



WASHINGTON STATE HEALTH  
INSURANCE POOL

# Survey of Washington Residents Denied Health Coverage

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October 2009

THE  
GILMORE  
RESEARCH  
GROUP

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# Introduction

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## ■ Method

- As in previous waves, a mail survey was conducted with a random sample of respondents who have been denied for individual health insurance within the past *15 months* (April 2008 through June 2009) and are residents of Washington State
  - ◆ In the past, surveys were sent to residents who were denied individual health insurance within the past *6 months*
- Surveys were collected August 10 to September 25, 2009
- 2,750 questionnaires were mailed out, 1,111 returns to date for a 43% response rate (based on good addresses)
  - ◆ Response rates (based on good addresses) have been:
    - 40% in 2007 (n=1,073)
    - 47% in 2005 (n=832)
    - 49% in 2003 (n=780)
- Questionnaires were delivered in a three-phase process in order to increase response rates:
  - ◆ Initial questionnaires were sent with a cover letter
  - ◆ A reminder postcard was sent to each address one week after the initial mailing
  - ◆ A second questionnaire and cover letter were sent to those who had not responded after two weeks



# Introduction (Continued)

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## ■ Analyst Notations

- Statistically significant differences are reported at the 95% confidence level, and all noted differences in subgroups are significant differences
  - ◆ Arrows are used to signify statistically significant changes in the data
- Maximum margin of error for a sample of 1,111 is  $\pm 2.9\%$
- Percentages in charts and tables may not sum to 100% due to rounding
- Data reflect the responses of those who answered each question, with the exception of demographic questions (page 11) and current health insurance results (pages 19-22) which are based on all respondents (n=1,111)
- This study is longitudinal in nature; however, many questions have been added in subsequent waves of the study, therefore some questions are analyzed by all four waves of the study, while others only reflect data collected in the current wave
  - ◆ Core questions have remained the same, but some questions have been changed/ added based on WSHIP's need for specific information to act on or to gather information



## Executive Summary

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- Just over eight out of ten remembered receiving information about WSHIP and a WSHIP application when they received their denial letter from the insurance company (82%)
  - Significantly fewer than in 2007 when 88% remembered receiving WSHIP information
  
- 51% were covered by another health insurance carrier when they applied for the health insurance for which they were denied
  - Other coverage is typically offered through work (38%) or another individual policy (37%)
  - This year, 18% of respondents wrote that they received health insurance through COBRA, which might be a sign of the economic times and high unemployment rates occurring in 2009
    - ◆ COBRA was not an option on the questionnaire in 2009, 18% wrote in that their insurance was provided by COBRA, meaning that the true proportion using COBRA could be higher than 18%



# Executive Summary

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- Half of those who *had other coverage when they applied* still have coverage today (51%)
  - This has been steadily increasing since 44% still had that coverage in 2005 and 46% in 2007
  - 57% who *already had coverage and applied for new health insurance* did so because their current premium was too expensive
  - 87% of those who *already had coverage* have the option to continue coverage
    - ◆ This is a lower proportion than the 93% who had the option to continue coverage in 2007
    - ◆ 27% who have the option to continue coverage can only continue coverage for less than a year, while in 2007 16% could only continue for less than a year
    - ◆ 33% can continue coverage indefinitely or as long as they pay for it, while 56% could continue indefinitely in 2007



## Executive Summary

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- 36% of respondents were able to become covered by another new medical insurance after being rejected
  - This is a higher proportion than those who were able to become covered after being rejected in 2005 (28%) and 2007 (33%)
  - This coverage is typically provided by a different individual insurance plan (46%) or an employer or family member's employer (31%)
  
- Three-quarters of respondents currently have health insurance coverage (75%)
  - This is significantly more than those who had health insurance coverage in 2005 (68%)
  
- For the 24% without current health insurance coverage:
  - 64% are not insured by WSHIP because WSHIP is too expensive
  - 26% were unaware that WSHIP is available or that they were eligible for it
  
- The majority of respondents are not likely to purchase the \$3,000 deductible health insurance plan (70%), 12% are “very likely” to purchase the plan



## Key Findings

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- Even though this year's sample was from respondents who had been rejected in the past 15 months rather than past 6 months, the proportion of respondents who had other coverage when they applied and *still have* that coverage increased to 51% from 46% in 2007 and 44% in 2005
- COBRA emerged as a previous health insurance option used in the past year by 18% of respondents, possibly caused by the state of the economy in 2008/2009
- Three out of four respondents (73%) who *still have the coverage that they had when they applied for insurance* appear to be shopping for new insurance because either their current plan was too expensive or they needed a better plan with more coverage, not because they needed new insurance (due to coverage expiring)
- The change in sample (respondents had been rejected in the past 15 months, not the past 6 months like studies in the past) may explain the decrease in respondents who *still have health insurance and have the option to continue coverage* from 2007 (93%) to 2009 (87%) since more time has elapsed and coverage may have expired
  - The amount of time coverage will continue for *those with the option to continue* may also be influenced by the change in sample and COBRA coverage, as the proportion of those who will have the option to continue coverage for less than a year has increased (16% in 2007 and 27% in 2009) and indefinite coverage has decreased (56% in 2007 and 33% in 2009)





## Key Findings

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- A significantly higher proportion of respondents have health insurance in 2009 (75%) than did in 2005 (68%)
- The majority of respondents who *are not currently covered by any health insurance* claim they are not insured by WSHIP because WSHIP is too expensive (64%)
  - A trend showed a decreasing proportion of respondents who felt this way from 2003 (66%), 2005 (60%), and 2007 (58%), but the proportion rose to 64% in 2009
- Seven out of ten respondents who *are not currently covered by health insurance* are “not likely” to purchase WSHIP’s \$3,000 Deductible Health Insurance Plan
- The analysis this year looked at income breakdowns and found that those with a household income over \$36,000 per year were more likely to have health insurance coverage when they applied for new health insurance and be covered by new insurance after being rejected than those with an income of \$36,000 or less. This is most likely due to the fact that the higher income allows the individual to cover premium costs that lower income individuals cannot afford.



