

# WEEK OF THE UNINSURED

Host Site: Anchorage, Alaska April 28, 2008

The 2008 “Cover the Uninsured” forum was the Legislative Health Caucus’ sixth annual statewide teleconference held on the National week focused on this issue. During the past six years there has been a growing recognition of characteristics in this state that make this issue both very expensive and very disheartening to many Alaskans in every community. The wide-ranging costs are born not only by those who are uninsured or under-insured, but by family, friends, community, businesses, non-profits, and government.

This year’s health caucus provided additional insights that will aid in the eventual solutions that must be created.

Alice Rarig, MPH PhD, Project Director for the State Planning Grant on Insurance Coverage, Department of Health and Social Services | Anchorage

Virgene Hanna, Director of Kid Count Alaska; Institute of Social & Economic Health, University of Alaska Anchorage | Anchorage

Linda Hall, Director of the State of Alaska Division of Insurance | Anchorage

Heather Tonga, Physician Assistant, Formerly of Seldovia Village Tribe Health Center; Now working at the Homer Medical Clinic | Homer

Shelley Hughes, Alaska Health Assurance Advocacy Team | Anchorage

**Alice Rarig** began the meeting discussing the recent research and analysis of Alaska’s uninsured.

The first comprehensive survey and research on the issue of the uninsured in Alaska was completed several years ago. Since that time there have been ongoing studies and updates of the complex results. The Division’s process and results were presented.

About one in six Alaskans (over 110,000) were counted as uninsured on average in 2004-2006. This includes about 22,000 Alaska Natives who may have access to Tribal health services but have no other public or private coverage. Pulling Alaska Natives and American Indians out of both Alaska and US data yields about 14% of the non-native population being “uninsured” nationally and in Alaska – this about 1 in 7 people.

Those most likely to be uninsured are those who are self employed, part-time workers, seasonal workers, people who work for small firms, and young men.

Uninsured Alaskans are more likely to live in working families than those in the rest of the States, with 84% of the uninsured Alaskans, compared to 76% of the US average, living in families where members are in the workforce.

Dr. Rarig reviewed the highlights of the Household Survey, explaining that 1313 households, comprising 3556 individuals, were surveyed between December 2006 and March 2007. Eighty-seven percent of the respondents said they had some insurance coverage in the previous twelve months and 13 percent said they were totally uninsured



## Insurance and Employers In Alaska

- Small firms are less likely to offer insurance than large companies
- More Alaskans work for small firms than do nationally
- Small firms in Alaska are less likely cover than do nationally
- Costs have increased dramatically
- Owners want to offer insurance out of a sense of family and responsibility

throughout the prior year. Seven percent lacked coverage for a month or more. Altogether, 20% lacked insurance for some part of the year.

The wide distribution of Alaskans across enormous distances was indicated as a barrier to insurance in survey results, and a major limitation to delivery of the survey itself. People often work seasonally in one location and live in another. An important disclaimer of the survey results was that the survey covered people with landline telephones – so many seasonal workers and young households were not included in the sample.

To respond to that handicap, the study also conducted key informant interviews, focus groups (Virgene Hanna of ISER reviews that study below), and comparisons with other states' reforms (will be covered in the recommendation section of this report.) The key informant interviews had fifty-plus "key experts" — policy makers, health care providers and state business leaders who shared their opinions, under contract with the McDowell Group. ([www.hss.state.ak.us/commissioner/Healthplanning/planningGrant](http://www.hss.state.ak.us/commissioner/Healthplanning/planningGrant))

The biggest issues raised by the key informants were: high costs of care and insurance; attitudes, such as "failure to recognize the issue"; lack of insurance as a priority for some; the legal/political system "not being on the radar"; need to address critically important access and availability of care, which for some was more important than insurance; payment system problems; and an employment-based insurance model that some feel does not work well in our state's economy.

An additional arm of the research included regional forums held in July in Ketchikan, Valdez, Palmer, Nome, Bethel, and Fairbanks. These gatherings pointed out:

1. Residents have challenges getting care when needed – with or without "insurance." Physician refusal to see Medicare patients is an increasing problem – even well insured patients are blocked since Medicare is the primary payer.
2. Businesses not being able to keep up with premium increases, but facing competitive pressure
3. "Access" being an issue for primary care and for specialty services – even with Community

Alaska Uninsured Persons in Working Families



Health Centers, which can provide care on sliding scale. Referral to specialist may have to be through “Anchorage Project Access” which is limited in area served and volunteers time available.

Community health centers saw a 17% rise in the number of uninsured Alaskans served between 2002 (21%) and 2005 (38%).

