held by an individual. Only half of individuals with family incomes below the U.S. government poverty threshold had comprehensive coverage; over one-third had no insurance of any type. Most respondents with inadequate coverage said they could not afford more insurance.

While unemployment and underemployment were associated with inadequate coverage, over half of the uninsured lived in families with at least one full-time employed person. This results from the fact that the extent and comprehensiveness of employer-provided health

insurance varies considerably across industries in the state. In addition, most employer-provided policies require some contribution from employees, especially for coverage extended to other family members.

Seven percent of families sampled reported that some family member had been unable to afford needed medical care during the past year. Among families with an uninsured member, nearly one in five reported foregoing needed care.

METHODOLOGY

This report is based upon data collected from a telephone survey of the Virginia public during September and October 1986. Heads of household in a total of 1219 households were interviewed, providing information regarding the health insurance coverage and personal characteristics of 3070 individuals.

All interviewing was conducted from the facilities of the Survey Research Laboratory by interviewers who had undergone special training on the types of health insurance coverage they would be asking about. Prior to the start of the study, interviewers were provided with insurance information booklets prepared by the Bureau of Insurance, along with an explanatory sheet categorizing the major types of private insurance policies. All interviewers attended general training sessions on interviewing procedures as well as a session on the health insurance questionnaire used here. Interviewing was continuously supervised by staff members, who also reviewed each completed questionnaire for clarity and consistency. On occasion, interviewers were directed to make call-backs to clarify or supplement the information they had obtained.

Each telephone number in the samples was called up to four times on different interviewing shifts in an attempt to reach households where residents were rarely at home. Respondents who could not be

interviewed when first called were called back at another time. Completed interviews were obtained with 62 percent of all households reached.

SAMPLES

Two separate samples were employed: one was a random digit (RDD) sample to obtain a representative cross-section of the state's telephone households, while the other was targeted so as to increase the proportion of low-income households obtained. The samples were created by Survey Sampling Incorporated of Westport, Connecticut, one of the nation's leading specialists in survey samples. The RDD sample is generated through a multi-stage process that selects telephone exchanges in proportion to the number of households served by each exchange. Working blocks within each exchange are identified and a sample of telephone numbers is generated randomly, so that the final sample correctly reflects the size of the population in different geographic areas of the state. The random generation of numbers ensures that unlisted and new numbers are represented in their proper proportions.

The targeted sample uses a multiple regression analysis of U.S. Census data in Virginia to identify telephone exchanges in Census tracts with below-average household income. The sample is then generated using those exchanges. Because a given telephone exchange usually serves many kinds of neighborhoods, the targeting process does not yield only low-income households, but the proportion of such households is increased.

While the targeted sample does not constitute a representative sample of the state's population, the low income households may be viewed as a cluster sample of that income stratum, and will be used in some analyses to supplement the low-income households in the RDD samples. In particular, the targeted sample will be used to examine the role of family income in insurance coverage, health status, and health-care utilization. The additional low-income households obtained through the targeted sample increase the confidence we have in characterizing the relationship between income and important health care variables.

ASSESSING THE REPRESENTATIVENESS OF THE RDD SAMPLE

The representativeness of the RDD sample was assessed by comparing several key characteristics of families in the sample with known population values. Overall, the sample appears to represent the Virginia general public quite well.

Comparisons were made with national and statewide data from the Current Population Survey (CPS), which is a regular, large survey of households conducted by the Census Bureau, and from the U.S. Census. The sample matched U.S. data closely with respect to family size and age. Graphs 1 and 2 show the sample compared with 1982 CPS data. The proportion of one-person households in the sample, not shown on the graphs, was also similar to the CPS data (19 percent in the sample; 23 percent in the CPS). The percentage of non-white individuals in the sample (18 percent) was slightly lower than the Census estimate for Virginia (21 percent).

Family income is a particularly important characteristic because of its expected relationship with insurance coverage. The distributic of family income in the RDD sample is very similar to our estimate of the current population distribution.

A direct comparison of sample data on income with an independent statewide measure was not possible; no recent statewide data were available. Instead, the sample data (based on 1985 family income) were compared with national CPS family income data for 1985 to determine the relationship between our state data and CPS national data. A similar relationship was calculated between the most recent state and national CPS data available (1981). Finally, these two relationships were compared as a means of assessing the representativeness of the sample data. Table 1 shows these calculations.

The ratio of the sample proportion in each income category to the corresponding 1985 national data was very similar to the ratios calculated with 1981 CPS state and national data. Hence, to the extent that Virginia's income distribution has not changed substantially compared to the national income distribution since 1981, the sample correctly represents various income categories in the state.

Our estimate of the number of individuals living in families with incomes below the poverty line is close to Census Bureau estimates. Determining the poverty status of sample households is difficult owing to the income brackets used in the survey (some families have incomes within a bracket that includes the poverty threshold for their family size; thus we don't know whether they fall above or below the actual poverty line). Nevertheless, we estimate that 7.5 percent of the RDD sample is definitely below the 1985 national poverty threshold, while

another 9 percent is possibly below. If half of the "possibly below" group is in fact poor (a reasonable assumption based upon certain other characteristics of this group) then the total proportion poor in the sample is 12 percent, which is a little lower the population figure.

Telephone surveys doubtless miss some of the poorest of the poor, i.e., those who do not have phones. By virtue of their poverty, individuals in these households are less likely than others to have comprehensive private health insurance policies. But the overall extent to which telephone surveys underrepresent the poor is likely to be relatively minor, because most families -- even poor ones -- do in fact have telephones. A 1985 national survey conducted face-to-face found that only 16 percent of households with family incomes under $5000 had no telephone (overall 7 percent of households had no phone). And other studies that have carefully compared samples obtained with telephone and face-to-face methods found very little difference in family income, health status, and health care utilization.

In our view the possible underrepresentation of very poor households resulting from the use of a telephone sample provides a conservative "floor" under this study's estimates of the uninsured population in Virginia. It is highly unlikely that our data underestimate the extent to which the Virginia public has inadequate health insurance.

SAMPLING ERROR

Surveys of the type reported here are subject to many types of error. Fortunately, the likely magnitude of one kind of error -- that

of sampling error -- can be estimated so that we may quantify the degree of confidence in our findings.

Since it would not be feasible to interview every adult in Virginia, we rely upon a carefully selected but very small fraction of the public -- a random sample. The extent to which any sample is different from the population is sampling error. For random samples, probability theory can be used to predict the likely range of error. The amount of error in random samples is mostly dependent upon the size of the sample; large samples are, generally speaking, better samples.

Because of the way in which the data are treated in this study, two different sampling errors must be considered. The sample of families is essentially a random sample, but when the data are described in terms of individuals in the population we are dealing with a cluster sample (so-called because individuals were not selected independently of one another, but rather in "clusters," i.e., families). Sampling error for cluster samples is larger than for non-cluster samples of the same size.

Sampling error is usually expressed as an interval around the finding in the sample, and the interval is associated with a "level of confidence." An example will help to clarify this. Consider the finding that 77 percent of families had all members covered by some form of comprehensive health insurance. This is based upon a sample size of 593. The sampling error for 593 cases in a non-cluster sample is plus or minus four percentage points at the 95 percent level of confidence. To create the interval we simply subtract 4 percentage points from 77 (the finding in the sample) to find the lower limit (73

percent) and add 4 points to find the higher limit (81 percent); thus the interval is between 73 and 81 percent.

The proper interpretation of the confidence interval is as follows: in 95 out of 100 samples like the one we used here, an interval created by adding and subtracting four percentage points to the finding in the sample will include the true population value (which is the percentage we would find if we could interview all families with telephones in Virginia about the extent of their health insurance.)

The sampling error for the individual-level data reported here will vary according to the particular characteristic being described. Consequently, it would be unwieldy to attempt to show the range of sampling error for each variable. Because families tended to be relatively homogeneous on many of the variables examined here, the most conservative approach is to use the sampling error associated with the underlying number of families from which the individuals were drawn.

Readers should bear in mind that not all of the analyses presented here will be based upon the full RDD sample. When a subgroup with fewer cases is described, the findings will be subject to a larger sampling error. The table on the following page shows the sampling errors for groups of different sizes in the sample of families.

THE QUESTIONNAIRE

The type of information sought by this survey necessitated a complex questionnaire design and interview sequence. Data were needed both on <u>families</u>, which is the basic economic unit in which income is

SAMPLING ERROR, 95 PERCENT LEVEL OF CONFIDENCE

NUMBER OF CASES	PLUS OR MINUS...
50	14.0%
100	9.9
150	8.0
200	7.0
250	6.2
300	5.7
400	4.9
500	4.4
600	4.0

earned and health care is obtained and financed, and on individuals, who constitute the basic unit for assessing the adequacy of insurance coverage in the state. Accordingly, each interview was conducted with a knowledgeable informant who provided information about the personal characteristics, health status, and health insurance coverage of each family member residing in the household (including dependents away at college). Specifically, interviewers asked for "the head of the household or that person's spouse."

To obtain information about each family member, interviewers asked respondents to list the age, health status, and relationship of all family members living in the household. These data were recorded in a large grid on a single page of the questionnaire (a copy of the questionnaire is reproduced in the appendix to this report). Interviewers then asked specifically if anyone were covered by each major type of health insurance... Medicare Parts A and B, private Medicare supplement plans, CHAMPUS and CHAMP-VA, Medicaid, and private policies. Each of these policies was described briefly in the question, on the assumption that many respondents might not know them by name. Respondents who indicated that some family member was covered by a private policy were asked to describe what kinds of health care

were covered; if the type of policy were not clear, interviewers asked a series of directed questions about the kinds of medical expenses that policies cover. From the respondent's answers, interviewers made a judgment as to the type of policy and recorded the appropriate code. In a few cases, respondents knew they had policies but didn't know what was covered.

Private policies were categorized as "comprehensive" if the policy covered hospital and physician charges as well as "major medical" expenses. Health Maintenance Organizations and Blue Cross policies were considered comprehensive. For the purposes of the analysis presented below, an individual's coverage was considered comprehensive if it included any of the following:

(1) Medicare Parts A and B and a private Medicare supplement policy.

(2) CHAMPUS or CHAMP-VA.

(3) Medicaid.

(4) Comprehensive private policy as defined above.

Comprehensive policies were coded in an outlined box on the questionnaire grid so that interviewers could quickly assess whether or not all family members had some sort of comprehensive policy. If all were not covered, the respondent was asked "What would you say is the main reason why [underinsured person(s)] do not have more health insurance?" These respondents were also asked if low-cost or free medical services were available to them.

Before turning to the results, we wish to remind readers of the limitations associated with gathering information on this complex topic, especially using telephone interviews. A small amount of error

is likely to be introduced as a result of some respondents' misunderstanding of a particular type of insurance or lack of current knowledge about the nature of their coverage. And though provided with training on the subject, interviewers are not specialists in health insurance and may not always recognize a type of coverage from the respondent's description.

In-person surveys on health insurance typically reduce such errors by asking respondents to show the interviewer an insurance card or an actual policy so that the information may be verified. Such a procedure was not feasible in the telephone interviews used in this study. Nevertheless, the results reported below have a considerable amount of face validity, based on their similarity with findings of studies conducted nationally and in other states.

THE EXTENT OF HEALTH INSURANCE COVERAGE

While most Virginians are covered by some type of comprehensive health insurance, a considerable number have no insurance of any kind (Graph 3). Overall, 82 percent of individuals in the sample were reported to have a comprehensive policy, 8 percent had non-comprehensive coverage, and 10 percent were completely uninsured. Based upon an estimated Virginia population of 5,780,000, these percentages mean that 1,040,000 Virginians are inadequately covered; of these, 578,000 have no coverage.

When viewed in terms of families, the results are similar. All members are reported covered by a comprehensive policy in 77 percent

of the families we interviewed, while 7 percent had at least one member with non-comprehensive coverage and another 16 percent had a member with no coverage.

Graph 4 and Table 2 show the percentage of individuals with each of the major types and combinations of policies. Most individuals with Medicare Part A also report having Part B; about half of those on Medicare also have a private Medicare supplement policy, although some individuals have other private comprehensive policies that were not characterized as "Medicare supplements." CHAMPUS and CHAMP-VA covers about 11 percent of the population, while two percent of our RDD sample reported being covered by Medicaid. Eight out of ten individuals are covered by some type of private policy.

Some individuals with comprehensive insurance reported other personal characteristics that put them at risk of medical indigency. In the RDD sample, 3 percent of individuals had comprehensive policies but were said to be in "fair" or "poor" health and had family incomes below $15,000. When this group is added to the 18 percent without comprehensive insurance, the total portion of the population estimated to be at risk of medical indigency is 21 percent.

FACTORS ASSOCIATED WITH COVERAGE

INCOME

Not surprisingly, family income was the strongest predictor of the extent of an individual's health insurance coverage. When considered jointly with family size through our measure of poverty status, the association is even stronger (see page 6 in the methodology section for an explanation of the determination of poverty status). Table 3 shows the relationship between coverage and several demographic and personal characteristics.

Only about half of those definitely below the poverty threshold have comprehensive insurance; 36 percent of the poor have no insurance of any kind. By contrast, 7 percent of the non-poor have no insurance while 87 percent have comprehensive coverage. Graph 5 shows this relationship.

To examine the role of income directly, we utilized data from both the RDD and targeted samples. Elderly and non-elderly individuals were separated, since nearly all of the elderly will have some insurance (Medicare Part A) regardless of income. Graphs 6 and 7 show these data for the elderly and non-elderly respectively (actual percentages and numbers of cases can be seen in Table 4. Among those aged 65 and older, income is related to having comprehensive as opposed to non-comprehensive policies. Nearly all (94 percent) individuals with incomes above $25,000 per year have comprehensive policies. Fewer than two-thirds of the elderly in families with incomes under $10,000 had comprehensive policies.

Among the non-elderly, the relationship between income and comprehensive coverage was even stronger, and one can discern a "plateau effect" whereby the transition from low to moderate income yields a relatively large increase in coverage. Graph 7 displays these data. The pattern of coverage is nearly identical for individuals with incomes of under $5000 and those with $5000-$10,000; coverage in the next income bracket ($10,000-$15,000) is only a little better. Comprehensive coverage jumps by 20 percentage points in the next bracket ($15,000-$25,000) and changes little in higher brackets.

OTHER CHARACTERISTICS

The extent of an individual's health insurance coverage was related to other personal factors, some of which were also associated with income. Black Virginians were considerably less likely than whites to have comprehensive insurance (Graph 8). When blacks and whites with similar income were compared, whites still had more complete coverage. The exception was among the lowest income group, where two-thirds of blacks had comprehensive coverage compared with 57 percent of whites. But black respondents with comprehensive coverage in this income group were twice as likely as whites to have Medicaid.

Individuals whose health status was "poor" were less likely to have comprehensive coverage than those with "good" or "excellent" health (69 percent compared with 83 and 84 percent). But this difference is largely a function of income.

Similar proportions of male and female respondents had comprehensive coverage in the RDD sample, and there was little difference in health status by sex as well. In the targeted sample, female respondents were about five percentage points more likely than males to live in households with an uninsured member, and nine points more likely than men to report being in "fair" or "poor" health.

PRIVATE INSURANCE COVERAGE OF EMPLOYEES IN DIFFERENT INDUSTRIES

Most private insurance policies held by Virginians are obtained through employers, though in most instances the policy holder must pay a part of the premium. Yet the likelihood of obtaining a private policy differs across industries. Persons employed in manufacturing (SIC groups 20-39), transportation, communication, and utilities (SIC 40-49), and government services including education (SIC 82, 91-97) were most likely to have comprehensive policies obtained through their

employers. By contrast, those in agriculture, forestry, and fishing (SIC 1-9), construction (SIC 15-17), wholesale and retail trade (SIC 50-59), and services (SIC 70-89) were less likely to be covered by employer policies.

Our analysis of employer-provided policies is based upon a series of questions asked of all respondents who reported that someone in the family was covered by a private insurance policy. We asked if the policy were obtained through an employer, if the family had to contribute to the premium, and if there was an extra charge to cover family members other than the employee.

Overall, 83 percent of families with private policies reported that they were obtained through an employer. Of these, 34 percent were paid entirely by the employer, while 66 percent required a contribution from the insured. Of those who knew the amount of the additional premium, the median monthly payment was $63. In families in which the policy covered other family members, 59 percent said that they had to pay extra to cover the additional individuals.

The extent of coverage in particular industries was assessed using two approaches. First, and perhaps most definitive, the type of coverage of the employee was compared across industries for those families in which only one person was employed. Table 5 shows the results using this approach.

Data are presented for each major SIC group (families covered by CHAMPUS and CHAMP-VA are excluded). The table shows the percentage of employees who have comprehensive or non-comprehensive private policies obtained through employment. Owing to the relatively small number of cases in some industry groupings, this table presents data from both

the RDD and targeted sample combined. Still, some industries have few cases and caution should be exercised in drawing inferences.