## **Detailed Findings**

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# Respondent Profiles

- Respondents tended to be female (60%), over the age of 45 (62%), make less than \$36,000 a year (51%), live in a two-person household (41%), speak English (90%), and half are employed either full-time, part-time, or self-employed (48%)
- Demographic results have very little variation over the past 4 years, but the proportion of respondents making over \$36,000 a year has risen significantly, possibly due to inflation

	2009	2007	2005	2003
Base	(1111)	(1073)	(832)	(780)
<b>Gender</b>				
Male	38%	37%	39%	35%
Female	60%	60%	58%	60%
<b>Age</b>				
Under 35 years	19%	22%	21%	18%
35-44	17%	15%	13%	18%
45-54	24%	23%	26%	24%
55-64	38%	38%	36%	34%
<b>Annual Household Income</b>				
Under \$18,000	22%	23%	26%	26%
\$18,000-36,000	29%	30%	31%	39%
Over \$36,000	37%	41%	35%	27%
<b>Size of Household</b>				
One-person	28%	32%	33%	34%
Two-person	41%	40%	38%	37%
Three-person	13%	11%	11%	11%
Four or more persons	14%	13%	12%	12%

	2009
Base	(1111)
<b>Employment Status</b>	
Employed full-time	19%
Employed part-time	12%
Self-employed	17%
Unemployed	23%
Student	6%
Homemaker	6%
Retired	14%
<b>Primary Language</b>	
English	90%
Something else	6%

**Other languages** spoken by at least two respondents include Spanish, Chinese, Punjabi, Thai, Amharic, Arabic, German, Indian, Korean, Swahili, and American Sign Language.

Q5A. Are you currently... (Employment question not asked in previous surveys)

Q5D. Is English your first language? (Language question not asked in previous surveys)

Q5E. If no, what is?



## Inflation Rates Since 2003

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- Using 2003 as a base, the cost of Medical Care has been increasing at a greater rate than the Consumer Price Index (CPI)
  - “Medical Care” includes all medical commodities (prescription/non-prescription drugs), services (physicians, hospitals, etc.), and health insurance costs
  - 2009 percentages reflect half-annual numbers and are expected to continue to rise by the end of the year

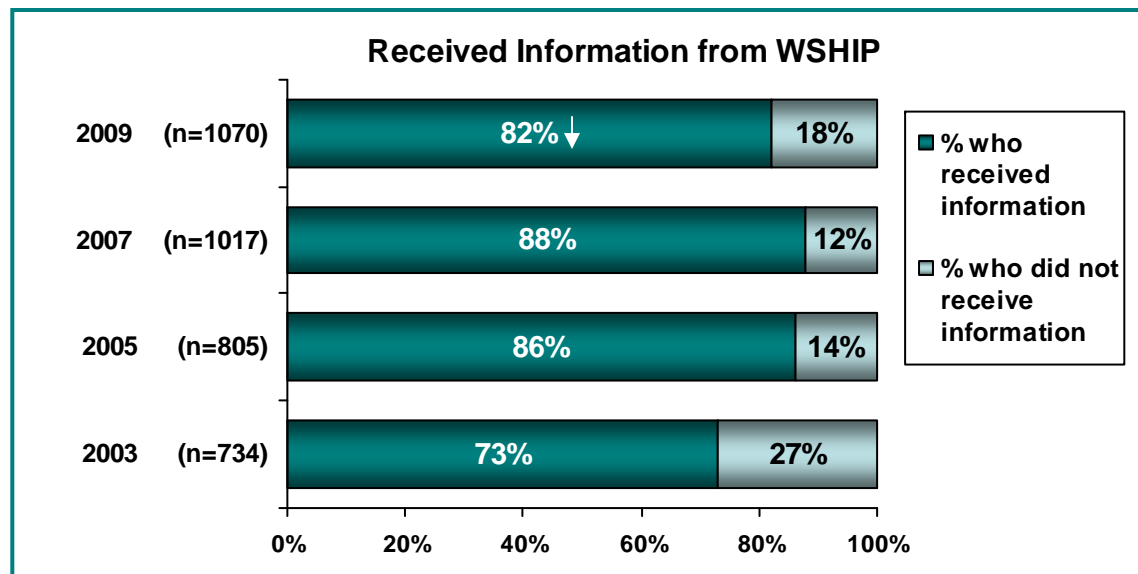
Consumer Price Index	
<b>2003</b>	0.00%
<b>2005</b>	6.14%
<b>2007</b>	12.69%
<b>2009</b>	17.37%

Medical Care	
<b>2003</b>	0.00%
<b>2005</b>	8.78%
<b>2007</b>	18.16%
<b>2009</b>	25.64%



## Received WSHIP Materials

- Just over eight out of ten respondents remembered receiving information about WSHIP and a WSHIP application when they received their denial letter from the insurance company (82%)
  - This is significantly fewer than the proportion of respondents who remembered receiving information about WSHIP in 2007 and 2005
    - ◆ *Decrease might be attributed to surveys being sent to residents who applied in past 15 months rather than the past 6 months like in previous studies*