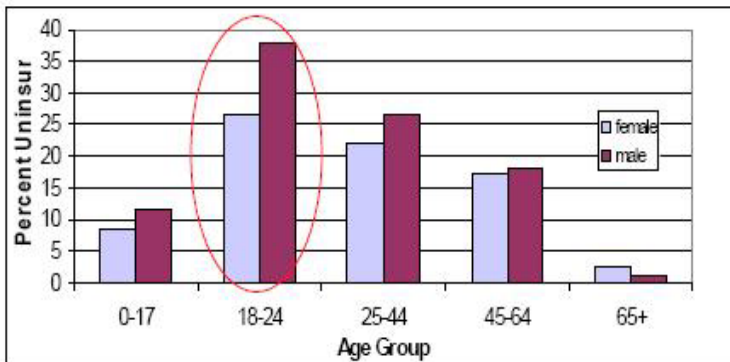
4. “Choice” being an issue for Alaska Natives – rural and urban

5. Costs of transportation to care is an ongoing concern – we heard about it especially in Ketchikan (re outlying communities), Nome, and Bethel.

Also a part of the State Planning Grant is an economic analysis being conducted by Dr. Robert Logan. That analysis points out that many of the uninsured are healthy. It is, the study explained, the “underinsured” as well as the “uninsured” who may postpone needed service and become ‘bad debt’ and discounted cases. He suggests that Canadian provincial plans may be configured better than most to be responsive to population needs, distribution and workforce like Alaska’s.

This service provides an overview of Alaskan health expenditures, referencing the findings from the studies discussed above, and reviews and analyzes other state reform initiatives to date. Estimates of what it might cost to cover Alaskans under various scenarios, with many caveats and varying assumptions, are still being reviewed and will be available at another presentation and for public review in the future.

Percent of the Age/Gender Group who are uninsured:



**Virgene Hanna**, of the Institute of Social and Economic Research at UAA reported on a focus group study, the Barriers to Health Insurance Among the Uninsured.

The focus group technique was adopted in this study because, as mentioned by Rarig, people in Alaska are difficult to contact through a telephone survey. Also this approach allows targeting specific groups, like low income, homeless, and unemployed to get a greater understanding of the specific issues of groups being impacted by the condition.

Percent of those uninsured who are employed:

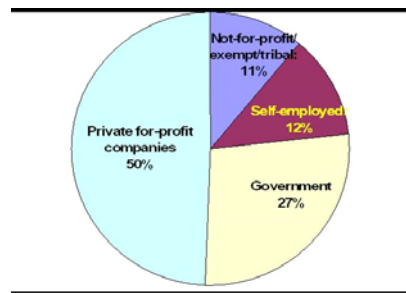


They hear about participant’s experiences in their own words, giving more accurate and detailed responses. It also allows the investigators to test different concepts, while participants can develop new ideas while brainstorming.

The ultimate goal is to gain understanding of underlying attitudes, perceptions, and opinions. As a result of the focus groups, ISER was able to learn in detail what diverse groups of stakeholders in a troubling and unresolved issue think. Groups included small business employers, health insurance representatives, individuals from 18-64 years of age and racially, culturally, ethnically and geographically diverse.