The lowest rate of coverage was found in agriculture, forestry and fishing, where only four of 14 employees had comprehensive policies. The rate was also very low in construction -- 44 percent. Other industries had rates of comprehensive coverage above 50 percent, though wholesale and retail trade were only slightly above this mark. The service sector also had a fairly low rate, with 66 percent of employees having comprehensive policies. Highest rates were in manufacturing (81 percent comprehensive), finance, insurance, and real estate (13 of 15 cases), and government including education (79 percent). While the rate of coverage among government employees was relatively high, there is nevertheless an irony in the fact that one out of five employees are not covered, since government may ultimately pay a substantial share of the health care costs incurred by these individuals.

A second approach to determining the extent of coverage in different industries provides a more conservative estimate of coverage. Since we did not determine directly which employer provided the private insurance policy in households with two earners, we have calculated rates of coverage by industry for all individuals living in households with at least one person working in each industry type. Thus, for example, data for the construction category can be interpreted as the extent of coverage in households where at least one earner works in construction. In some of these households, another earner may work in a different industry, and provide the coverage. In essence, these data indicate the highest rate of family coverage

possible by a given industry, since some portion of the coverage in each SIC group is actually being provided by a worker in a different industry. These data are shown in Table 6.

Not surprisingly, the results are similar to those using the approach presented in Table 5. Only half of the individuals living in households where someone works in agriculture, forestry, or fishing are covered by comprehensive policies from an employer. Similarly, only 61 percent are covered in households with an earner in construction.

CANCELLATION AND CONVERSION

Only a small percentage of respondents reported losing their employer-provided group health insurance during the past two years -- five percent -- but this translates into a large number of individuals in Virginia, an estimated 289,000.

Owing to the relatively small number of such cases in our sample, we have combined the RDD and targeted samples for this analysis. This should result in little bias since the rates were similar in the two samples. Table 7 shows the data.

One-fourth of those who lost coverage said the reason was a lost job; another 13 percent retired, but most gave idiosyncratic reasons. Overall, about half who lost coverage recalled being offered an opportunity to convert to an individual policy, but of these only about a third said they did so. Most of those who didn't convert said they could not afford to do so.

RESPONDENTS' REASONS FOR UNDERINSURANCE

While economic factors are strongly associated with underinsurance, we also queried respondents directly about this. Respondents for families in which at least one member lacked comprehensive coverage were asked why that person or persons did not have more insurance (Graph 9). A little over half gave economic reasons, while a fourth said they didn't need more insurance; seven percent said they had tried to obtain it but were rejected.

In general, poorer respondents were more likely to say they couldn't afford more insurance, though this was clearly the modal answer even among middle-income families. Respondents in families where all members had at least some type of insurance (as opposed to no insurance) were a little more likely to say they didn't need more insurance.

MEDICAL PAYMENTS COVERAGE ON AUTOMOBILE INSURANCE

A special type of health insurance targeted at particular circumstances is the optional coverage for payments to persons injured in automobile accidents, commonly offered with auto insurance policies.

Respondents were asked if they had this type of coverage. Of those who had some type of auto insurance, and knew whether or not they had medical payments coverage, 56 percent reported having it. (Six percent of all respondents said they had no auto insurance, and another 11 percent said they didn't know if they had coverage for medical payments.) Many respondents said they didn't know the maximum amount of the payment, but among those who did the breakdown was as follows:

AMOUNT OF PAYMENT	PERCENT	NUMBER
Under $5000	20%	28
$5001-$10,000	27%	38
$15,000-$50,000	24%	33
Over $50,000	29%	40
	100%	139

THE UTILIZATION OF HEALTH CARE

Families were asked about the kinds of health care they had obtained during the past twelve months, and what they had paid out-of-pocket for this care. They were also asked if someone had needed medical care but been unable to obtain it because of the cost.

Overall, 6.6 percent of respondents said someone in the family had not received needed medical attention. Table 8 and Graph 10 show the relationship between this response and selected family characteristics. Underinsurance and poverty are highly associated with failure to obtain help, with nearly one-in-five poor families and those with at least one uninsured member reporting that they didn't get medical help when it was needed. By contrast, fewer than one-in-twenty non-poor and comprehensively-covered families said that this had happened to them.

Nearly all families, regardless of insurance status or income level, reported some kind of physician or clinic contact in the past year. We asked about four different types of medical facilities: private physicians and clinics, hospital emergency rooms, county or

other government-sponsored clinic, and clinics at university hospitals; families were also asked if anyone had been an inpatient in a hospital.

Tables 9 and 10 present these data in two ways. Table 9 shows the percentage of families that used each of the five kinds of medical services divided according to health insurance coverage, poverty status, and responses to the question regarding failure to obtain needed medical help. Table 10 shows the mean and median responses to these questions, plus out-of-pocket medical costs, with the answers standardized on a per-person basis. Since the data were gathered on families as a unit, and family size varied considerably, this standardization was essential to ensure valid comparisons. Tables 9 and 10 each include two separate tables, one for the RDD and one for the targeted low-income sample.

Over nine out of ten families reported obtaining at least one of the five kinds of medical care we asked about (Table 9). This percentage did not vary dramatically across categories of insurance coverage or poverty status, although families with an uninsured person and those near or below the poverty line were slightly less likely to have had a contact. Families that reported failing to obtain needed medical care were somewhat more likely than others to have used a hospital emergency room, and a little more likely to have used a government clinic or one at a university hospital.

A word of caution should be offered for the interpretation of per-person utilization rates in Table 10. Most of this discussion of visits to facilities will be based upon the mean, or arithmetical average. But the mean is subject to distortion by the relatively few

cases in which a very large number of visits was made by a family. Consequently, the numbers fluctuate considerably. The median (the number above and below which half of the cases fall) is not subject to this distortion, but for most of the medical facilities we asked about, the median is zero since most families didn't use each particular type. The median will be used with our measure of out-of-pocket medical expense paid by families.

The rate of all physician contacts (regardless of type of facility) varied as a function of poverty status. The poor sought medical help at a higher rate than the non-poor. The mean per-person contacts for those below the poverty level was 3.87; for the non-poor it was 2.95 (a similar difference is seen in the targeted sample, which overall had a higher rate of utilization). Those who reported failing to obtain needed medical help had a higher rate of contacts as well. The poor and near-poor made relatively more use of emergency rooms, university hospital clinics, and government clinics than did the non-poor. They also spent more time as hospital inpatients.

Families with an uninsured member had lower rates of contact than those without such a person. However, families reporting at least one member with non-comprehensive insurance had contact rates higher than those with all members fully insured. Most of the non-comprehensive policies reported in the survey were Medicare, thus the high utilization rates are, to some extent, a function of the presence of elderly individuals.

Since the families with an uninsured member were poorer than the rest of the sample, and the poor had higher rates of utilization than others, the difference seen in Table 10 in utilization between

families who were fully covered and those with an uninsured member understates the extent to which the lack of insurance blocks access to care for poor families. Table 11 shows the relationship between family insurance coverage and utilization rates (mean doctor or clinic visits per person) while controlling for poverty status. By comparing utilization among families with similar incomes, the confounding effects of income (and its relationship with health status) are removed. [The two samples were combined in this analysis in order to increase the pool of low-income families. The analysis was also conducted separately on each sample; the results were similar, but are not shown here.]

Below the poverty line, families with complete comprehensive coverage had a mean per-person utilization rate of 5.54, compared with a rate of 2.17 for families with an uninsured member. This difference is much larger than that seen in Table 10. Poor families without insurance obtain considerably less medical assistance than poor families with insurance. By comparison, the difference in utilization is smaller among families above the poverty line (mean utilization rate of 2.62 for families with an uninsured member, compared with 3.10 for families with complete comprehensive coverage). This smaller difference in utilization supports the notion that non-poor families are better able to afford medical care for uninsured members.

Despite higher rates of utilization, the poor spent less out-of-pocket for medical care than did the non-poor. In the RDD sample, median per-person cost for those below the poverty line was $39, compared with $65 for those above the poverty line (a similar difference is seen in the targeted sample).

Families with an uninsured member spent more than those who were fully covered (median per-person was $58 for the former and $50 for the latter). Those who had failed to obtain needed medical help had higher median out-of-pocket expenses ($75) than those who hadn't ($53). These differences were a little larger in the targeted sample.

Finally, families who had at least one member without comprehensive insurance were asked if free or low-cost medical services were available to them. A little over one-fourth said such services were available, and most of these were located within ten miles of their home (75 percent) and were accessible by public transportation (68 percent).

Yet there were almost no differences in the patterns of utilization between families reporting the availability of such services and those who didn't (Table 12). Median out-of-pocket health care expenses were almost identical for the two groups. The groups were also comparable in terms of the overall percentage that had seen a doctor in the past year, had a regular family doctor, or had been unable to obtain care when needed. Although we did not ask what type of service was available, the utilization data suggest that at least some of the respondents had in mind a government-sponsored clinic, since 17 percent of the group had used such a facility compared with only 5 percent who knew of no free or low-cost services.

WHO ARE THE UNINSURED?

A final way of looking at the issue of health insurance and access to medical care in Virginia may provide a useful concluding perspective. While this study has found that low income and underemployment are highly associated with inadequate health insurance, a large portion of the underinsured are not poor and live in families with at least one full-time worker (see Graph 11).

Over half of individuals with no insurance had family incomes above the poverty line; one third of the uninsured had family incomes above $25,000 per year. Over 60 percent of the uninsured are white. And over half (55 percent) live in a family with at least one person working full time. Similarly, over half of the families reporting that some member was unable to afford needed medical care nevertheless had at least one full-time worker.

The poor are much more likely than other Virginians to lack adequate insurance or access to medical help. But the problem of obtaining and paying for health care is a general one. It touches Virginia families in the mainstream of economic life as well as those on the margins.

TABLE 1

COMPARISON OF FAMILY INCOME DATA FROM SCC SURVEY AND CENSUS DATA

	COMPARISON OF U.S. AND RDD VA. SAMPLE INCOME DATA IN 1985		RATIO OF VA. DATA TO U.S. INCOME DATA		COMPARISON OF U.S. AND VA. FAMILY INCOME IN 1981	
INCOME RANGE	RDD SAMPLE	USA 1985	1985	1981	VA 1981	USA 1981
<$5000	7.2%	4.8%	1.50	1.35	5.8%	4.3%
$5-10000	10.4%	8.5%	1.22	1.26	11.5%	9.1%
$10-15000	9.9%	10.2%	0.97	1.19	13.5%	11.3%
$15-25000	24.3%	20.8%	1.17	1.14	25.2%	22.1%
$25-50000	36.6%	37.4%	0.98	0.91	35.1%	38.5%
>$50000	11.6%	18.3%	0.63	0.61	8.9%	14.6%
TOTAL	100.0%	100.0%	1.00	1.00	100.0%	99.9%

Table 2

Percentage of individuals with each type of health insurance

	TYPE OF SAMPLE			
	STATEWIDE		SPECIAL	
	NUMBER	PERCENT	NUMBER	PERCENT
TYPES OF POLICIES HELD BY INDIVIDUALS				
MEDICARE-PART A	211	14%	341	27%
MEDICARE-PART B	158	11%	243	19%
MEDICARE SUPPLEMENT POLICY	97	7%	115	9%
MEDICARE PART B AND MED. SUPPLEMENT	81	6%	85	7%
CHAMPUS OR CHAMP-VA	160	11%	90	7%
MEDICAID	32	2%	97	8%
ANY TYPE OF PRIVATE POLICY	1225	83%	987	78%
COMPREHENSIVE PRIVATE POLICY	1141	78%	892	71%
EXTENT OF HEALTH INS COVERAGE				
NO INSURANCE	167	10%	171	12%
NON-COMPREHENSIVE	136	8%	175	12%
COMPREHENSIVE	1333	81%	1088	76%

Table 3

HEALTH INSURANCE COVERAGE IN VIRGINIA BY DEMOGRAPHICS

TYPE OF SAMPLE
STATEWIDE

	EXTENT OF HEALTH INSURANCE COVERAGE					
	NO INSURANCE		NON-COMPREHENSIVE		COMPREHENSIVE	
TOTAL	167	10%	136	8%	1333	81%
POVERTY						
NOT DETERMINED	21	12%	17	10%	137	78%
BELOW POVERTY LINE	40	36%	17	15%	53	48%
POSSIBLY BELOW	25	19%	25	19%	82	62%
ABOVE POVERTY LINE	81	7%	77	6%	1061	87%
FAMILY INCOME						
< $5,000	25	31%	13	16%	43	53%
$5,000-$10,000	23	20%	20	17%	72	63%
$10,000-$15,000	25	20%	24	19%	77	61%
$15,000-25,000	28	8%	27	8%	278	83%
$25,000-35,000	15	5%	10	3%	295	92%
$35,000-$50,000	18	6%	10	3%	260	90%
>$50,000	12	6%	15	8%	171	86%
DON'T KNOW	15	17%	13	15%	58	67%
NO ANSWER OR REFUSED	6	7%	4	5%	78	89%
AGE						
17 OR UNDER	47	11%	17	4%	345	84%
18-64	115	11%	78	8%	833	81%
65 AND OLDER	4	2%	41	22%	144	76%
RACE						
WHITE	102	6%	90	6%	1133	69%
NON-WHITE	65	4%	43	3%	198	12%
HEALTH STATUS						
EXCELLENT	71	10%	47	6%	624	84%
GOOD	65	10%	47	7%	542	83%
FAIR	20	12%	28	17%	117	71%
POOR	6	11%	11	20%	38	69%
HSA						
HSA I-FREDERICKSBURG	21	9%	16	7%	207	85%
HSA II-ARLINGTON	20	8%	7	3%	225	89%
HSA III -ROANOKE	43	11%	26	7%	312	82%
HSA IV-RICHMOND	34	11%	37	12%	233	77%
HSA V -NORFOLK	39	10%	46	11%	316	79%

(CONTINUED)

Table 3 Continued

HEALTH INSURANCE COVERAGE IN VIRGINIA BY DEMOGRAPHICS

TYPE OF SAMPLE
SPECIAL

	EXTENT OF HEALTH INSURANCE COVERAGE					
	NO INSURANCE		NON-COMPREHENSIVE		COMPREHENSIVE	
TOTAL	171	12%	175	12%	1088	76%
POVERTY						
NOT DETERMINED	20	8%	43	17%	187	75%
BELOW POVERTY LINE	50	26%	31	16%	114	58%
POSSIBLY BELOW	43	23%	51	27%	96	51%
ABOVE POVERTY LINE	58	7%	50	6%	691	86%
FAMILY INCOME						
< $5,000	28	18%	28	18%	99	64%
$5,000-$10,000	46	27%	38	22%	87	51%
$10,000-$15,000	32	16%	26	13%	145	71%
$15,000-25,000	27	11%	19	8%	204	82%
$25,000-35,000	12	5%	13	6%	206	89%
$35,000-$50,000	2	2%	8	6%	114	92%
>$50,000	4	8%			46	92%
DON'T KNOW	17	10%	32	19%	123	72%
NO ANSWER OR REFUSED	3	4%	10	14%	57	81%
AGE						
17 OR UNDER	50	17%	22	7%	230	76%
18-64	111	14%	64	8%	620	78%
65 AND OLDER	8	2%	88	27%	233	71%
RACE						
WHITE	103	7%	112	8%	821	58%
NON-WHITE	67	5%	62	4%	256	18%
HEALTH STATUS						
EXCELLENT	58	12%	41	8%	387	80%
GOOD	81	13%	64	10%	488	77%
FAIR	20	9%	52	23%	150	68%
POOR	9	12%	16	22%	48	66%
HSA						
HSA I-FREDERICKSBURG	19	8%	30	13%	188	79%
HSA II-ARLINGTON	6	9%	2	3%	56	88%
HSA III -ROANOKE	58	11%	59	11%	397	77%
HSA IV-RICHMOND	39	16%	49	20%	156	64%
HSA V -NORFOLK	32	10%	29	9%	255	81%

(CONTINUED)

Table 4

HEALTH INSURANCE COVERAGE IN VIRGINIA BY AGE

AGE
UNDER 65

	TOTAL		EXTENT OF HEALTH INSURANCE COVERAGE					
			NO INSURANCE		NON-COMPREHENSIVE		COMPREHENSIVE	
TOTAL	2525	100.0%	323	12.8%	181	7.2%	2021	80.0%
FAMILY INCOME								
< $5,000	141	100.0%	51	36.2%	12	8.5%	78	55.3%
$5,000-$10,000	192	100.0%	66	34.4%	21	10.9%	105	54.7%
$10,000-$15,000	259	100.0%	56	21.6%	38	14.7%	165	63.7%
$15,000-25,000	509	100.0%	53	10.4%	30	5.9%	426	83.7%
$25,000-35,000	513	100.0%	26	5.1%	23	4.5%	464	90.4%
$35,000-$50,000	389	100.0%	20	5.1%	13	3.3%	356	91.5%
>$50,000	236	100.0%	16	6.8%	15	6.4%	205	86.9%
DON'T KNOW	171	100.0%	27	15.8%	25	14.6%	119	69.6%
NO ANSWER OR REFUSED	115	100.0%	8	7.0%	4	3.5%	103	89.6%

