

Consumer Education and Outreach: Making Private Insurance Work

Investing in Texas:

Financing Health Care Coverage Expansion

LBJ School of Public Affairs

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Agenda

- Consumer Health Assistance Programs, a.k.a. Ombudsman Programs
- Health Insurance Rate Guide
- Additional Education Options
- Public Education Options
- Discussion

Consumer Health Assistance Programs

Presented by:

Karla Buitrago

Ombudsman Programs: A National Trend

- Response to consumers' sense of being overwhelmed by complexity of health care systems and health insurance markets.
- Operate at the national, state, and local levels.
- Purpose and scope of outreach among programs differs widely.

Types of Programs

- Federally-Mandated Ombudsman Programs
- State-Initiated, State-Sponsored Ombudsman Programs

Federally-Mandated Programs

- Long-Term Care Ombudsman Programs
- Protection & Advocacy Programs
- State Health Insurance Programs (SHIPs)

State-Initiated & State-Sponsored Programs

- Medicaid-focused programs at state & local levels
- General health care-focused programs at state & local levels

Theme of Diversity

- Purpose
- Structure
- Populations Served
- Legal Mandates

Legislation in Texas

- House Bill 3021 (enacted in 1999):
 - Health Care Ombudsman Program (HMO consumers)
- House Bill 2430 (vetoed in 2001):
 - Health Benefit Plan Consumer Assistance Program (all health insurance consumers)

Ombudsman Programs: Questions for Discussion

- Would a consumer health assistance program, in fact, fill the gaps in education and outreach on the private side of insurance provision in Texas?
- What would be the advantages and disadvantages of implementing such a program in Texas?

Health Insurance Rate Guide

Presented by:

Kristen Lindberg

Rate Guide Presentation

- Need for rate guide in small employer market.
- Potential benefits.
- Potential drawbacks.
- Hypothetical rate guide.
- Recent legislation.

Insurance Search Costs for Small Employers

- Certain costs associated with obtaining health insurance are more prohibitive for small employers:
 - Cash outlay
 - Time without insurance

Insurance Search Costs for Small Employers

- Process of obtaining insurance:
 - Small employer receives initial premium quote through insurance agent.
 - Small employer pays at least one month's estimated premium for final quote.
- Some small employers can only afford to get one quote at a time.

Possible Advantages of a Small Employer Rate Guide

- Provides small employers with useful starting place.
- Provides small employers with benchmark rates.
- Reduces search time and, thus, time without insurance.
- Reduces necessary cash outlays.
- Creates transparency in market.

Possible Disadvantages of a Small Employer Rate Guide

- Insurers not required to offer published rates.
- Difficult to determine benefits associated with published rates.
- Rates change quickly.
- Rates considered proprietary.
- Difficult to establish comparable plans.

Hypothetical Rate Guide for Small Employer Plans

- Establish several small groups with varying characteristics.
- Include several defined benefits plans:
 - Basic and Catastrophic plans
 - Other representative plans
- Publish average plan premiums.

Recent State Legislation: SB 771

- Introduced in 2001.
- Called for preparation of a consumers' guide to health plans.
- For small and large employers.
- Rate information online.
 - Estimated 7,000 hits/year.

Small Employer Rate Guide: Questions for Discussion

- Would a small employer rate guide fill the gaps in education and outreach on the private side of insurance provision in Texas?
- What would be the advantages and disadvantages of producing a rate guide in Texas?

Additional Private Policy Options

Presented by:

Scott Atnip

Additional Education Options

- Educate small businesses about CHIP coverage for employees' children.
- Distribute information to small employers through mailings.

Education Options for TDI

- Develop a more focused marketing guide.
- Translate all materials into Spanish.
- Train local DHS employees.
- Create a one-on-one assistance program to emulate HICAP.

Discussion Items

- Consumer Health Assistance Programs, a.k.a. Ombudsman Programs
- Health Insurance Rate Guide
- Additional Education Options
- Public Education Options