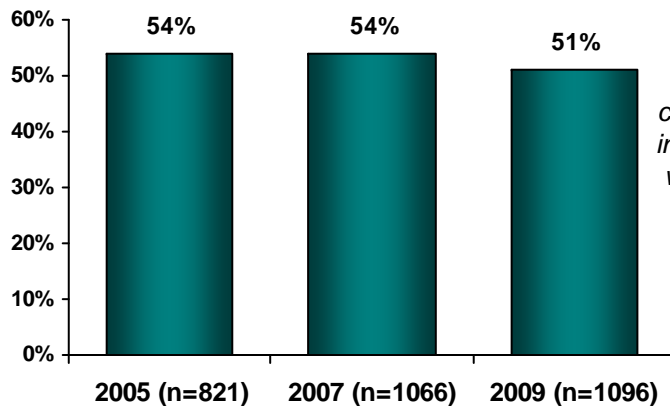
Q1. When you received your denial letter from the insurance company, did you also receive information about WSHIP and a WSHIP application?



# Already Covered by Health Insurance When Applied

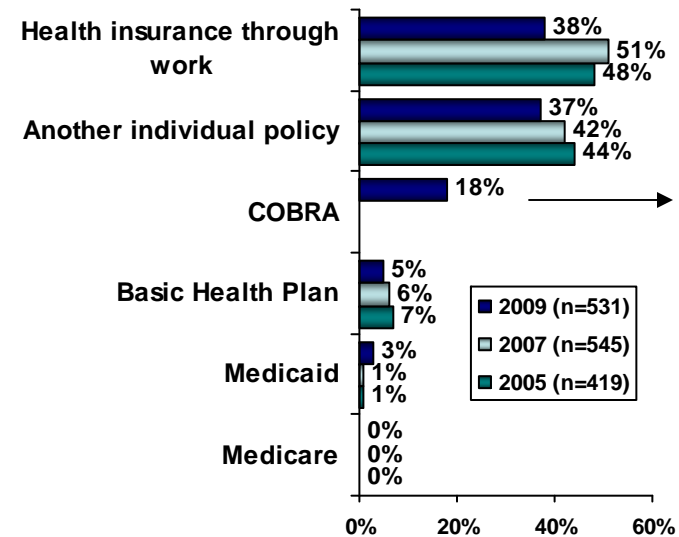
- Over half of respondents were covered by another health insurance carrier when they applied for the health insurance from which they were denied (51%)

Proportion of Respondents Covered by Another Health Insurance when they Applied



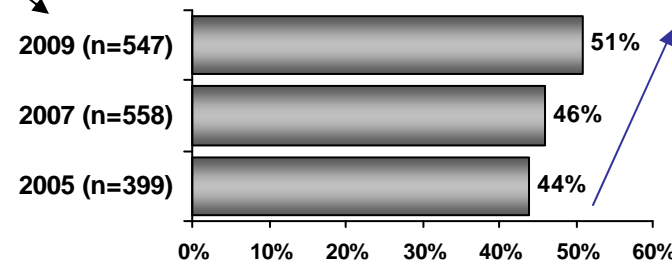
*Of those already covered by another insurance company when they applied*

The other coverage was provided by:



Possibly considered "through work" in previous surveys

Proportion of those with other coverage who still have that health insurance coverage



Surprising considering 15 month sample

Q2. Were you covered by any other health insurance when you applied for that new individual health insurance?  
 Q2a. If "yes," what was that other coverage?  
 Q2b. And do you still have that other coverage?



## Already Covered by Health Insurance When Applied

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- In 2009, differences in demographics were also analyzed. Certain demographic subgroups are more likely to already be covered by another health insurance carrier when they applied for a new/additional coverage. These groups include:
  - Females (54% already covered vs. 47% of males)
  - Respondents over the age of 55 (61% vs. 45% of those younger than 55)
  - Household incomes over \$36,000 (65% vs. 43% with household incomes \$36,000 or less)
  - Those with two residents in the home (56% vs. 47% with one resident and 46% with three residents)
  - Self-employed or retired individuals (65% self-employed and 59% retired vs. 44% employed full or part-time and 48% of those unemployed)

Q2. Were you covered by any other health insurance when you applied for that new individual health insurance?  
Q2a. If "yes," what was that other coverage?  
Q2b. And do you still have that other coverage?



## Already Covered by Health Insurance When Applied

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- Previous health insurance coverage was more likely to be offered by health insurance through work in 2007 (51%) and 2005 (48%) than it was in 2009 (38%) and coverage was more likely to be offered by another individual policy in 2005 (44%) than it was in 2009 (37%)
  - This year, 18% of respondents mentioned that their previous health insurance was offered through COBRA (offered by previous employer) and may explain the drop as previous studies may have included COBRA in the “health insurance through work” category
  
- However, a higher proportion of respondents still have the health insurance that they were covered by when applying for new individual health insurance in 2009 (51%) than those who retained their coverage when applying in 2005 (44%)
  - This is surprising considering 2009’s sample included those who had been rejected in the past 15 months as opposed 2007 when sample included those rejected in the past 6 months

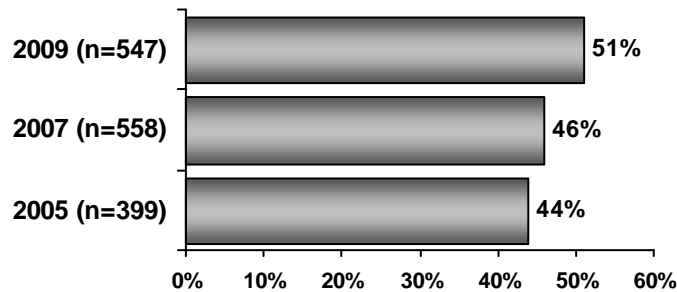
Q2. Were you covered by any other health insurance when you applied for that new individual health insurance?  
Q2a. If “yes,” what was that other coverage?  
Q2b. And do you still have that other coverage?