AGE
65 AND OLDER

	TOTAL		EXTENT OF HEALTH INSURANCE COVERAGE					
			NO INSURANCE		NON-COMPREHENSIVE		COMPREHENSIVE	
TOTAL	518	100.0%	12	2.3%	128	24.7%	378	73.0%
FAMILY INCOME								
< $5,000	95	100.0%	2	2.1%	29	30.5%	64	67.4%
$5,000-$10,000	94	100.0%	3	3.2%	37	39.4%	54	57.4%
$10,000-$15,000	69	100.0%	1	1.4%	12	17.4%	56	81.2%
$15,000-25,000	71	100.0%	2	2.8%	16	22.5%	53	74.6%
$25,000-35,000	37	100.0%					37	100.0%
$35,000-$50,000	23	100.0%			5	21.7%	18	78.3%
>$50,000	7	100.0%					7	100.0%
DON'T KNOW	83	100.0%	3	3.6%	19	22.9%	61	73.5%
NO ANSWER OR REFUSED	39	100.0%	1	2.6%	10	25.6%	28	71.8%

Table

Types and characteristics of private policies held by employees of different industries: single earner households only

	TYPE OF PRIVATE POLICY OF EMPLOYEE			
	NO PRIVATE POLICY	COMPREHENSIVE	NON-COMP.	NOT THROUGH EMPLOYER
INDUSTRY OF SINGLE EARNER				
AG, FOREST, FISHING.....	3 21%	4 29%	1 7%	6 43%
MINING.....	1 25%	3 75%		
CONSTRUCTION.....	7 22%	14 44%	2 6%	9 28%
MANUFACTURING.....	7 10%	58 81%	5 7%	2 3%
TRANS.,COMM.,UTILITIES...	1 6%	12 75%	2 13%	1 6%
WHOLESALE TRADE.....	1 14%	4 57%	1 14%	1 14%
RETAIL TRADE.....	4 13%	16 53%	1 3%	9 30%
FINANCE, INS.,BANKING....	1 7%	13 87%	1 7%	
SERVICES.....	18 16%	75 66%	5 4%	16 14%
GOVT INCL. EDUCATION.....	9 10%	69 79%	2 2%	7 8%
NONCLASSIFIABLE.....	3 12%	16 64%	1 4%	5 20%

	POLICY OBTAINED THROUGH AN EMPLOYER?		DOES EMPLOYER PAY FOR POLICY?		HAVE TO PAY EXTRA FOR FAMILY COVERAGE?	
	YES	NO	YES,PAYS ALL	MUST CONTRIBUTE	YES	NO
INDUSTRY OF SINGLE EARNER						
AG, FOREST, FISHING.....	2 25%	6 75%	1 100		1 100	
MINING.....	3 100		1 33%	2 67%		3 100
CONSTRUCTION.....	17 65%	9 35%	7 41%	10 59%	2 67%	1 33%
MANUFACTURING.....	65 97%	2 3%	18 31%	41 69%	14 61%	9 39%
TRANS.,COMM.,UTILITIES...	14 93%	1 7%	9 60%	6 40%	2 50%	2 50%
WHOLESALE TRADE.....	5 83%	1 17%	4 80%	1 20%		1 100
RETAIL TRADE.....	18 67%	9 33%	2 11%	17 89%	9 69%	4 31%
FINANCE, INS.,BANKING....	13 100		8 62%	5 38%	2 40%	3 60%
SERVICES.....	80 83%	16 17%	34 44%	43 56%	23 70%	10 30%
GOVT INCL. EDUCATION.....	70 91%	7 9%	20 29%	48 71%	17 68%	8 32%
NONCLASSIFIABLE.....	18 78%	5 22%	5 28%	13 72%	3 50%	3 50%

Table 6

Source and type of private policies covering family members
in households with at least one earner
in an industry

	SOURCE AND TYPE OF PRIVATE POLICY							
	NO PRIVATE POLICY		COMPREHENSIVE		NON-COMP.		PRIVATE POL. NOT FROM EMPLOYER	
TOTAL	395	17%	1574	68%	123	5%	209	9%
INDUSTRY OF HEAD OF HOUSEHOLD OR SPOUSE								
AG, FOREST, FISHING	16	21%	40	51%	1	1%	21	27%
MINING	5	38%	8	62%				
CONSTRUCTION	37	15%	147	61%	13	5%	43	18%
MANUFACTURING	52	9%	471	83%	31	5%	11	2%
TRANS.,COMM.,UTILITIES	15	8%	156	85%	11	6%	1	1%
WHOLESALE TRADE	7	23%	20	65%	1	3%	3	10%
RETAIL TRADE	24	9%	228	81%	6	2%	22	8%
FINANCE, INS.,BANKING	10	7%	118	85%	3	2%	8	6%
SERVICES	93	13%	534	75%	38	5%	44	6%
GOVT INCL. EDUCATION	56	12%	386	79%	21	4%	23	5%
NONCLASSIFIABLE	29	12%	177	75%	13	6%	16	7%

Table 7
Cancellation and conversion of health insurance policies

TOTAL	1203	100%
LOST HEALTH INSURANCE IN THE LAST 2 YEARS?		
NO	1141	95%
YES	62	5%
REASON FOR LOST COVERAGE		
LOST MY JOB	15	24%
SPOUSE DIED	1	2%
RETIRED	8	13%
OTHER REASON	38	61%
COULD YOU CONVERT TO A PRIVATE POLICY?		
YES	29	52%
NO	27	48%
DID YOU CONVERT TO A PRIVATE POLICY?		
YES, CONVERTED	9	30%
NO, TOO COSTLY	13	43%
NO, FOUND ANOTHER POLICY	3	10%
NO, OTHER REASON	5	17%

Table 8

Factors associated with inability to obtain needed medical care

	TYPE OF SAMPLE							
	STATEWIDE				SPECIAL			
	NEEDED BUT MEDICAL HELP TOO EXPENSIVE				NEEDED BUT MEDICAL HELP TOO EXPENSIVE			
	YES		NO		YES		NO	
INSURANCE COVERAGE OF FAMILY MEMBERS								
ALL HAVE COMP	17	4%	440	96%	29	7%	406	93%
MEMBER W-NON COMP	4	9%	39	91%	11	14%	70	86%
MEMBER W-NO INS	18	19%	77	81%	23	23%	75	77%
POVERTY								
NOT DETERMINED	7	10%	64	90%	9	8%	104	92%
BELOW POVERTY LINE	9	20%	35	80%	15	17%	74	83%
POSSIBLY BELOW	7	12%	51	88%	14	16%	75	84%
ABOVE POVERTY LINE	16	4%	406	96%	25	8%	298	92%
RACE								
WHITE	26	5%	466	95%	44	10%	410	90%
NON-WHITE	13	14%	83	86%	18	12%	133	88%
HAVE A REGULAR FAMILY DOCTOR								
YES	29	6%	439	94%	43	8%	464	92%
NO	10	8%	113	92%	18	17%	85	83%

Table 9

Percentage of families utilizing each type of medical care facility, by insurance coverage and poverty status

TYPE OF SAMPLE
STATEWIDE

	TOTAL	FAMILY			POVERTY				NEEDED BUT MEDIC/ HELP TOO EXPENSI'	
		ALL HAVE COMP.	MEMBER W-NON COMP	MEMBER W-NO INS	NOT DETERMINED	BELOW POVERTY LINE	POSSIBLY BELOW	ABOVE POVERTY LINE	YES	NO
ANYONE IN FAMILY SEE AN M.D. IN THE PAST YEAR?										
YES	550 92%	424 92%	42 95%	84 88%	63 86%	38 86%	52 88%	397 94%	36 92%	510 9
NO	50 8%	37 8%	2 5%	11 12%	10 14%	6 14%	7 12%	27 6%	3 8%	46
USED PRIVATE M.D. OR CLINIC										
DIDN'T USE	84 14%	63 14%	4 9%	17 18%	14 19%	11 25%	9 15%	50 12%	7 18%	76 1
USED	516 86%	398 86%	40 91%	78 82%	59 81%	33 75%	50 85%	374 88%	32 82%	480 8
USED AN EMERGENCY ROOM										
DIDN'T USE	375 63%	292 63%	30 68%	53 56%	49 67%	26 59%	35 59%	265 63%	18 46%	353 6
USED	225 38%	169 37%	14 32%	42 44%	24 33%	18 41%	24 41%	159 38%	21 54%	203 3
USED A GOVT CLINIC										
DIDN'T USE	544 91%	416 90%	43 98%	85 89%	67 92%	39 89%	53 90%	385 91%	33 85%	506 9
USED	56 9%	45 10%	1 2%	10 11%	6 8%	5 11%	6 10%	39 9%	6 15%	50
USED CLINIC AT UNIV. HOSP.										
DIDN'T USE	559 93%	432 94%	41 93%	86 91%	71 97%	40 91%	54 92%	394 93%	34 87%	520 9
USED	41 7%	29 6%	3 7%	9 9%	2 3%	4 9%	5 8%	30 7%	5 13%	36
WAS A HOSPITAL INPATIENT										
NO INPATIENT DAYS	471 79%	366 80%	33 75%	72 77%	55 76%	33 75%	39 67%	344 81%	27 69%	440 7
1 OR MORE DAYS	127 21%	94 20%	11 25%	22 23%	17 24%	11 25%	19 33%	80 19%	12 31%	114 2

Table 9 Continued
(Targeted Sample)

TYPE OF SAMPLE
SPECIAL

	TOTAL	FAMILY			POVERTY				NEEDED BUT MEDICAL HELP TOO EXPENSIVE	
		ALL HAVE COMP.	MEMBER W-NON COMP	MEMBER W-NO INS	NOT DETERMINED	BELOW POVERTY LINE	POSSIBLY BELOW	ABOVE POVERTY LINE	YES	NO
ANYONE IN FAMILY SEE AN M.D. IN THE PAST YEAR?										
YES	565 91%	409 94%	73 88%	83 85%	102 90%	83 91%	81 90%	299 92%	55 87%	506 92%
NO	53 9%	28 6%	10 12%	15 15%	11 10%	8 9%	9 10%	25 8%	8 13%	45 8%
USED PRIVATE M.D. OR CLINIC										
DIDN'T USE	86 14%	49 11%	15 18%	22 22%	21 19%	12 13%	12 13%	41 13%	15 24%	71 13%
USED	532 86%	388 89%	68 82%	76 78%	92 81%	79 87%	78 87%	283 87%	48 76%	480 87%
USED AN EMERGENCY ROOM										
DIDN'T USE	379 61%	265 61%	56 67%	58 59%	68 60%	57 63%	60 67%	194 60%	35 56%	342 62%
USED	239 39%	172 39%	27 33%	40 41%	45 40%	34 37%	30 33%	130 40%	28 44%	209 38%
USED A GOVT CLINIC										
DIDN'T USE	571 92%	407 93%	74 89%	90 92%	107 95%	82 90%	81 90%	301 93%	54 86%	515 93%
USED	47 8%	30 7%	9 11%	8 8%	6 5%	9 10%	9 10%	23 7%	9 14%	36 7%
USED CLINIC AT UNIV. HOSP.										
DIDN'T USE	588 95%	414 95%	79 95%	95 97%	107 95%	86 95%	86 96%	309 95%	60 95%	525 95%
USED	30 5%	23 5%	4 5%	3 3%	6 5%	5 5%	4 4%	15 5%	3 5%	26 5%
WAS A HOSPITAL INPATIENT										
NO INPATIENT DAYS	443 72%	320 74%	56 68%	67 69%	87 78%	58 64%	59 66%	239 75%	36 57%	406 74%
1 OR MORE DAYS	169 28%	113 26%	26 32%	30 31%	25 22%	32 36%	31 34%	81 25%	27 43%	139 26%

Table 10

Mean and median levels of utilization per person, by insurance coverage and poverty status

TYPE OF SAMPLE
STATEWIDE

	TOTAL	FAMILY			POVERTY				NEEDED BUT MEDICAL HELP TOO EXPENSIVE	
		ALL HAVE COMP.	MEMBER W-NON COMP	MEMBER W-NO INS	NOT DETERMINED	BELOW POVERTY LINE	POSSIBLY BELOW	ABOVE POVERTY LINE	YES	NO
DOCTOR OR CLINIC VISITS PER PERSON										
CASES	600	461	44	95	73	44	59	424	39	556
MEAN	3.08	3.14	3.76	2.47	2.91	3.87	3.63	2.95	4.11	3.02
MEDIAN	2.00	2.00	2.58	1.60	2.00	2.00	2.00	2.00	2.00	2.00
PRIVATE M.D. OR CLINIC VISITS PER PERSON										
CASES	600	461	44	95	73	44	59	424	39	556
MEAN	2.52	2.60	3.37	1.69	2.55	2.72	2.65	2.47	2.56	2.52
MEDIAN	1.50	1.50	2.00	1.00	1.50	1.22	1.75	1.50	1.25	1.50
EMERGENCY ROOM VISITS PER PERSON										
CASES	600	461	44	95	73	44	59	424	39	556
MEAN	.31	.31	.26	.37	.25	.41	.46	.30	.71	.29
MEDIAN									.25	
GOVERNMENT CLINIC VISITS PER PERSON										
CASES	600	461	44	95	73	44	59	424	39	556
MEAN	.15	.15	.03	.19	.10	.59	.12	.12	.53	.12
MEDIAN										
UNIVERSITY HOSP. CLINIC VISITS PER PERSON										
CASES	600	461	44	95	73	44	59	424	39	556
MEAN	.10	.08	.09	.22	.01	.16	.40	.07	.31	.09
MEDIAN										
HOSPITAL INPATIENT DAYS PER PERSON										
CASES	600	461	44	95	73	44	59	424	39	556
MEAN	1.40	1.51	1.63	.76	1.48	1.24	5.27	.88	1.14	1.42
MEDIAN										
OUT-OF-POCKET MEDICAL COSTS PER PERSON										
CASES	600	461	44	95	73	44	59	424	39	556
MEAN	260.24	277.39	132.51	227.06	95.98	188.02	184.22	298.82	235.31	262.72
MEDIAN	59.17	50.00	96.20	57.75	28.33	39.17	62.50	65.00	75.00	53.33

TYPE OF SAMPLE
SPECIAL

Table 10 Continued
(Targeted Sample)

	TOTAL	FAMILY			POVERTY				NEEDED BUT MEDICAL HELP TOO EXPENSIVE	
		ALL HAVE COMP.	MEMBER W-NON COMP	MEMBER W-NO INS	NOT DETERMINED	BELOW POVERTY LINE	POSSIBLY BELOW	ABOVE POVERTY LINE	YES	NO
DOCTOR OR CLINIC VISITS PER PERSON										
CASES	618	437	83	98	113	91	90	324	63	551
MEAN	3.52	3.69	4.22	2.17	3.41	4.86	3.72	3.12	5.67	3.25
MEDIAN	2.00	2.00	2.50	1.55	2.00	2.67	2.42	2.00	2.00	2.00
PRIVATE M.D. OR CLINIC VISITS PER PERSON										
CASES	618	437	83	98	113	91	90	324	63	551
MEAN	2.89	3.05	3.35	1.76	2.81	3.90	3.22	2.54	4.11	2.75
MEDIAN	2.00	2.00	2.00	1.06	2.00	2.00	2.00	1.50	1.50	2.00
EMERGENCY ROOM VISITS PER PERSON										
CASES	618	437	83	98	113	91	90	324	63	551
MEAN	.41	.42	.47	.32	.43	.43	.35	.41	.90	.35
MEDIAN										
GOVERNMENT CLINIC VISITS PER PERSON										
CASES	618	437	83	98	113	91	90	324	63	551
MEAN	.14	.14	.19	.07	.09	.24	.06	.14	.54	.08
MEDIAN										
UNIVERSITY HOSP. CLINIC VISITS PER PERSON										
CASES	618	437	83	98	113	91	90	324	63	551
MEAN	.09	.08	.20	.02	.09	.29	.09	.03	.12	.08
MEDIAN										
HOSPITAL INPATIENT DAYS PER PERSON										
CASES	618	437	83	98	113	91	90	324	63	551
MEAN	3.16	1.62	13.57	1.26	10.17	2.15	1.88	1.35	4.05	3.04
MEDIAN										
OUT-OF-POCKET MEDICAL COSTS PER PERSON										
CASES	618	437	83	98	113	91	90	324	63	551
MEAN	367.73	374.85	221.97	464.78	557.17	136.60	379.23	372.02	484.77	340.27
MEDIAN	50.00	50.00	50.00	75.00	25.00	30.00	70.00	66.67	100.00	50.00