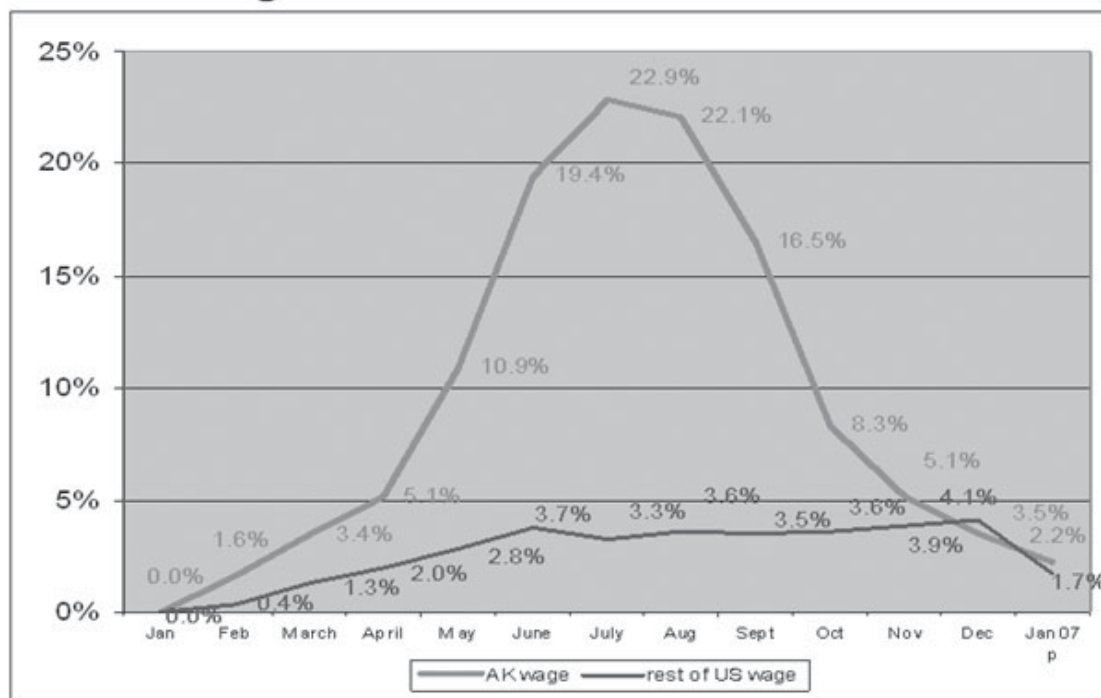
The top reason the uninsured individuals in the focus groups gave for being uninsured, as more than half (60%) stated, was that they could not afford insurance. Another 10% said they didn't need it, and 10% said they didn't know where to go. The final 9% gave a reason that creates double hardships, that of having preexisting conditions. Often costs for insurance climb beyond the ability for many to afford once a serious illness has occurred, even if surmounted. These answers were based on responses from 88 participants, of which 64 (73%) had no health insurance and 24 (27%) were insured.

Primary place of employment reported by respondents to household survey 2006-2007



### Contrast with US – Private Sector Wage and Salary Percentage Variation Alaska and US 2006

Alaska's seasonal workforce shown in contrast.



: US Bureau of Labor Statistics

## Top Reasons Participants Cited for Not Having or Offering Health Insurance

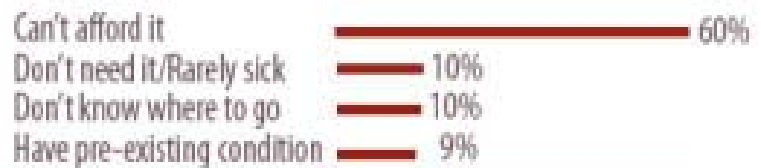
### Why Individual Alaskans At Focus Groups Didn't Have Insurance

(Based on 87 responses from 64 participants. Respondents could cite multiple reasons.)

24 had insurance



64 had no health insurance



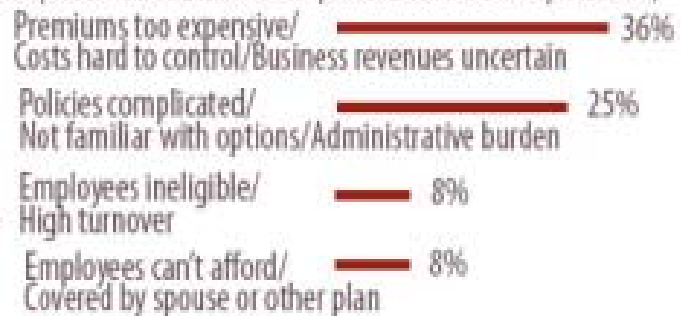
22 businesses didn't offer insurance



### Why Most Small Businesses At Focus Groups Didn't Offer Insurance

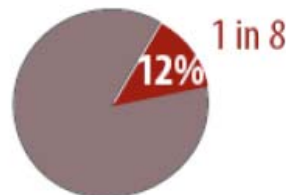
(Based on 204 responses from 22 businesses. Respondents could cite multiple reasons.)