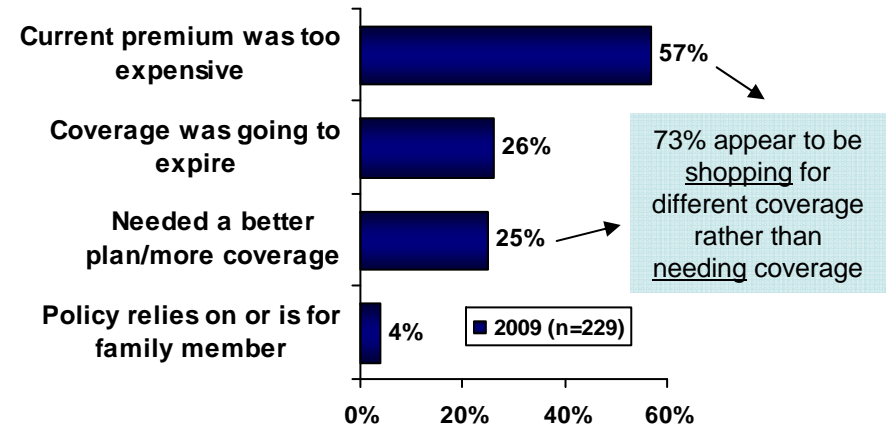
# Of Those Applicants Who Still Have Coverage

Proportion of those with other coverage who still have that health insurance coverage



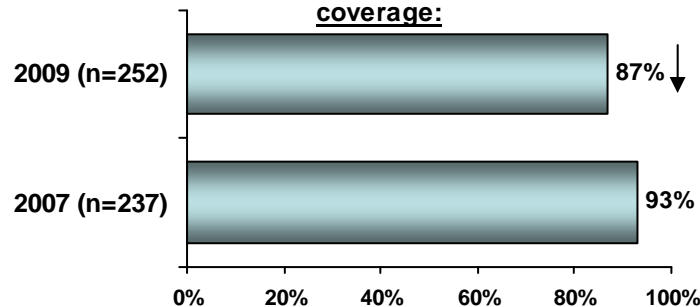
*Of those who still have coverage from another insurance company*

Applied for insurance even though they already had coverage because:



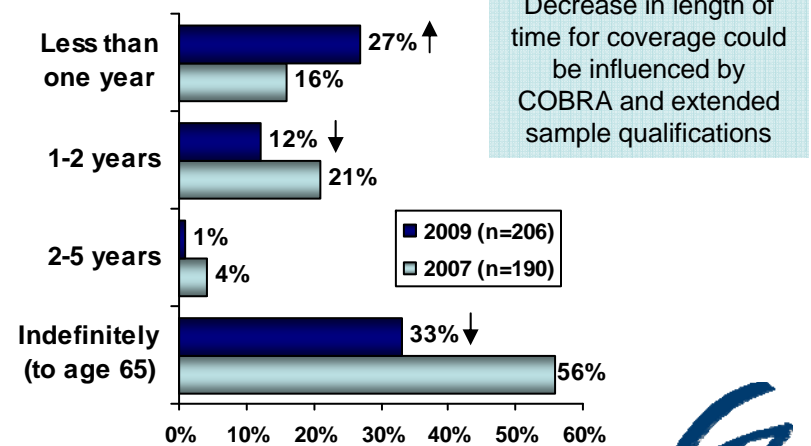
*Of those who still have coverage from another insurance company*

Of those who are still covered, the following proportion have the option to continue coverage:



*Of those who have the option to continue coverage*

Coverage will continue for:



Q2b. And do you still have that other coverage?

Q2b1. If "yes," do you have the option to continue the coverage or is it going to expire?

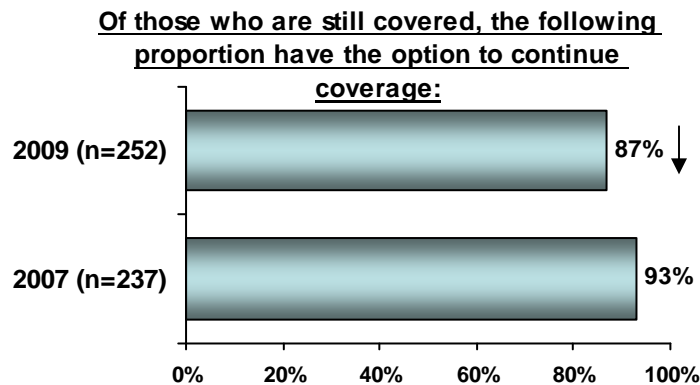
Q2c. For how long can you continue coverage? (Open-ended question)

Q2d. If "yes," why did you apply for individual coverage if you already had coverage? Please explain. (Open-ended question)