Table 11

Utilization by insurance coverage,
controlling for poverty status

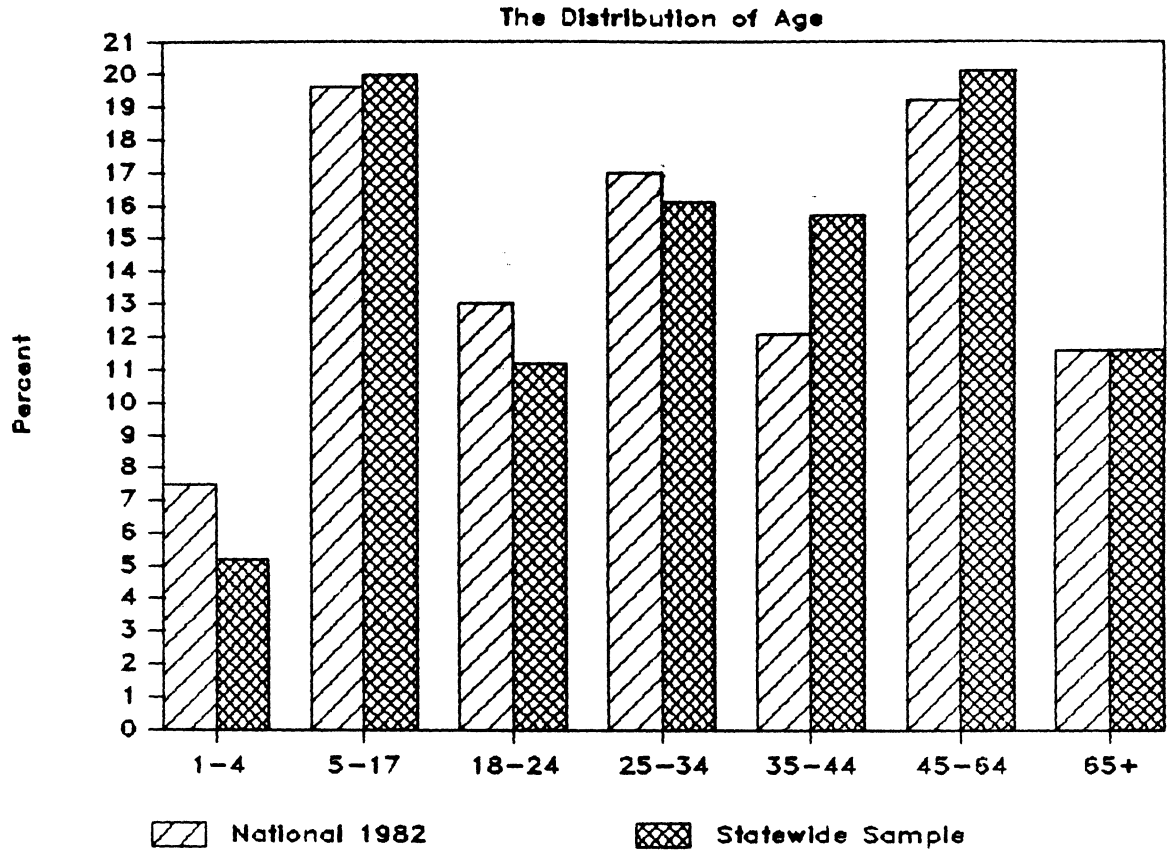
	DOCTOR OR CLINIC VISITS PER PERSON		
	CASES	MEAN	MEDIAN
POVERTY NOT DETERMINED			
INSURANCE COVERAGE OF FAMILY			
ALL HAVE COMP.....	129	3.17	2.00
MEMBER W-NON COMP.....	28	5.42	3.17
MEMBER W-NO INS.....	29	1.31	.50
BELOW POVERTY LINE			
INSURANCE COVERAGE OF FAMILY			
ALL HAVE COMP.....	73	5.54	4.00
MEMBER W-NON COMP.....	19	6.05	3.00
MEMBER W-NO INS.....	43	2.17	1.60
POSSIBLY BELOW			
INSURANCE COVERAGE OF FAMILY			
ALL HAVE COMP.....	81	4.18	2.00
MEMBER W-NON COMP.....	30	3.72	2.83
MEMBER W-NO INS.....	38	2.59	1.83
ABOVE POVERTY LINE			
INSURANCE COVERAGE OF FAMILY			
ALL HAVE COMP.....	616	3.10	2.00
MEMBER W-NON COMP.....	50	2.74	1.71
MEMBER W-NO INS.....	83	2.62	1.67

Table 12

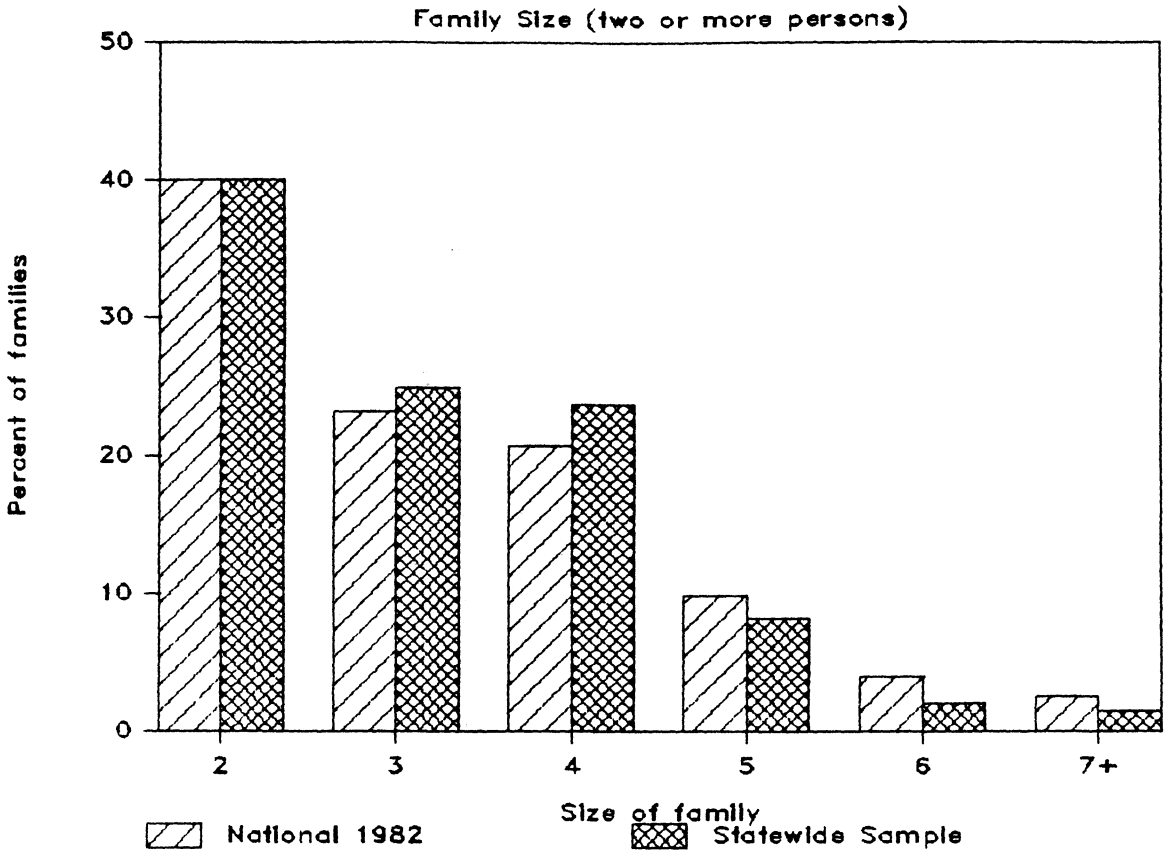
Availability and use of free medical services, by utilization data

	MEDICAL SERVICES FOR A SMALL FEE OR FREE?		HOW FAR FROM HOME ARE THESE SERVICES?			USE PUBLIC TRANSPORTATION TO REACH THESE?		
	NO	YES	5 MI. OR LESS	10 MI. OR LESS	OVER 10 MI	YES	NO	DK
TOTAL	167 72%	65 28%	25 47%	15 28%	13 25%	44 68%	16 25%	5 [illegible]
ANYONE IN FAMILY SEE AN M.D. IN THE PAST YEAR?								
YES	146 87%	55 85%	22 88%	12 80%	13 100	38 86%	14 88%	3 60%
NO	21 13%	10 15%	3 12%	3 20%		6 14%	2 13%	2 40%
USED PRIVATE M.D. OR CLINIC								
DIDN'T USE	29 17%	17 26%	7 28%	4 27%	1 8%	12 27%	3 19%	2 40%
USED	138 83%	48 74%	18 72%	11 73%	12 92%	32 73%	13 81%	3 60%
USED AN EMERGENCY ROOM								
DIDN'T USE	99 59%	39 60%	18 72%	8 53%	6 46%	27 61%	8 50%	4 80%
USED	68 41%	26 40%	7 28%	7 47%	7 54%	17 39%	8 50%	1 20%
USED A GOVT CLINIC								
DIDN'T USE	159 95%	54 83%	20 80%	10 67%	12 92%	37 84%	12 75%	5 100
USED	8 5%	11 17%	5 20%	5 33%	1 8%	7 16%	4 25%	
USED CLINIC AT UNIV. HOSP.								
DIDN'T USE	155 93%	62 95%	23 92%	14 93%	13 100	42 95%	15 94%	5 100
USED	12 7%	3 5%	2 8%	1 7%		2 5%	1 6%	
WAS A HOSPITAL INPATIENT								
NO INPATIENT DAYS	125 75%	47 73%	19 76%	13 93%	8 62%	33 77%	10 63%	4 80%
1 OR MORE DAYS	42 25%	17 27%	6 24%	1 7%	5 38%	10 23%	6 38%	1 20%
NEEDED BUT MEDICAL HELP TOO EXPENSIVE								
YES	33 20%	13 20%	6 24%	2 13%	2 15%	8 18%	3 19%	2 40%
NO	133 80%	52 80%	19 76%	13 87%	11 85%	36 82%	13 81%	3 60%
HAVE A REGULAR FAMILY DOCTOR								
YES	126 76%	48 74%	18 72%	9 60%	13 100	30 68%	15 94%	3 60%
NO	39 24%	17 26%	7 28%	6 40%		14 32%	1 6%	2 40%

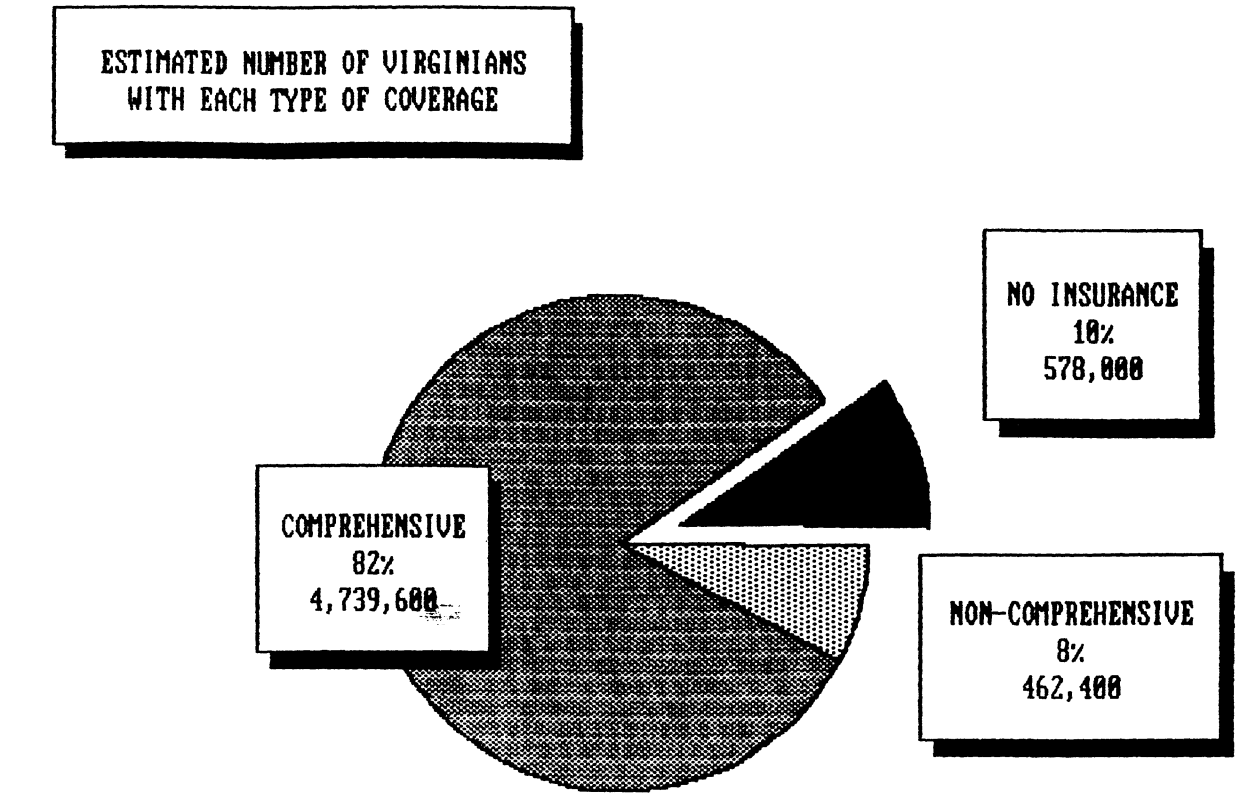
Graph 1


The Distribution of Age
Percent
21
20
19
18
17
16
15
14
13
12
11
10
9
8
7
6
5
4
3
2
1
0
1-4
5-17
18-24
25-34
35-44
45-64
65+
National 1982
Statewide Sample

Graph 2

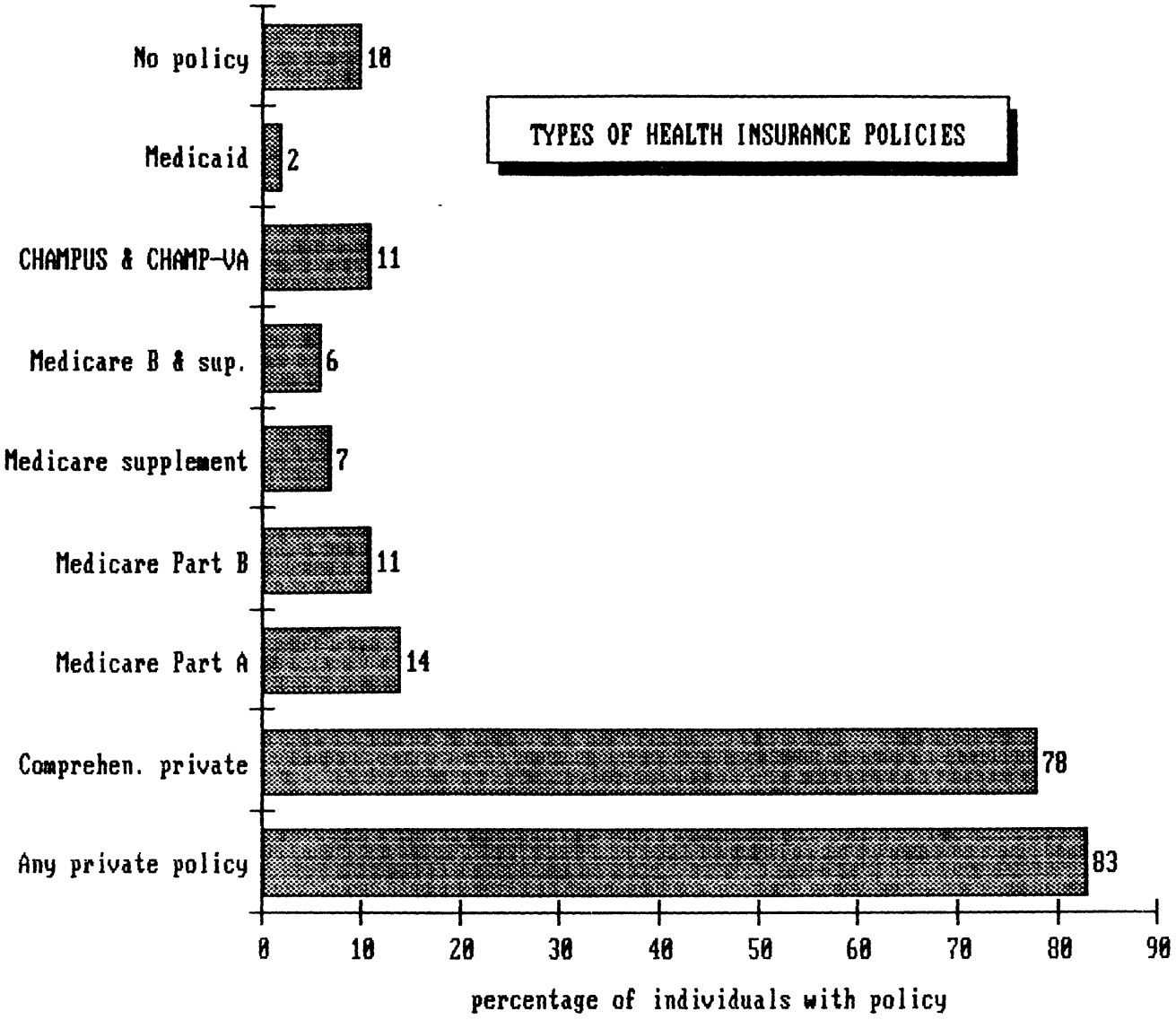

Family Size (two or more persons)
50
40
30
20
10
0
Percent of families
2
3
4
5
6
7+
Size of family
National 1982
Statewide Sample