8 businesses offered health insurance

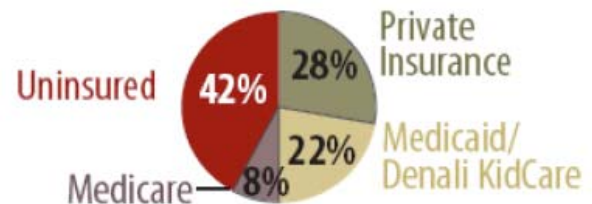


## Alaskans Served by 24 Community Health Centers, 2006<sup>a</sup>

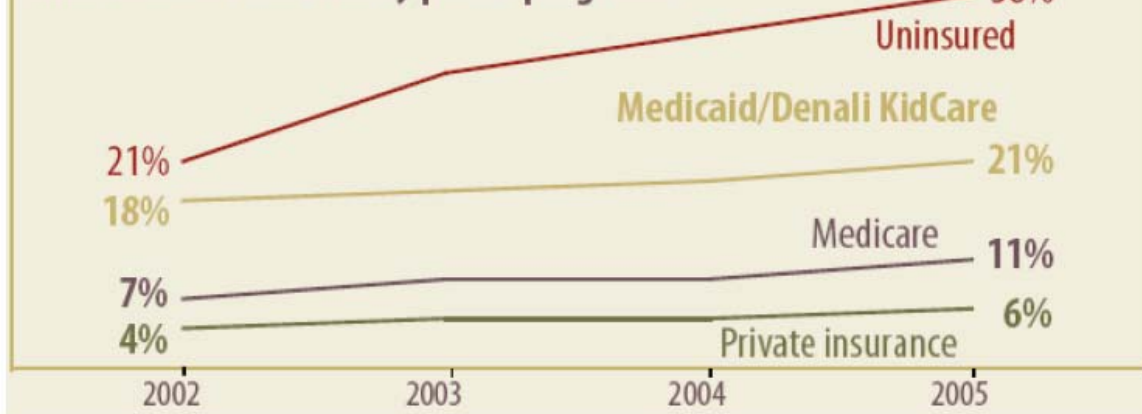
How Many of Alaska's 670,053 Residents Are Served?



Who Are the 80,329 Patients?



### Health centers are seeing growing percentages of uninsured Alaskans and Alaskans covered by public programs



<sup>a</sup>Community health centers provide primary care and are open to all community residents. Uninsured patients pay on a sliding fee scale. Sources: Community Health Center Statistics, HRSA; Current Population Survey; Center for Medicaid and Medicare Statistics; Mark Foster and Associates

**Linda Hall**, Director of the Division of Insurance explained that her work is in the State's responsibility to safeguard the public through oversight of Insurance Company's adherence to the State's statutes and regulations. She has talked to groups throughout the state because of her interest in the important issue of the uninsured and the quality of life lost due to this loss of access to health. She is working with the Department of Health and Social Services on their planning grant in anticipation of their findings on costs driven by the issue. Director Hall also spoke of the Division of Insurance's Consumer Service office. That section has specialists with ongoing training that are committed to make sure Alaskans get help if they face any problems with health insurance.

**Heather Tonga** gave a report on what the challenges are to a rural community clinic. From the Homer clinic experience she has seen discrepancies that need to be addressed. She explained that those that can afford to travel to the city to visit specialists are not the number that could be served if the specialist traveled to the community. She also sees the great benefits of the telemedicine carts available to rural communities, but is concerned that there needs to be an adequate infrastructure and better developed telecommunications to lessen costs and improve services for all. She also has identified the large number of uninsured that community health centers serve and the advantages of the sliding fee services. Some of the groups that use the rural clinics that do not have the services needed are those needing preventative programs, such as screening for cancers, diabetes and cardiovascular disease, and mental and dental care.

The community clinic is able to serve Medicare clients, but referrals, if their clients move to Anchorage are at a crisis level. In Heather Tonga's clinical work she has developed a rich list of recommendations specifically targeting the needs of populations not able to finance adequate health care. Many of her proposed actions appear in the conclusion section of this report.

**Shelley Hughes**, of the Alaska Primary Care Association reported the events that were occurring during the Cover the Uninsured Week. A coalition has formed for the purpose of promoting a policy to increase access to affordable health coverage for all Alaskans, the Alaska Health Assurance Advocacy Team. They are hosting their pilot project, the Mat-Su Health Coverage Expo, in conjunction with the Mat-Su Health Fair.

#### **Patients' Bill of Rights**

This Alaska law applies to health insurance plans that require a covered person to comply with utilization review guidelines, a system of reviewing medical necessity, appropriateness or quality of health care services, and supplies. Examples of utilization review include requirements for services, retrospective claim reviews, and pre-admission certification requirements. The Patients' Bill of Rights provides significant consumer protections. A few of the protections covered under this act:

- Protecting providers so that they won't be penalized by the insurance provider when acting as an advocate for a covered person.
- The insurance contract with a provider cannot be the creation of direct financial incentives to withhold medically necessary covered services.
- An insurer must provide an internal appeal mechanism for a covered person who disagrees with a decision.

The Division of Insurance also provides oversight of the State's **Comprehensive Health Insurance Association (CHIA)**. In 1992, the Alaska legislature established a health insurance program for high-risk individuals. This law allows all individuals who have been refused coverage by at least two insurers, who have a specified medical condition, or who meet certain other criteria, to purchase coverage through the CHIA. For information on this program, contact the Division of Insurance in Anchorage at 1 800-467-8725 (in Alaska only) or (907) 269-7900.