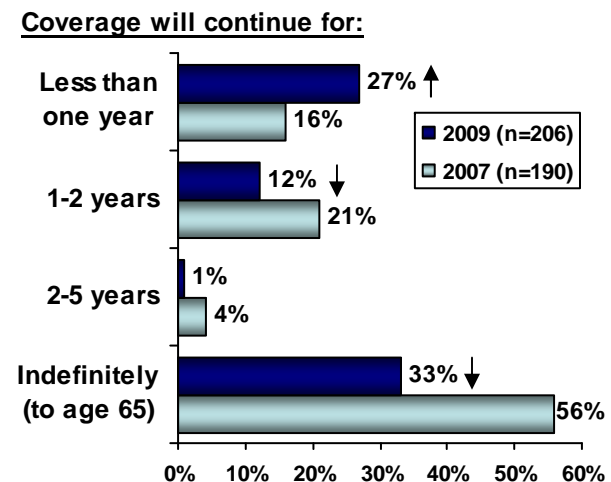


# Of Those Applicants Who Still Have Coverage

- Fewer respondents who still have coverage from another insurance company have the option to continue coverage in 2009 (87%) than did in 2007 (93%)
- Coverage of 2009 respondents will continue for a shorter period of time than coverage continued for 2007 respondents, and may partially be explained by the abundance of COBRA insurance plans
  - 2009 respondents are more likely to have coverage last for less than a year than those in 2007
  - 2009 respondents are less likely to have coverage last 1-2 years or indefinitely compared to 2007 respondents



*Of those who have the option to continue coverage*



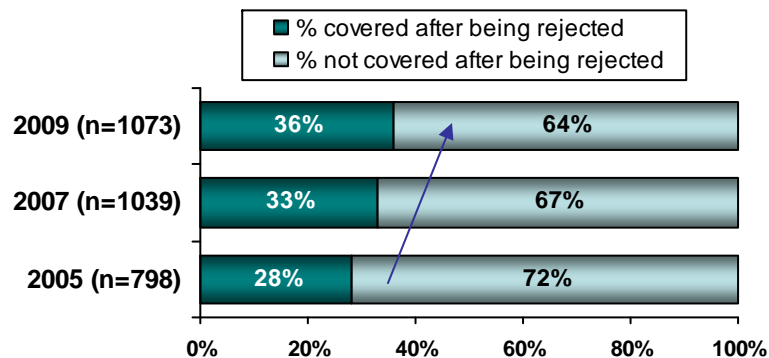
Q2b. And do you still have that other coverage?  
 Q2b1. If "yes," do you have the option to continue the coverage or is it going to expire?  
 Q2c. For how long can you continue coverage?  
 Q2d. If "yes," why did you apply for individual coverage if you already had coverage? Please explain.



# Became Covered After Being Rejected

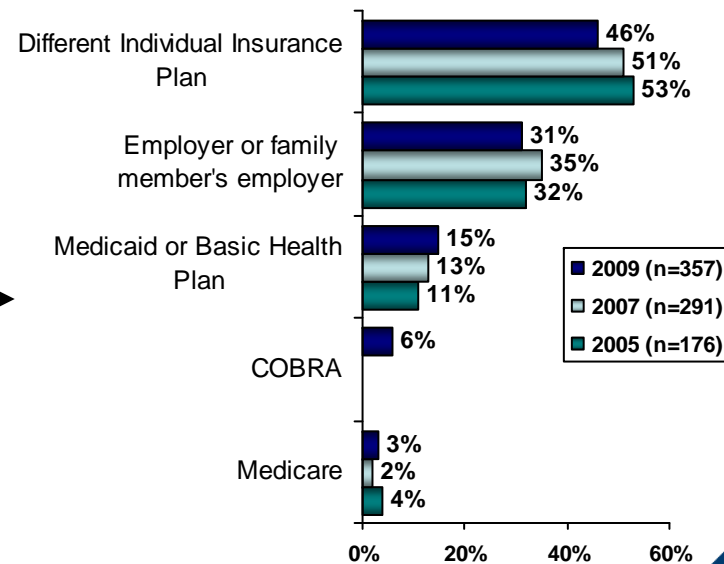
- Just over one-third of respondents were able to become covered by another new medical insurance after being rejected (36%)
  - This is significantly higher than the proportion being covered by new insurance in 2005 (28%)
- Certain subgroups are more likely to become covered by new insurance, they are:
  - Females (40% became covered vs. 29% of males)
  - Household incomes over \$36,000 (41% vs. 32% with household incomes \$36,000 or less)
  - Those employed full-time (44% vs. 32% self-employed and 32% not employed)

**Proportion of Respondents Who Became Covered By New Medical Insurance After Being Rejected**



*For those who became covered after being rejected*

**New Coverage is Provided Through:**

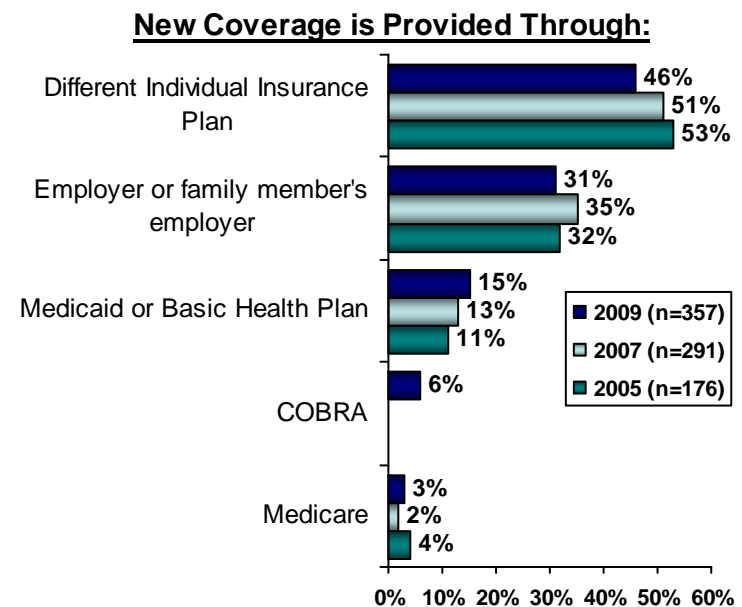


Q3. After being rejected, did you become covered by any other new medical insurance?  
 Q3a. If "yes," is your new coverage provided through...?