Graph 3

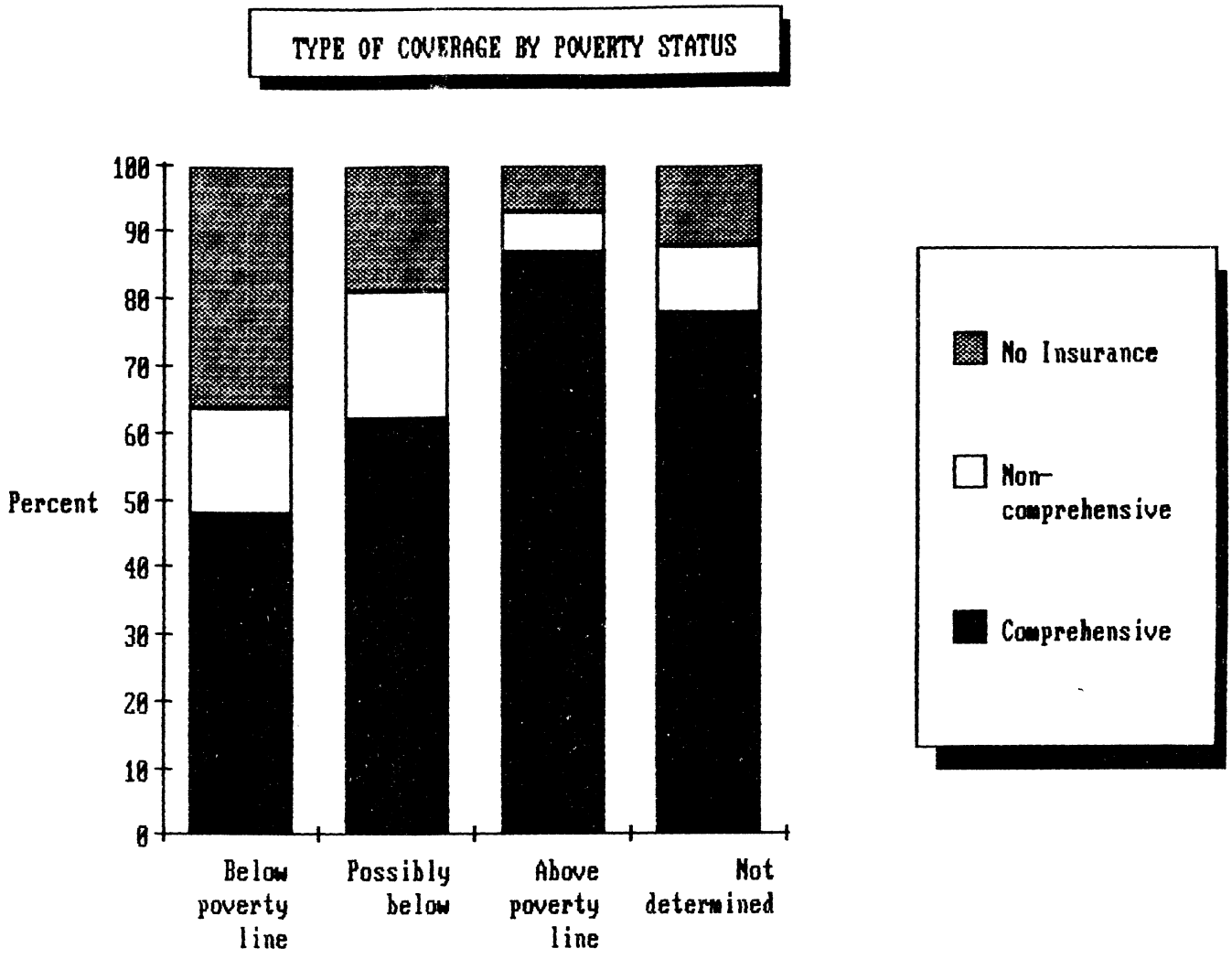


ESTIMATED 1986
VIRGINIA POPULATION:
5,780,000

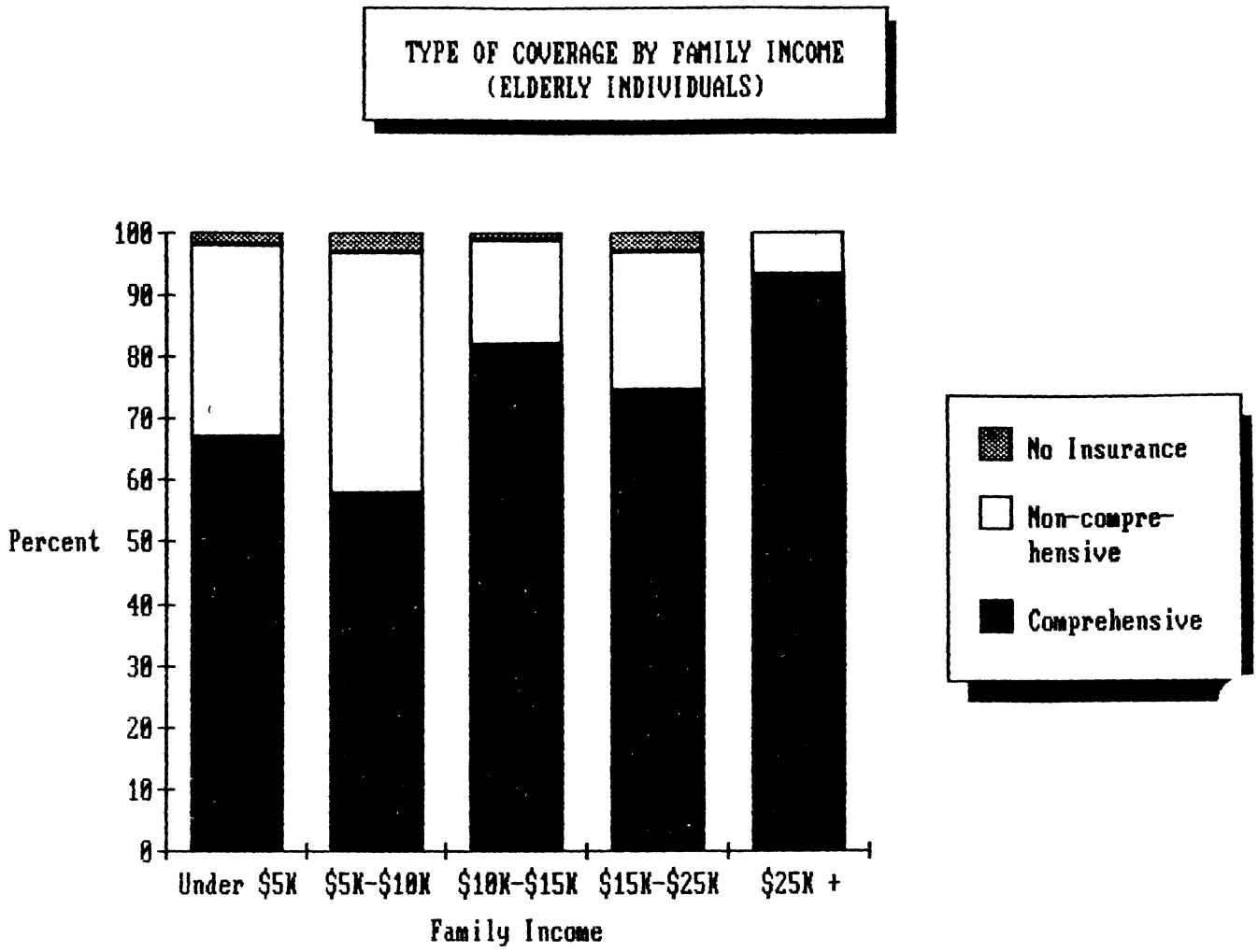
Graph 4


TYPES OF HEALTH INSURANCE POLICIES
No policy
10
Medicaid
2
CHAMPUS & CHAMP-VA
11
Medicare B & sup.
6
Medicare supplement
7
Medicare Part B
11
Medicare Part A
14
Comprehen. private
78
Any private policy
83
0
10
20
30
40
50
60
70
80
90
percentage of individuals with policy

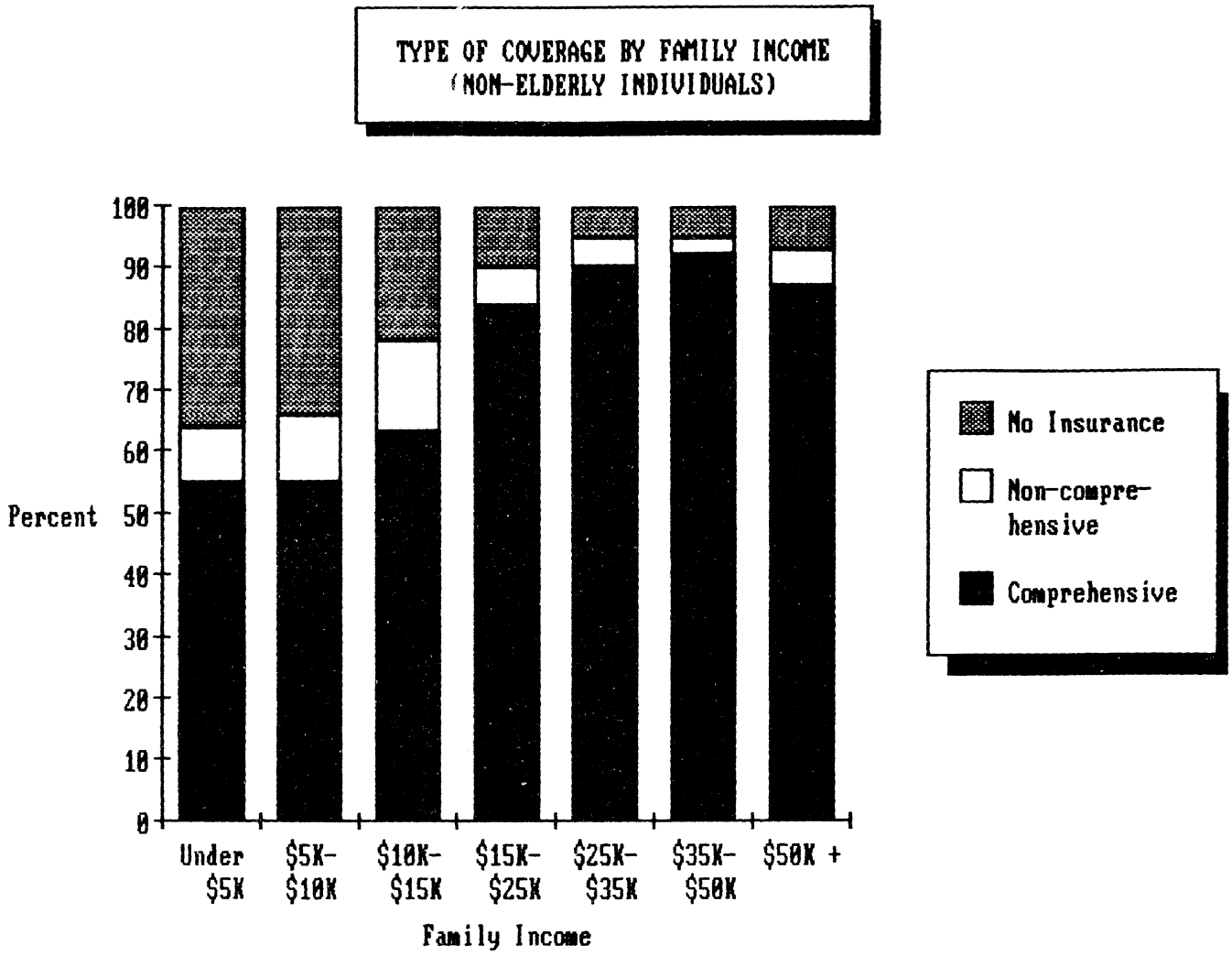
Graph 5


TYPE OF COVERAGE BY POVERTY STATUS
Percent
100
90
80
70
60
50
40
30
20
10
0
Below poverty line
Possibly below
Above poverty line
Not determined
No Insurance
Non-comprehensive
Comprehensive

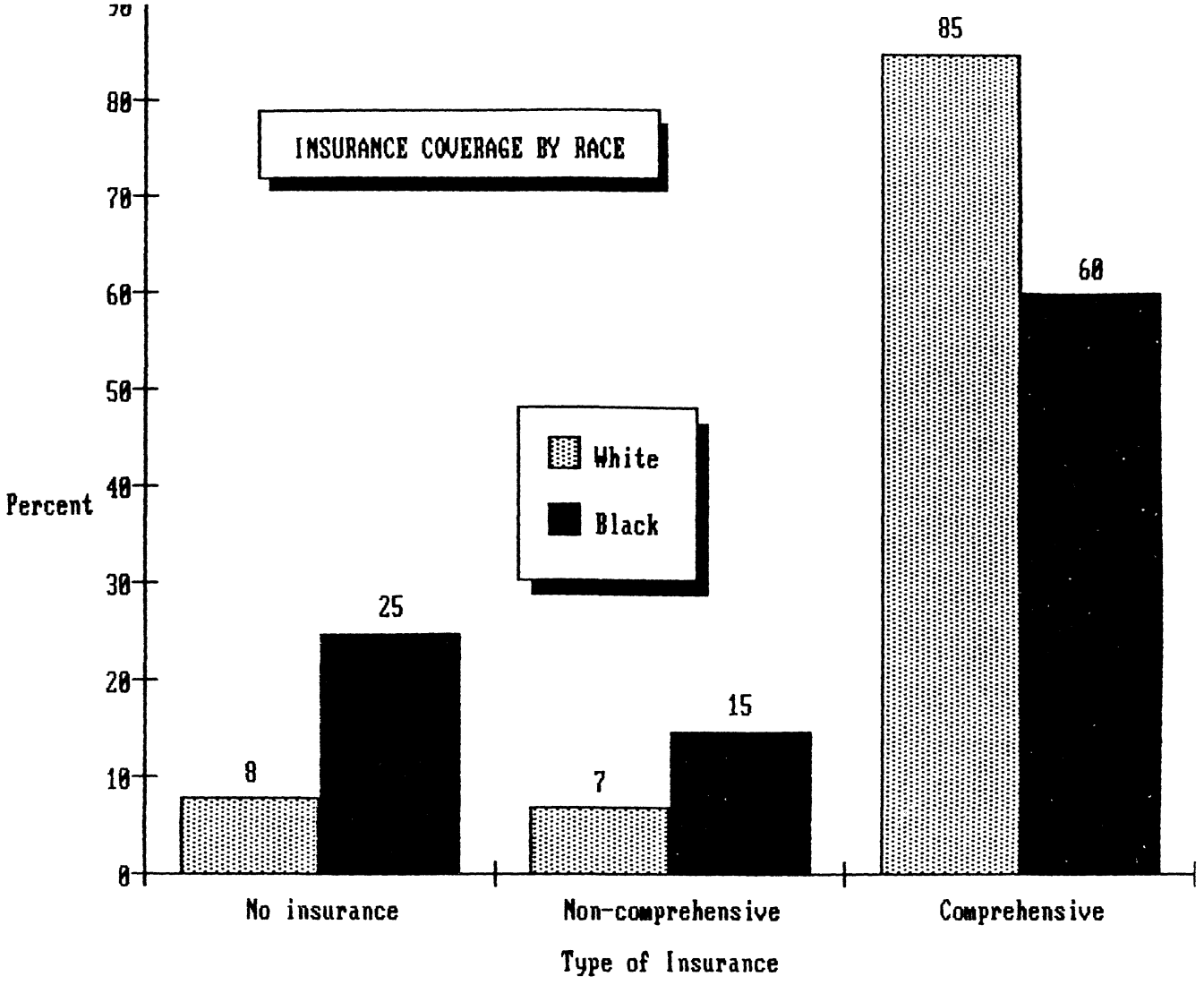
Graph 6


TYPE OF COVERAGE BY FAMILY INCOME
(ELDERLY INDIVIDUALS)
100
90
80
70
60
50
40
30
20
10
0
Percent
Under $5K
$5K-$10K
$10K-$15K
$15K-$25K
$25K +
Family Income
No Insurance
Non-compre-
hensive
Comprehensive

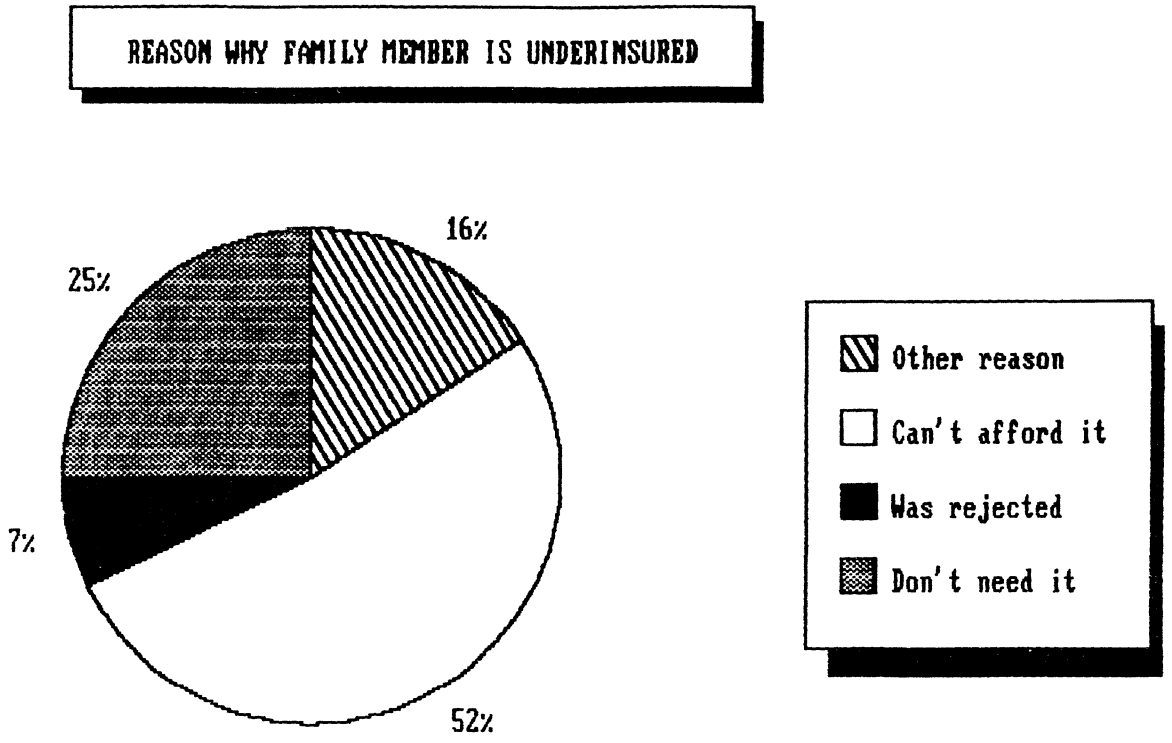
Graph 7


TYPE OF COVERAGE BY FAMILY INCOME
(NON-ELDERLY INDIVIDUALS)
Percent
100
90
80
70
60
50
40
30
20
10
0
Under $5K
$5K- $10K
$10K- $15K
$15K- $25K
$25K- $35K
$35K- $50K
$50K +
Family Income
No Insurance
Non-compre- hensive
Comprehensive

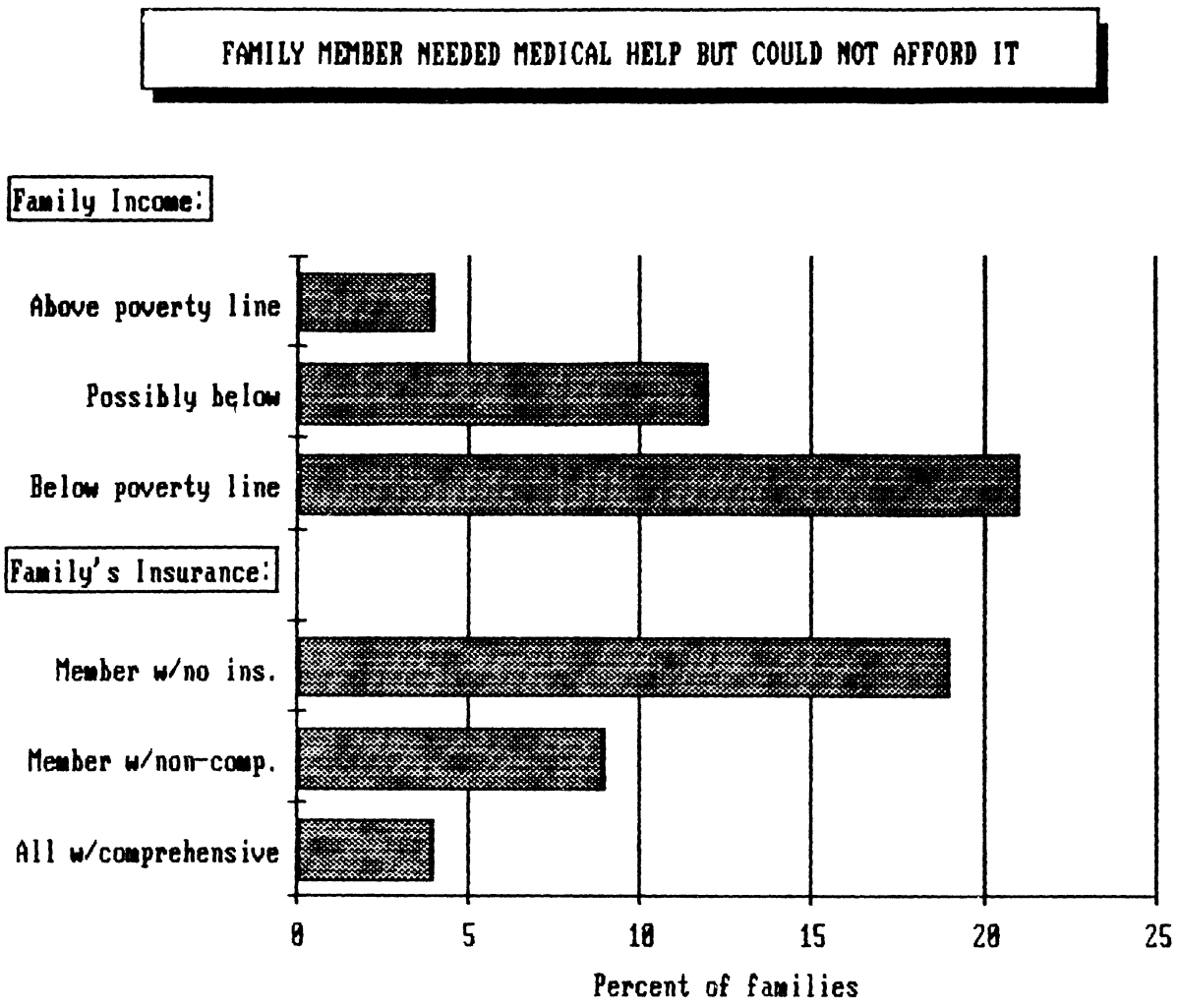
Graph 8


INSURANCE COVERAGE BY RACE
White
Black
Percent
80
70
60
50
40
30
20
10
0
8
25
7
15
85
60
No insurance
Non-comprehensive
Comprehensive
Type of Insurance

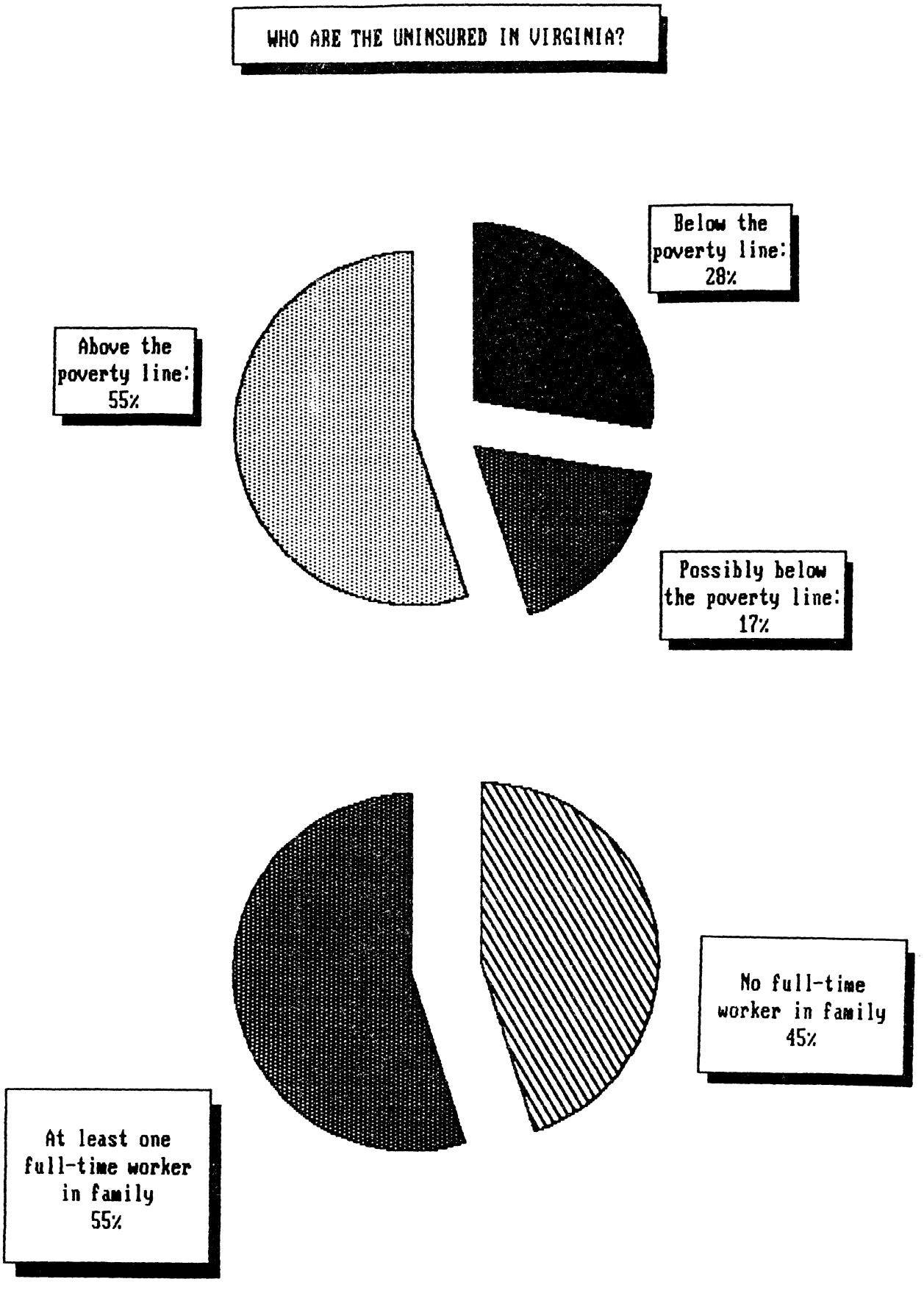
Graph 9


REASON WHY FAMILY MEMBER IS UNDERINSURED
16%
25%
7%
52%
Other reason
Can't afford it
Was rejected
Don't need it

Graph 10


FAMILY MEMBER NEEDED MEDICAL HELP BUT COULD NOT AFFORD IT
Family Income:
Above poverty line
Possibly below
Below poverty line
Family's Insurance:
Member w/no ins.
Member w/non-comp.
All w/comprehensive
0
5
10
15
20
25
Percent of families

Graph 11


WHO ARE THE UNINSURED IN VIRGINIA?
Below the poverty line: 28%
Above the poverty line: 55%
Possibly below the poverty line: 17%
No full-time worker in family 45%
At least one full-time worker in family 55%

SURVEY RESEARCH LABORATORY VIRGINIA COMMONWEALTH UNIVERSITY

HEALTH INSURANCE SURVEY

SAMPLE: VA. STATEWIDE....1
SPECIAL... 2

INTERVIEWER_____

DATE _____ _____ 1986
MO. DAY YEAR

TIME INTERVIEW STARTED _____:____ _

TIME FINISHED _____:_____

LENGTH OF INTERVIEW _____:_____

Hello, my name is _____ and I'm calling from Virginia Commonwealth University in Richmond. We are conducting a survey for the state of Virginia about health care and health insurance. I would like to speak with the head of the household or that person's spouse. My questions will take about ten minutes.

[WHEN APPROPRIATE RESPONDENT IS OBTAINED, REINTRODUCE YOURSELF AND PURPOSE OF SURVEY:

[IF R RESISTS: It's very important that you participate because your number was selected at random and will represent many other households in Virginia.]

[Everything you tell us will kept confidential. I don't know your name or anything else about you. Your phone number will not be attached to your answers.]

[IF R REFUSES, ASK: Is there anyone else in the household I could talk with?]

---

1. At any time during the past twelve months, did you or any member of your family that lives in your household need medical help, but didn't get it because it would cost too much?

YES.....1
NO.....2
DON'T KNOW.....8

2. Do you have a regular family doctor?

YES.....1
NO.....2
DON'T KNOW.....8

3. I'm going to read a short list of medical facilities that people sometimes use when they are ill. Please tell me how many times you and all members of your family living in this household visited each of these during the past twelve months.

	# OF VISITS
A doctor's office or private clinic.....	_____
A hospital emergency room.....	_____
A county or other government-sponsored clinic.....	_____
A clinic at a university hospital.....	_____

4. During the past twelve months, how many total days did you and all other members of your family spend as an inpatient in a hospital?

_____ TOTAL DAYS SPENT AS HOSPITAL INPATIENT

DON'T KNOW.....999

5. Thinking back over the past twelve months, how much did you and your family as a whole pay out-of-pocket for medical expenses, not counting premiums for insurance, and not including anything that was paid for by any health insurance or other health benefits you have?

[Just your best guess...] [NOTE: DO NOT INCLUDE PRESCRIPTION COSTS]

$ _____TOTAL PAID FOR HEALTH CARE EXCLUSIVE OF INSURANCE

DON"T KNOW.....99999

6. Some people have auto insurance that will provide medical payments to them if they are injured in an automobile accident. This coverage costs extra, and is not required by the state of Virginia. Do you have this kind of medical coverage under your auto policy?

DON'T HAVE THIS ON MY/OUR POLICY.....1

DON'T HAVE AUTO INSURANCE.....2

DON'T KNOW WHETHER I/WE HAVE THIS.....3

[IF YES: What is maximum amount of the medical payment this policy will provide?

AMOUNT OF MEDICAL PAYMENT $_____ 4

HAVE THIS BUT DON'T KNOW AMOUNT.....5

QUESTIONS FOR GRID
ENTER ANSWERS IN APPROPRIATE BOX IN FAMILY GRID

ASK EVERYONE:

How many people who are related to you live in this household? [INCLUDE COLLEGE STUDENTS]

[IF MORE THAN JUST RESPONDENT, ASK:

For each person, could you tell me their relationship to you and their age?

7. RELATIONSHIP (WRITE IN THE RELATIONSHIP IN PERSON'S BOX)
USE THESE ABBREVIATIONS:
Respondent
Spouse
Parent
Child
GP... grandparent
GC... grandchild
SIbling
Other

8. AGE (ENTER EXACT AGE IN PERSON'S BOX)
(DON'T FORGET TO ENTER RESPONDENT'S AGE ALSO)

9a. Compared with other people your age, would you say that your health is...

1. excellent
2. good
3. fair, or
4. poor.

[ASK THIS FOR EACH OTHER PERSON IN GRID:

9b. And for _____... would you say that his/her health is excellent, good, fair, or poor?

The next questions are about government health insurance programs.

10. Medicare is a Social Security insurance program for the disabled and elderly. Is anyone in your family living in this household covered by the part of Medicare that pays for hospital bills? [MARK IN COVERED PERSON'S BOX]
[IF NO, SKIP TO 13]

11. Is anyone covered by part B of Medicare, which pays for doctor's bills? This is the part of Medicare for which someone must pay a certain amount each month.
[MARK IN COVERED PERSON'S BOX]

12. Is anyone covered by a Medicare supplement insurance policy from a private insurance company?
(MARK IN COVERED PERSON'S BOX)

13. Is anyone covered by CHAMPUS, which covers both active duty and retired career military personnel; or by CHAMP-V-A, which covers disabled veterans?
[MARK IN COVERED PERSON'S BOX]

14. Is anyone is this family covered by MEDICAID, which pays for medical care for persons in financial need?
[MARK IN COVERED PERSON'S BOX]

15. Is anyone in the family now covered by any kind of <u>private</u> health insurance?

NO..... GO TO Q18 ON MAIN QUESTIONNAIRE

YES ASK...What is the name of the insurance?

IF NECESSARY ASK:

Is it Blue Cross/Blue Shield or an H.M.O.?

What kinds of medical expenses are covered by the policy?

Who in your family is covered by the policy?