## Became Covered After Being Rejected

- Of those who were covered by another new medical insurance after being rejected, 46% were covered by a different individual insurance plan.
- Certain subgroups are more likely to receive coverage through particular plans:
  - Respondents who are employed full-time are more likely to receive new coverage through their employer or a family member's employer (47% vs. 26% of all other groups)
  - Unemployed respondents are more likely to receive new coverage through Medicaid or the Basic Health Plan (22% vs. 9% of employed full-time, 8% of self-employed, and 9% of retirees)
  - Males are more likely to receive new coverage through Medicaid or the Basic Health Plan (23% vs. 11% of females)
  - Females are more likely to receive new coverage through a different individual insurance plan (51% vs. 35% of males)

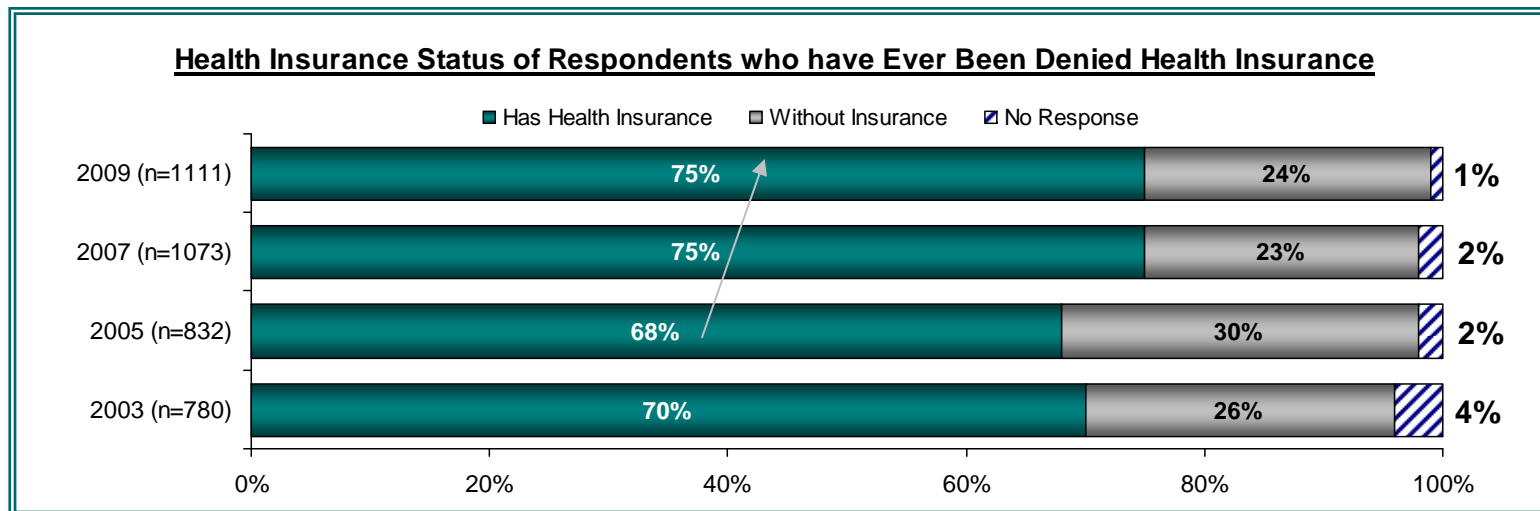


Q3. After being rejected, did you become covered by any other new medical insurance?  
 Q3a. If "yes," is your new coverage provided through...?



# Current Health Insurance Status

- A higher proportion of respondents have health insurance in 2009 (75%) than did in 2005 (68%)
  - One-quarter of respondents do not currently have health insurance coverage (24%)
- The increase in respondents who currently have health insurance could be affected by the high proportion of respondents who are “shopping” for a cheaper or different health plan (73% of respondents who still have the insurance they were covered by when applying, n=229)



Q4. Do you have any health insurance right now?

Q4a. If “no,” check the reason below.

Q2. Were you covered by any other health insurance when you applied for that new individual health insurance?

Q2b. And do you still have that other coverage?

Q2d. If “yes,” why did you apply for individual coverage if you already had coverage? Please explain. (Open-ended question)



# Current Health Insurance Status

- The majority of respondents who are not currently covered by any health insurance claim they are not insured by WSHIP because WSHIP is too expensive (64%)
- Lower income respondents (less than \$18,000 household income) are more likely to not know that WSHIP was available for them (39% vs. 21% with an income of \$18,000 or higher)