[DETERMINE TYPE OF POLICY AND CODE ON GRID FOR EACH COVERED PERSON]..[**GO TO Q.16**

[IF FAMILY IS COVERED BY MORE THAN ONE TYPE OF PRIVATE POLICY, CODE ADDITIONAL POLICY IN "SECOND POLICY" BOX ON GRID]

PRIVATE INSURANCE PLAN CODES:

BLUE CROSS/BLUE SHIELD.....1
H.M.O.....2
OTHER COMPREHENSIVE POLICY.....3
BASIC MEDICAL EXPENSE POLICY **ONLY** (HOSPITAL SURGICAL).....4
MAJOR MEDICAL EXPENSE POLICY **ONLY** (ALSO CALLED CATASTROPHIC).....5
HOSPITAL COVERAGE **ONLY**.....6
SURGICAL COVERAGE **ONLY**.....7
PHYSICIAN'S COVERAGE **ONLY**.....8
CANCER POLICY.....9
HOSPITAL INDEMNITY (E.G., PAYS CERTAIN AMOUNT PER DAY WHILE INSURED IS HOSPITALIZED).....10
MEDICARE SUPPLEMENT POLICY (PROVIDES BENEFITS ABOVE THOSE PROVIDED BY MEDICARE).....11
NURSING HOME POLICY.....12

R DOESN'T KNOW WHAT THE POLICY COVERS.....99

I N T E R V I E W E R S N O T E : IF TYPE OF PLAN IS NOT CLEAR, ASK SERIES OF QUESTIONS BELOW TO DETERMINE PROPER CODE

Does the plan cover any part of hospital costs such as room and board?

Does the plan cover any part of doctor's or surgeon's bills?

Does the plan cover large medical care expenses, also called "major medical" or "catastrophic" coverage?

CANCER POLICY? : Some insurance policies only cover expenses for certain dread diseases such as cancer. Is your policy limited just to cancer?

POSSIBLE HOSPITAL INDEMNITY POLICY ("DANNY THOMAS"): Some policies pay a certain amount of cash while the person is in the hospital. Is this the kind of policy you have?

		PERSON 1	PERSON 2	PERSON 3	PERSON 4	PERSON 5	PERSON 6	PERSON 7	PERSON 8	PERSON 9
7	RELATIONSHIP TO RESPONDENT	RESPONDENT								
8	AGE (CODE R'S AGE ALSO)									
9	HEALTH STATUS	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
10	MEDICARE (PART A, HOSPITAL BILLS	1	1	1	1	1	1	1	1	1
11	MEDICARE (PART B, DOCTOR'S BILLS)	1	1	1	1	1	1	1	1	1
12	MEDICARE SUPPLEMENT POLICY	1	1	1	1	1	1	1	1	1
13	CHAMPUS OR CHAMP-VA	1	1	1	1	1	1	1	1	1
14	MEDICAID	1	1	1	1	1	1	1	1	1
15	PRIVATE POLICIES	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3	1 2 3
		———	———	———	———	———	———	———	———	———
15b.	OTHER PRIVATE POLICY									

16. Was this policy obtained through an employer?

YES....1
ASK 17.

NO...2 ASK: 16B. About how much per month do you pay for this policy? $_____ GO TO 18.

17. Is the policy paid for entirely by the employer, or do you contribute to it?

YES, PAID BY EMPLOYER.....1
GO TO 18.

NO, HAVE TO CONTRIBUTE....2

DON'T KNOW.....8
GO TO 18.

IF MORE THAN ONE PERSON IS COVERED BY POLICY ASK:
[OTHERWISE GO TO 18.]

Do you have to pay extra to cover other family members with the policy?

YES....1 NO.....2 DON'T KNOW...9

18. INTERVIEWER: REVIEW GRID TO SEE THAT ALL FAMILY MEMBERS HAVE SOME FORM OF COMPREHENSIVE INSURANCE ... WITHIN THE HATCHED BOX ON THE GRID.

IF NO ONE IS UNDERINSURED, GO TO 20. IF SOME ARE UNDERINSURED, ASK:

What would you say is the main reason why (underinsured persons) do not have more health insurance?

HAVE NEVER THOUGHT ABOUT GETTING HEALTH INSURANCE.....1

DECIDED NOT TO GET HEALTH INSURANCE BECAUSE:

HAVE BEEN HEALTHY, NOT MUCH SICKNESS IN FAMILY, DON'T NEED IT.....2

DON'T BELIEVE IN HEALTH INSURANCE.....3

TOO EXPENSIVE; CAN'T AFFORD IT.....4

DISSATISFIED WITH PREVIOUS INSURANCE.....5

TRIED TO GET HEALTH INSURANCE BUT WAS REJECTED BECAUSE:

UNEMPLOYED, OR REASONS RELATED TO UNEMPLOYMENT.....6

POOR HEALTH OR CURRENT ILLNESS.....7

AGE.....8

DO NOT HAVE HEALTH INSURANCE FOR OTHER REASON:

SPECIFY_____.....9

DON'T KNOW.....10

NO ANSWER.....11

19A. Are there any medical services available to your household at no charge or for a small fee, such as a free clinic?

NO (GO TO 20).....1

YES (ASK:

19B. How far away from your home are these services located?

_____ MILES

19C. Can you reach these services using public transportation?

YES.....1

NO.....2

DON'T KNOW.....8

NO ANSWER.....9

20. Within the past two years, have you lost coverage under a group health insurance policy or an H-M-O that was provided by an employer?

NO [GO TO 21].....1
YES: ASK: What was the main reason this happened?
LOST MY JOB.....2
SPOUSE DIED.....3
WAS DIVORCED.....4
RETIRED.....5
OTHER REASON SPECIFY_____ 6

20B. At the time you lost your coverage, were you offered the opportunity to convert to an individual policy?

YES, OFFERED TO CONVERT [ASK 20C].....1
NO [GO TO 21].....2
ALLOWED TO CONTINUE (VOL.) [GO TO 21].....3

20C. [IF OFFERED: Did you convert to an individual policy?

YES, CONVERTED.....1
NO ASK: Why not?
TOO EXPENSIVE.....2
FOUND A DIFFERENT POLICY.....3
OTHER _____.....4

21. Is anyone in your family -- such as parents, grandparents, sisters, brothers -- currently living in a nursing home?

NO.....1
YES.....2
DON'T KNOW.....8
NO ANSWER.....9

22. There are different kinds of nursing homes for elderly and disabled persons. Skilled nursing homes are specially qualified to provide medical care and rehabilitation services. Custodial nursing homes provide little medical care but assist people with things like dressing, bathing, or eating.

The state of Virginia estimates that staying in a custodial nursing home will cost between $15,000 and $26,000 per year. Did you know this?

YES, KNEW THIS.....1
NO, DIDN'T KNOW.....2
NO ANSWER.....9

23. As far as you know, will Medicare, the health insurance program for the elderly, pay any of the cost of staying in a custodial nursing home?

NO, WON'T PAY.....1
YES, WILL PAY.....2
DON'T KNOW.....8
NO ANSWER.....9

24. And will Medicare pay any of the cost of staying in a skilled nursing facility?

NO, WON'T PAY.....1
YES, WILL PAY (ASK 24B).....2
DON'T KNOW.....8
NO ANSWER.....9

24B. IF "YES WILL PAY" ASK:
For how long a stay will Medicare pay?

_____DAYS/MONTHS/YEARS
WILL PAY INDEFINITELY; AS LONG AS NEEDED...2
DON'T KNOW.....8
NO ANSWER.....9

25. The state wants you to know that Medicare will pay only 100 days in a skilled nursing facility and nothing for a custodial nursing home. In order for the government to pay for a stay in a custodial nursing home, a person would have to get rid of almost all of their personal property and money except their home, down to a total of $1700. Would you personally be willing to do this in order to be eligible for government help in paying for nursing home care?

NO.....1
YES, WOULD SPEND DOWN TO $1700.....2
DEPENDS.....3
DON'T KNOW.....8
NO ANSWER.....9

26. Do you have any kind of insurance policy that would cover nursing home care?

NO.....1
YES....(SKIP TO 28).....2
DON'T KNOW.....8
NO ANSWER.....9

27. The state of Virginia wants to find out if people like yourself would purchase insurance that would cover nursing home care. Would you consider buying such a policy if it were available?

NO....(GO TO 27E).....1
YES.....2
DEPENDS.....3
DON'T KNOW.....8
NO ANSWER.....9

27B. Would you pay $150 per month for such a policy?

NO, [GO TO 27C].....1
YES, WOULD BUY (GO TO 28).....2
NOT SURE.....3
DON'T KNOW.....8

27C. Would you pay $100 per month?

NO [GO TO 27D].....1
YES, WOULD BUY.(GO TO 28).....2
NOT SURE.....3
DON'T KNOW.....8

27D. How about $50 per month?

NO, (GO TO 27E).....1
YES, WOULD BUY..(GO TO 28).....2
NOT SURE.....3
DON'T KNOW.....8

27E. Would you be willing to buy such a policy if you could deduct the premiums on your state income tax?

NO, WOULDN'T BUY.(GO TO 28).....1
YES, WOULD BUY.....2
DEPENDS.....3
DON'T KNOW.....8

28. I have just a few more questions. These will be used for statistical purposes only.

Are you currently working full time, part time, going to school, keeping house, or what?

WORKING FULL TIME.....1
WORKING PART TIME.....2
WITH A JOB BUT TEMPORARILY OUT.....3
} ASK 28B.

UNEMPLOYED, LAID OFF, LOOKING FOR WORK.....4
RETIRED.....5
IN SCHOOL.....6
KEEPING HOUSE.....7
OTHER (SPECIFY_____).....8

28B. IF WORKING NOW, ASK:
What kind of place do you work for... what do they make or do?

_____

_____

DON'T ASK UNLESS NECESSARY: INTERVIEWER CHECKPOINT: FROM INFORMATION GIVEN, IS RESPONDENT SELF-EMPLOYED?

IF "SPOUSE" IS LISTED IN GRID, CODE AS MARRIED; OTHERWISE ASK:

29. Are you currently married, divorced, separated, widowed, or have you never been married?

MARRIED [ASK 30].....1
DIVORCED.....2
SEPARATED.....3
WIDOWED.....4
NEVER MARRIED.....5
DON'T KNOW.....8
NO ANSWER.....9

30. Is your spouse currently working full time, part time, going to school, keeping house, or what?

WORKING FULL TIME.....1
WORKING PART TIME.....2
WITH A JOB BUT TEMPORARILY OUT.....3
} ASK 30B.

UNEMPLOYED, LAID OFF, LOOKING FOR WORK.....4
RETIRED.....5
IN SCHOOL.....6
KEEPING HOUSE.....7
OTHER (SPECIFY_____).....8

30B. IF SPOUSE IS WORKING NOW, ASK:
What kind of place does your spouse work for... what do they make or do?

_____

_____

DON'T ASK UNLESS NECESSARY: INTERVIEWER CHECKPOINT: FROM INFORMATION GIVEN, IS SPOUSE SELF EMPLOYED?

31. In what city or county do you live?_____

32. What is your race?

WHITE.....1
BLACK.....2
HISPANIC.....3
ASIAN.....4
OTHER_____...5
NO ANSWER.....9

33. I'm going to read six income brackets. Please stop me when I get to the bracket that includes your total family income for 1985, including all sources, before taxes.

less than $5000.....1
5 to $10,000.....2
10 to $15,000.....3
15 to $25,000.....4
25 to $35,000.....5
35 to $50,000.....6
over $50,000.....7
DON'T KNOW.....8
REFUSED.....9

This is the end of our interview. Thank you very much for your cooperation.

[WAS RESPONDENT MALE OR FEMALE?

FEMALE.....1
MALE.....2

[WAS INTERVIEWER MALE OR FEMALE?

FEMALE.....1
MALE.....2

SECTION V

EMPLOYER PROVISION OF HEALTH INSURANCE BENEFITS

> "The working poor have much less assistance with health care costs than the nonworking poor. Primarily because of Medicaid, the nonworking poor pay only 32 percent of health care costs out of pocket while the working poor pay 54 percent of such costs; furthermore, the nonworking poor spend almost as much on health care as the working poor. ...A worker's probability of having health insurance depends substantially on the industry of employment, even after controlling for the demographic and other relevant worker characteristics. That is, the provision of health insurance depends importantly on institutional arrangements unrelated to demand variation. It also depends on demographic factors unrelated to demand variations." (Employment, Unemployment, and Health Insurance. A. James Lee, Abt Books, 1979, p. 112)

Most people have access to health insurance coverage through their employer, or the employer of some member of their family. For this reason, we determined it necessary to ascertain the views of employers on the issue of the provision of health insurance as an employee benefit. A survey was sent to a random sample of 1200 Virginia employers in the Fall of 1986. The listing was obtained from the Virginia Employment Commission. A copy of this survey is attached in Appendix C. The goal of this survey was to determine the characteristics of those employers who do not provide health insurance benefits to their employees, as well as the characteristics of those who do.

Approximately 45% (542) surveys were returned. Seventy-four percent (401) responded "yes" to the question, "do you offer health insurance coverage or other health benefits (including self-insurance) to your employees?", while twenty-six percent (140) responded "no." One employer indicated that he offers a monetary allowance to his full-time employees with which they can purchase their own health insurance.

The following tables indicate the types and sizes of employers who responded to the survey, along with whether or not they provide health insurance or other health benefits to their employees.

Employers who do not provide health insurance were asked why they did not provide this benefit. Fifty-seven percent (80) said that the cost of such coverage was too high. Twenty-six percent (36) indicated that the number of employees in the firm was a factor. Other responses involved the type of business conducted by the employer (11%, 15) and the unavailability of coverage (4%, 5). Various other reasons made up thirty percent (41) of the responses, the most frequent being that the employees had another source of coverage.

Given the limited nature of the questionnaire and extreme randomness of its distribution, the results of this survey should be viewed as a very rough estimate of the actual provision of health insurance, or other health benefits, by employers in various industries. Perhaps the most important finding of the survey is the variety of views expressed in the "...any other comments" section. They included:

> "It is difficult for a small business to obtain health insurance at a reasonable rate. We pay high rates for little coverage." (Wholesale: provides health insurance)
>
> "...employees want pay instead of benefits." (Retail: does not provide health insurance)
>
> "Health insurance (costs are) very high. Most small businesses will soon not be able to afford insurance. Employees' first question is "What are the health benefits," since they can't afford to pay for it out of their own pockets." (Retail: provides health insurance)
>
> "...employees not willing to pay any portion of the premium. They are either covered by spouse or they have no insurance." (Construction: does not provide health insurance)
>
> "There are no group policies that are attractive for businesses as small as mine. I would like to see a statewide group for total coverage out of the workplace - much like workers' compensation for the workplace..." (Manufacturing: provides health insurance)
>
> "We pay them (employees) a good salary and urge them to find their own health insurance." (Finance, Insurance, Real Estate: does not provide health insurance)
>
> "We found the cost of insurance so expensive that we are only able to offer them (employees) basic coverage. Being a small business we don't qualify for alot of the benefits companies with over 10 employees do." (Service: provides health insurance)

Other surveys conducted recently within the Commonwealth revealed additional information concerning employer-provided health insurance. They are:

> The Department of Personnel and Training produce the Report on Salary Survey for presentation to the Governor and the General Assembly. This document provides data on the Commonwealth's competitive market position based on annual surveys of both public and private sector employers. The 1984 survey found that "...58.7 percent (of employers surveyed) provide a health care plan that is effective immediately for its employees..." (p. 135).

The survey conducted by the Survey Research Laboratory of Virginia Commonwealth University, presented in the previous section, revealed that 83 percent of families contacted who had private insurance policies said they were obtained through an employer. Sixty-six percent of these required some level of employee contribution.

The Indigent Health Care Study group, which reports to the Governor's Task Force on Indigent Health Care will be conducting an extensive survey of Virginia employers during 1987.

The results of these surveys provide a first step for further research into the issues surrounding employer provision of health insurance benefits. These issues include the problems of small employers, industries that rely heavily on part-time, temporary and/or seasonal employees, and industries with a high rate of employee turnover.

TABLE V-1

PROVISION OF HEALTH BENEFITS BY STANDARD INDUSTRIAL CLASSIFICATION

	Provides Insurance?	
	Yes	No
Agriculture, Forestry, Fishing (01-09)	12	7
Mining (10-14)	4	1
Construction (15-17)	69	42
Manufacturing (20-39)	44	2
Transportation, Public Utilities (40-49)	19	0
Wholesale Trade (50-51)	37	1
Retail Trade (52-59)	114	48 *
Finance, Insurance, Real Estate (60-67)	42	8
Services (70-89)	60	28
Nonclassifiable (99)	0	3

* One employer provides an allowance for his employees with which they can purchase their own coverage.

TABLE V-2

PROVISION OF HEALTH BENEFITS BY SIZE OF EMPLOYER

	Provides Insurance?	
	Yes	No
Less than or equal to 5	88	101
6-10	74	18 *
11-25	76	10
26-50	39	4
51-100	22	0
101-999	57	0
More than or equal to 1000	38	0
Temporary or seasonal employees only	0	5
No answer	7	2

* One employer provides an allowance for his employees with which they can purchase their own coverage.