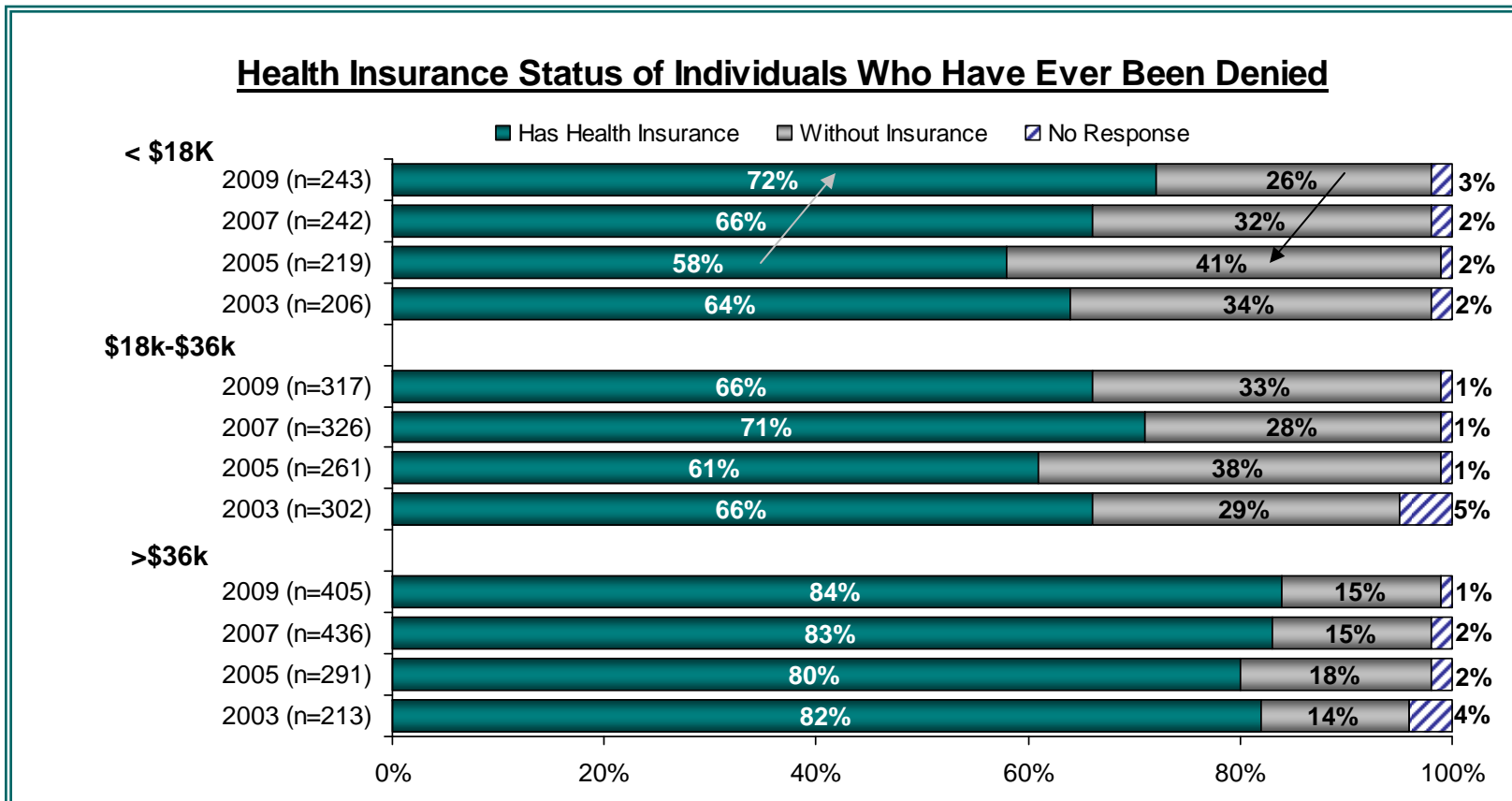
Reasons Why Some Respondents Are Not Insured By WSHIP				
	2009	2007	2005	2003
<b>Base</b>	(228)	(226)	(231)	(190)
<b>Unaware WSHIP was available/they were eligible</b>	26%	24%	26%	31%
<b>WSHIP is too expensive</b>	64%	58%	60%	66%
<b>WSHIP application process was too confusing/difficult:</b>				
Overall	8%	13%	13%	n/a
Material too hard to understand	4%	10%	8%	7%
Process too cumbersome	5%	13%	9%	7%
Application asks for too much information	3%	7%	5%	4%
Other:	16%	10%	11%	7%
<b>Prefer to be uninsured than enroll in public program</b>	1%	3%	2%	2%
<b>Don't need insurance now</b>	1%	2%	1%	1%
<b>Found another way to get healthcare:</b>	10%	10%	9%	8%

Q4. Do you have any health insurance right now?  
Q4a. If "no," check the reason below.



# Insurance Status by Income

- Respondents with an income over \$36,000 are more likely to currently have insurance (84%) than those with an income from \$18,000-\$36,000 (66%) or below \$18,000 (72%)
- More residents with less than \$18,000 in household income have insurance now in 2009 (72%) than in 2005 (58%)