TABLE V-3

EMPLOYMENT BY INDUSTRY
VIRGINIA V. NATION
(4TH QUARTER 1985)

	Virginia	Nation
Agriculture, Forestry, Fishing	.7%	1.2%
Mining	.7%	.9%
Construction	6.5%	4.9%
Manufacturing	17.2%	19.6%
Transportation, Public Utilities	4.9%	5.0%
Wholesale Trade	4.9%	5.9%
Retail Trade	18.4%	18.3%
Finance, Insurance, Real Estate	5.1%	6.1%
Services	20.6%	21.2%
Government	20.5%	16.7%
Unknown	.6%	.2%

Source: Employment and Wages in Virginia - 4th Quarter and Annual 1985, Virginia Employment Commission, Economic Information Services Division.

CONCLUSION

The results of this study do not vary greatly from the projected number of insureds based on national studies. However, information about those at risk of medical indigency in Virginia is enlightening. According to the survey results, one of every five individuals in this Commonwealth is at risk of financial hardship because of health care. In addition, seven percent of the population has gone without necessary medical care during the past 12 months because they could not afford the cost of that care.

It is apparent from viewing the survey results that there are many individuals that do not qualify for federal and state sponsored health care programs who go without some types of health care because they cannot afford the cost of the care or insurance to cover the care.

The degree of coverage varies most with family income and employment. Coverage also varies with race and health status. Black Virginians are less likely than whites to have comprehensive coverage, even within the same income ranges. Those in poor health are less likely to have coverage than those in good or excellent health. The variance according to health status is thought to be more a function of income than health status.

As the Governor's Task Force on Indigent Health Care comes to grips with formulating Virginia's long term health policies, the results of this study will be useful in the development of a system that will benefit all Virginians. The threat of medical indigency is sometimes viewed as a problem of the poor. However, the results of this study show that the potential for indigency cuts across the lines of income, race, age, geography, and health status and touches all of us.

APPENDIX A

The Uninsured, Underinsured, and Medically Indigent Other States' Activity

Arkansas

Health insurance industry data collected in 1984 revealed that about 65% of state residents under the age of 65 had hospital insurance.

Colorado

The Colorado Task Force on the Medically Indigent was formed in January 1983 to investigate problems associated with financing health care for those who cannot afford it because of poverty, lack of health insurance, or inadequate insurance coverage. A comprehensive survey of the state population conducted in conjunction with this study revealed that approximately 238,000 persons with incomes below 150% of the federal poverty level were uninsured, over 40% of the uninsured were 18 years of age or younger, and almost 50% of employed persons were uninsured.

Delaware

In May 1986, the Insurance Commissioners's Task Force on Health Care Cost Containment and Quality Enhancement issued their final report, which addresses the problem of uncompensated care (uninsured/underinsured) in the state. One of the study's recommendations requested further study of the medically indigent problem.

Florida

Three studies have been conducted related to the problem of medical indigency. An indigent health care survey was conducted in 1985 by Louis Harris and Associates. Telephone and in-person interviews were utilized. It was determined that approximately 74% of the state population is covered by private health insurance or public health programs. An application to the Robert Wood Johnson Foundation was made for funding to administer an insurance synthetic trust for uninsured low-income persons. The Florida Primary Health Care Plan contains an analysis of the problem of uninsurance/underinsurance.

Idaho

A recent study of the uninsured in Idaho revealed an estimated 66,200 uninsured workers and 82,800 unemployed and not in the workforce (including dependents), for a total of approximately 149,000 uninsured persons.

Iowa

During the Iowa Legislature's most recent session, legislation was enacted creating a mandatory health risk allocation pool. This pool was not designed to specifically address the problem of providing health care to the indigent population, but in developing this legislation a large amount of material on the availability of health insurance was gathered.

Kansas

The Kansas Legislature's Special Committee on Public Health and Welfare is reviewing Proposal #27 - Homeless and Indigent Services. This proposal is: to determine whether there is a significant homeless population in Kansas, to consider the location of any such population and the programs available to service them; to consider the causes leading to homelessness; and to review and make recommendations regarding any gaps in publicly funded services for the homeless and other indigents.

Kentucky

National data extrapolated to yield Kentucky - specific data revealed that approximately 15% of state residents are without adequate insurance coverage.

Maine

A preliminary report entitled Health Insurance Coverage in Maine: An Analysis of the Problem, Its Effects and Potential Solutions was presented to the Maine Legislature in March of 1986. A state-wide telephone survey was conducted which revealed: approximately 13 - 15% of the state population between 18 and 64 (93,200 individuals) lack basic health insurance coverage; 35% of uninsured have income less than $10,000; 37% of uninsured are unemployed; 53% of uninsured are unmarried.

Maryland

The Maryland Department of Health and Mental Hygiene has made an effort to estimate the size and determine the characteristics of Maryland's uninsured population. Survey results indicate that about 7% of Maryland's population has no health insurance (in comparison to 16% nationwide). The characteristics of Maryland's uninsured population parallel those found in national studies - young adults (18 -24), minorities, the unemployed and the poor are more likely to lack health insurance coverage.

Michigan

Medicaid and the Michigan Department of Public Health estimate the number of uninsured or underinsured individuals in Michigan at 900,000. This number was taken from U.S. Census figures. The state has recently applied for a Robert Wood Johnson Foundation Grant for a demonstration project called NEWMED which would provide health insurance coverage for low-income persons.

Minnesota

Estimates of the uninsured population in Minnesota were prepared for a 1985 study by the Minnesota State Planning Agency. Approximately 8% of the population of the state is uninsured, 31% of the uninsured have incomes below the poverty level, 41.5% of persons between 25 and 54 are uninsured and 53% of the uninsured population is male.

Missouri

The Missouri Legislature commissioned Health Systems Research, Inc. to study the state's medical indigency problem. The objectives of this study were to: 1) identify the size and characteristics of the medically indigent population in the state; 2) examine the health care utilization and financing patterns of this population; 3) analyze the publicly supported health care programs operating in Missouri; 4) explore the impact rising malpractice premiums may have on the low-income population's access to physician care; 5) determine the extent to which care to the medically indigent is provided in public, private and children's hospitals in the state and to assess the impact of providing this care on the financial status of these facilities; and 6) examine alternative methods of financing indigent health care in Missouri. A telephone survey conducted in conjunction with this study by Louis Harris and Associates revealed that approximately 20% (1 million persons) of state residents are medically indigent or at high risk of becoming medically indigent, and approximately 617,000 persons are without public or private health insurance at some time during the year.

New Hampshire

The New Hampshire Legislature, in 1985, called for appointment of a Task Force on Indigent Care "... to study health care of all types provided to impoverished or needy persons residing in New Hampshire." The Task Force, in its final report, estimates that more than 85,000 persons within the state are without any form of health insurance for the entire year, and an additional 75,000 are without any kind of health insurance for a part of any given year.

New Mexico

The New Mexico Health and Environment Department completed a study in 1984 that was designed to determine the extent and scope of health care coverage in New Mexico. To this end, they conducted a direct mail survey of households in the state. It revealed that less than 60% of the population had private health insurance coverage. Among persons with no private health insurance, almost 19% were covered by Medicare, 23% by Medicaid, and 22% by another public program. The uninsured population, those without private or public health care coverage, constituted 21.3% of the total population.

New York

In late 1984, the New York State Subcommittee on Health Insurance Council on Health Care Financing presented a report containing its analysis and public policy recommendations on health insurance in New York. This report contains a chapter on those state residents not covered by health insurance. At any given moment during 1980, and not counting a portion of the alien population, there were approximately 1.5 million uncovered persons. During that year, there were approximaely 1 million persons who were never covered and another 1 million persons who were covered for part of the year.

Ohio

Ohio presently has several pieces of legislation directed toward the problem of the medically indigent.

Pennsylvania

Pennsylvania recently enacted health care cost containment legislation. A section of this legislation calls for the study of the medically indigent population, the magnitude of uncompensated care for the medically indigent, the degree of access to and the result of any lack of access by the medically indigent to appropriate care, the types of providers and the settings in which they provide indigent care and the cost of the provision of that care.

Rhode Island

A survey recently conducted revealed that approximately 8% of state residents are uninsured, approximately 48% of the uninsured population is employed either full-time or part-time, and that approximately 34% of persons laid-off or unemployed are uninsured.

South Carolina

In 1985, the South Carolina Department of Insurance conducted a study of the insured population of the state. It was estimated that between 80% and 85% of the state population is covered by some type of health insurance. Since plans vary, it is difficult to draw conclusions as to the extent of this coverage.

Tennessee

A survey of 900 households having at least one member without health insurance, conducted in 1984, revealed that 80% of these households had coverage in the past but lost it, and 60% of these households lost coverage for reasons related to employment.

Texas

A survey conducted by the Texas Department of Human Services in 1981 revealed that about 28% of the state's poverty population had no public or private health insurance coverage. Of the population in poverty without health insurance, 60% are female, 50% are Hispanic, and 22% are black.

Utah

In 1983, a special task force was established to study financial barriers to quality health care, with special emphasis on the impacts of competitive market policies. Readily available national data was extrapolated in order to yield Utah - specific statistics.

Wisconsin

The Wisconsin Legislature has established a Council on the Uninsured. As a part of the planning for this Council, the Department of Health and Social Services prepared a report on the uninsured. It estimates that approximately 10% of the state population is uninsured, 36% of persons 25 to 54 are uninsured, and 26% of full-time workers are uninsured. Wisconsin also recently received funding from the Robert Wood Johnson Foundation to conduct a three year project entitled "Small Employer Health Insurance Maximization Project: Making the Market Work."

APPENDIX B

The Uninsured, Underinsured, and Medically Indigent National Activity

Health Services Research (NCHSR) - 1977

(Comprehensive 18-month survey; nationwide sample: 6 household interviews over 18-month period: over 40,000 individuals)

* 12.6% (26.2 million persons) of the civilian, noninstutional population were uninsured
* 16.2% in the South
* 30.4% of uninsured population < 18
* 12.5% of all < 18 uninsured
* 21.9% of those 18 - 24 uninsured
* 4.3% of those > 65 uninsured
* 11.7% White uninsured
* 18.1% all others uninsured
* 18% rural residents uninsured
* 12% urban resident uninsured.

National Medical Care Expenditure Survey (NMCES) - 1977

* ≈ 18.2 million Americans are uninsured year round
* An additional 16 million are uninsured for part of the year
* 10% of 19 - 24 yr. olds uninsured; an additional 14.3% of this group uninsured for part of the year.

National Center for Health Services Research: Analysis of the Uninsured

(Based on 1977 National Medical Care Expenditure Survey)

* 13% of insured population had inadequate health insurance coverage, using as a measure of inadequacy potential out-of-pocket expenses exceeding 10% of a family's income.

Robert Wood Johnson Foundation Study - 1982

(1982 Nat'l. Access Survey (by Louis Harris & Assoc.); Analyses by the University of Chicago, Center for Administrative Studies; Telephone Interviews w/6000 randomly selected adults & children)

* 8.2% of population was uninsured
* 10.2% < 17 uninsured
* 9.2% rural uninsured
* 7.8% urban uninsured
* 7.1% White uninsured
* 11.9% Black uninsured
* 14.5% Hispanic uninsured
* 7.17% employed are uninsured
* 28.6% unemployed are uninsured
* 7.9% not in labor force are uninsured.

Urban Institute Study - 1982

(1982 population survey data)

* 14.4% person uninsured
* 17.7% of those < 19 uninsured
* 16.5 of those < 65 uninsured
* employed, between 19 - 64, 52.3% uninsured
* unemployed, between 19 - 64, 15.6% uninsured
* disabled, between 19 - 64, 1.3% uninsured
* housekeepers, between 19 - 64, 16.2% uninsured
* retired, between 19 - 64, 8.4% uninsured
* students, between 19 - 64, 6.1% uninsured
* < 100% of poverty level - 35.4% uninsured
* between 100 - 199% of poverty level, 29.3% uninsured
* between 200 - 299% of poverty level, 15.9% uninsured
* between 300 - 399% of poverty level, 8.6% uninsured
* > 400% of poverty level, 10.8% uninsured.

Committee on Ways and Means of the U.S. House of Representatives - 1982

* 17.4 of population was uninsured
* 30% of uninsured population had incomes below the poverty level.

Urban Institute Study - Update - 1985

(Current population surveys from 1980, 1982, & 1983)

* 16% of population < 65 was uninsured in 1983-4
* ≈66% of the uninsured have incomes below 200% of the poverty level
* ≈25% of population between 19 & 24 w/o health insurance
* ≈11% of population between 50 & 59 w/o health insurance.

American College of Healthcare Executives - 1986

(Survey of 359 Healthcare Executives, a random sample of the group's 20,000 members)

* ≈33 million Americans have no health insurance, compared to 29 million in 1979.

APPENDIX C

STATE CORPORATION COMMISSION BUREAU OF INSURANCE
HEALTH INSURANCE SURVEY TABULATIONS

542 Returned
(45%)

Type of business: see attached

Approximate number of employees: Full-time _____
Part-time _____ see
Temporary _____ attached
Seasonal _____

1. Do you offer health insurance coverage or other health benefits (including self-insurance) to your employees?
   Yes 401 (74%); No 140 (26%); Other 1. (Offers $$ allowance to full-time employees to purchase own insurance)

2. If you answered "No" to Question 1:
   Why don't you offer health insurance coverage or other health benefits to your employees? (If you check more than one reason, please indicate which reason is the most important.) (Some indicated more than 1 reason, others no reason.)

Cost of coverage too high	80 (57%)
Coverage is unavailable	5 (4%)
Type of business	15 (11%)
Number of employees	36 (26%)
Other, please explain	41 (30%) "employees have other source of coverage" - most frequent response

3. If you answered "Yes" to Question 1:
   A. Are you self-insured?
      Yes 138 (34%); No 257 (64%); No answer 6 (2%).

   B. Do you offer health insurance coverage or other health benefits to all employees?
      Yes 235 (59%) No 165 (41%). If "No," which employees are eligible? "full-time only" - most frequent response.

C. What percentage of the total cost of coverage do you contribute?
Less than 25% 35 (9%); 26-50% 73 (18%); 51-75% 31 (8%);
76-100% 255 (64%); No answer 4 (1%).
Has this percentage changed in the last two years? Yes (please indicate increase or decrease) 30 (7%) - increase 21, decrease 7, no answer 2; No answer or No 371 (93%); Other 3 (1%)*.

*26-50% for "new" employees; 76-100% for "old" employees
50% after 6 mo.; 100% after 18 mo.
50% after 1-2 yr.; 75% after 3 yr.; 100% after 4 yr.

D. Do you offer coverage for spouses or dependents of employees?
Yes 356 (89%); No 43 (11%); No answer 2. If "Yes," do you make any contribution toward the cost of this coverage? Yes (please indicate percent of total cost of contribution) 183 (46%) - less than 25% 8, 26-50% 41, 51-75% 26, 76-100% 101, n/a 7; No answer or No 218 (54%). Has this percentage changed in the last two years? Yes (please indicate increase or decrease) 32 (8%) - increase 16, decrease 15, no answer 1; No answer or No 369 (92%).

E. Is there a waiting period before coverage begins?
Yes 283 (71%); No 111 (28%); No answer 4 (1%) If "Yes," how long? "30 days to 6 months" - range of most frequent responses; Other 3 (salaried No hourly or union Yes).

F. If an employee is laid off or terminated, are benefits continued?
Yes 133 (33%); No 255 (64%); No answer 4 (1%); If "Yes," how long? "30 days or as per COBRA" - most frequent responses; Other 9 (2%) (8 responded laid off Yes, terminated No: 1 responded salaried Yes, union No).

G. If an employee is laid off or terminated, is there an option for the employee to convert his coverage to an individual policy at or near the group rate?
Yes 259 (65%); No 124 (31%); No answer 18 (4%).

Please include any comments that you may have.

Thank you for your time with this survey. Your input is appreciated.

Please return this to Jill Ellen Ross, Research Analyst, Regulatory Policy Division, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23209.

INDUSTRY

	Provides Insurance?	
	Yes	No
Agriculture, Forestry, Fishing (01-09)	12	7
Mining (10-14)	4	1
Construction (15-17)	69	42
Manufacturing (20-39)	44	2
Transportation, Public Utilities (40-49)	19	0
Wholesale Trade (50-51)	37	1
Retail Trade (52-59)	114	48
Finance, Insurance, Real Estate (60-67)	42	8
Services (70-89)	60	28
Nonclassifiable (99)	0	3

* One employer provides an allowance for his employees with which they can purchase their own coverage.

SIZE OF EMPLOYER

	Provides Insurance?	
	Yes	No
Less than or equal to 5	88	101
6-10	74	18 *
11-25	76	10
26-50	39	4
51-100	22	0
101-999	57	0
More than or equal to 1000	38	0
Temporary or seasonal employees only	0	5
No answer	7	2

* One employer provides an allowance for his employees with which they can purchase their own coverage.

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