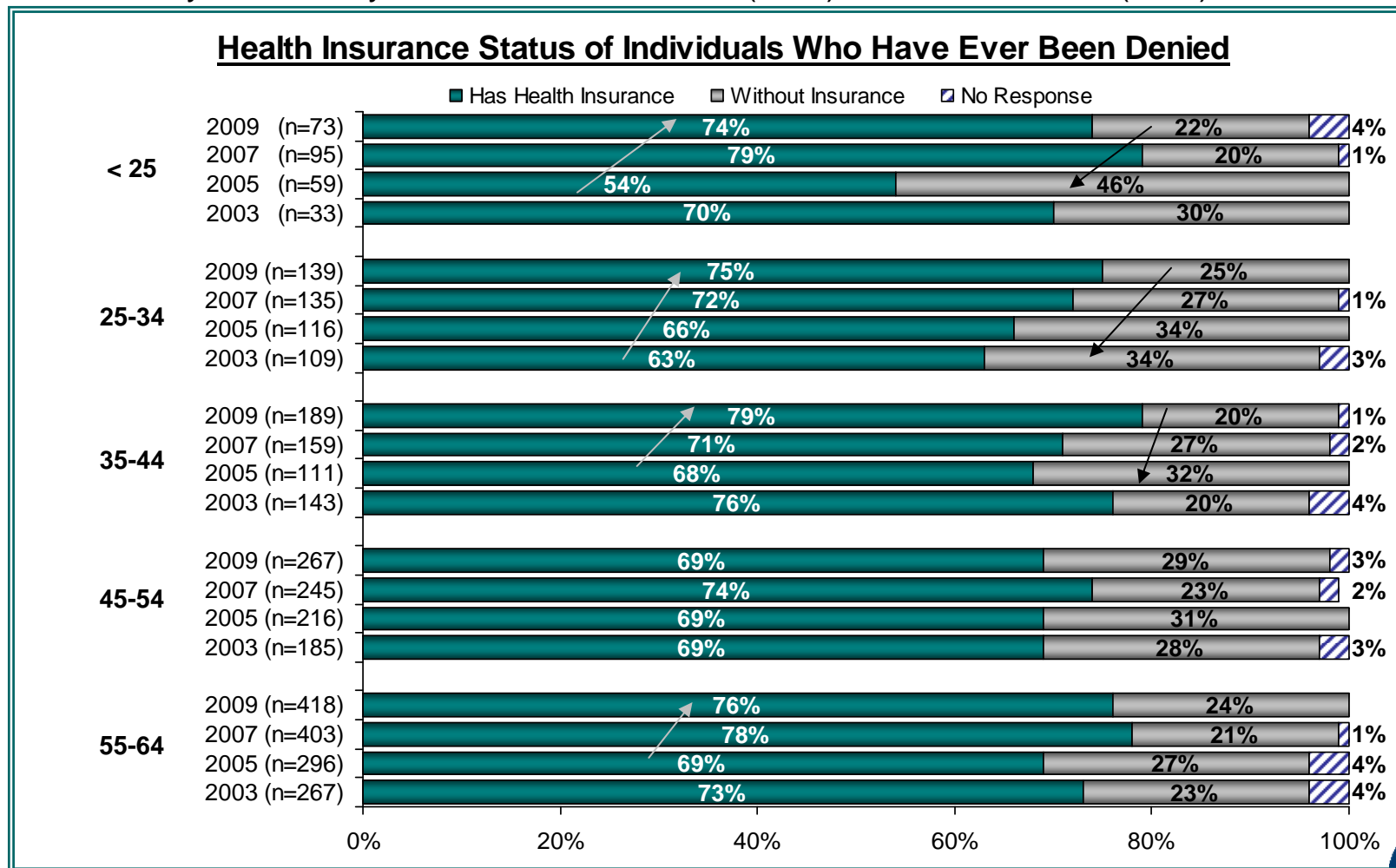


Q4. Do you have any health insurance right now?



# Insurance Status by Age

- There is little variation in insurance status by age in 2009, although those age 35-44 are more likely to currently have health insurance (79%) than those 45-54 (69%)



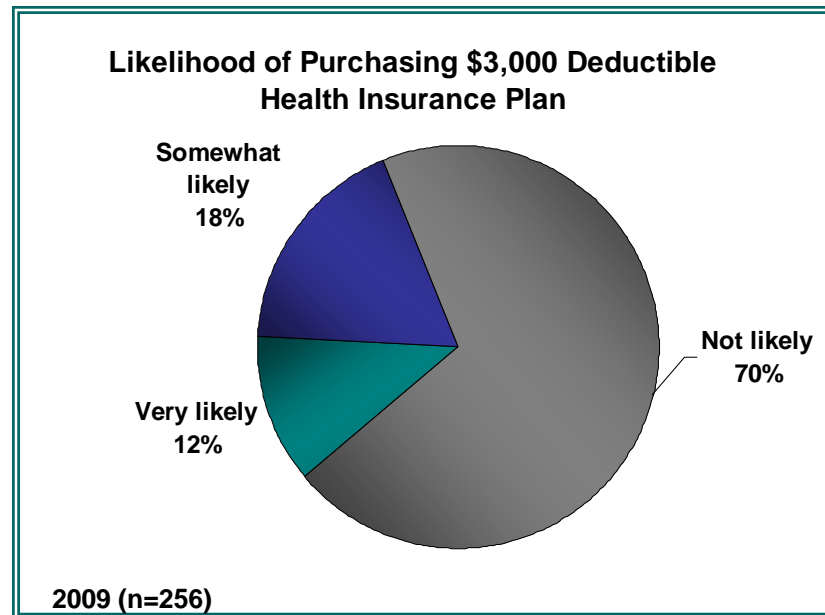
Q4. Do you have any health insurance right now?





# Likelihood of Purchasing Proposed Plan

- Of those respondents who are currently not covered by any health insurance, 70% are not likely to purchase the \$3,000 deductible health insurance plan
  - The plan is of higher interest to respondents under the age of 35, as 25% of those under 35 are “very likely” to purchase and only 9% of those 35 and older are “very likely” to purchase



Monthly Rates for \$3,000 Deductible Health Insurance Plan											
AGE	Child	<25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+
RATE	\$146	\$176	\$185	\$221	\$262	\$324	\$382	\$451	\$537	\$623	\$629

Q5. If you are currently not covered by health insurance and a \$3000 deductible plan were available to you for purchase at the following monthly rates, how likely would you be to purchase it?

