

Cover the Uninsured Week Generates **Buzz** in Hawaii

The Hawai'i Uninsured Project joined programs across the country for Cover the Uninsured Week, a nationwide initiative to bring to light the issues of the uninsured. Experts were featured in several local media interviews and the need for health coverage expansion received recognition through statewide proclamations.

On April 26, PBS' Island Insights host **Dan Boylan** interviewed The Hawai'i Uninsured Project's Leadership Group chair **Dr. Virginia Pressler**, Hawaii Primary Care Association executive director **Beth Geisting**, and HUP executive director **Laurel Johnston**.

On May 11 and 13, KHPR's **Chad Blair** featured a two-part interview on the issues of Hawaii's medically uninsured with Kaiser Foundation Health Plan's Director of Public Affairs **Chris Pablo**, Hawaii Covering Kids Project Director **Barbara Luksch**, and **Laurel Johnston**.

KZOO's Tradewinds show host **Katsumi Tanaka** also brought the issue to its morning listeners in an interview with **Laurel Johnston**.

Proclamations recognizing the need to cover Hawaii's uninsured were issued by the Governor and all four island Mayors. They are posted at www.healthcoveragehawaii.org.

LEGISLATIVE UPDATE

State Puts More Dollars Behind Commitment to the Uninsured

Additional state funds were requested by the executive administration and appropriated by the 2004 Legislature to improve access to health care for Hawaii's medically underserved population.

The Department of Human Services received an additional \$35.5 million to increase QUEST and SCHIP enrollment, including coverage for more uninsured children, pregnant immigrants and migrants from the Compact of Free Association nations. DHS also expanded Medicaid coverage to pregnant immigrants.

The Department of Health received an additional \$2.2 million to provide services for the uninsured, as well as \$3.45 million in subsidies for rural hospitals and community health centers.

A Message from Business:

Top 5 Viewpoints on the Uninsured

In a series of focus groups here's what Hawaii's business community had to say about the uninsured.

1. More so than larger companies, small businesses are closer to their employees and more willing to help part-time workers.
2. Employers are generally more willing to devote time and energy with administrative tasks to help uninsured workers enroll in insurance programs rather than providing the dollars to cover them.
3. All employers surveyed favor flexibility in the Prepaid Health Care Act mandates.
4. Sliding scales, higher deductibles and plans that were basic rather than rich in benefits were offered as potential means to control costs.
5. All businesses agree that more education about the uninsured is needed.

MISSION

To ensure health coverage access
to all who need it.

Working in partnership with researchers and the community, the project is an educational resource to support policy-makers as they develop workable plans that will cover the uninsured. The project also aims to raise awareness and improve understanding of the problem's magnitude and the consequences of a large uninsured population.

The Hawai'i Uninsured Project is a program of the Hawaii Institute for Public Affairs, which is Hawaii's only independent, nonpartisan and nonprofit organization dedicated to elevating Hawaii's public decision-making process through sound public policy analysis, fact-based research, and community collaboration.

This newsletter is supported in part by funding from The Robert Wood Johnson Foundation, awarded to the State of Hawaii's Department of Health.

The issues of health coverage access can only be solved by a coordinated effort of all segments of our community. Our ohana represents a strong, broad and growing alliance.

THE LEADERSHIP GROUP STEERING COMMITTEE

**Hawaii State Department of Health
Project Leader**

Aloha United Way
Benefit Plan Consultants
Chamber of Commerce of Hawaii
Hawaii Community Foundation
Hawaii Pacific Health
Hawaii Covering Kids
Hawaii Health Information Corporation
HMSA
Hawaii Primary Care Association
Hawaii State Department of Human Services
Hawaii State Department of Labor & Industrial Relations
Healthcare Association of Hawaii
Ho'ola Lahui Hawaii
ILWU
Kaiser Permanente
Moloka'i General Hospital
Papa ola Lokahi
University of Hawaii

Milestones
TO COVERAGE



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Hawaii's people deserve better access to quality, affordable health care.

Uninsured Workers are a Common Component of Hawai'i Uninsured Project's Work Groups



Interview with Laurel Johnston,
executive director of the Hawai'i Uninsured Project

The Hawai'i Uninsured Project is supported by federal and private foundation grants awarded to the State Department of Health to increase access to health care for Hawaii's medically uninsured population.

How is the project addressing the issue of uninsured workers?

The project has a number of work groups focused on: enhancing and protecting our safety net; expanding enrollment in the state-sponsored and federally supported QUEST and SCHIP programs; and the study of the Prepaid Health Care Act's impact on Hawaii's insured rate. The one common component to all of these issues is the plight of the uninsured worker - on the job but lacking health care coverage. We convened a fourth work group that is solely focused on proposals to provide health care coverage for uninsured workers who are either not eligible for government programs or not covered by the Prepaid Health Care Act. These are part-time workers, sole proprietors, and some classes of government employees. And that's quite a broad range - from those who are not poor enough to qualify for government-sponsored care to uninsured higher-income sole proprietors who believe that purchasing insurance is just too expensive.

With such a diverse demographic, it must be a challenge to find a solution.

There is no single solution and one size doesn't fit all. Our coalition members have donated hundreds of hours of their time exploring the spectrum of alternatives, ranging from: coverage for all employees on a sliding scale based upon hours worked; a full mandate that would require everyone to have coverage; to a state-sponsored sliding

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What do Workers Really Want?

An interesting finding of The Hawai'i Uninsured Project's 2003 survey is that workers would participate in government-sponsored programs but it wouldn't have to be free.

The majority of survey respondents who are self-employed, part-time, or not eligible for employer-provided coverage said they would enroll in a government-sponsored health program if they learned they were eligible.

In terms of paying for private insurance, the survey determined that the self-employed are willing to pay a monthly average of \$108 for insurance covering doctor/hospital costs, while part-time workers are willing to pay \$70 a month for the same coverage.

While there is a tendency for survey respondents to overstate their likelihood of performing certain behavior, the bottom line is that people are willing to financially contribute to their health care coverage.

Higher deductibles and lower overall premium costs were favored by the majority of those workers surveyed.

A majority of these uncovered workers believe that every worker - regardless of hours - should have health insurance.

Employers Speak Out on Health Insurance

Hawaii's Prepaid Health Care Act of 1974 has continued to be a major factor in uncertain economic times among businesses that are trying to balance costs with employee benefits.

From the employers' point of view, the areas of greatest concern regarding employee benefits are health care-related: cost of insurance and rate of increases, the cost of health care in general, and the quality of service by health care providers and health plans.

Nearly two-thirds of Hawaii's employers would not make any changes to their health insurance plans if Hawaii's Prepaid Health Care Act did not exist.

Of those employers who would make changes (30 percent), most would try to decrease their costs or the number of employees covered. Some favored eliminating health insurance coverage completely.

A total of 451 employers were surveyed from Aug. 7 to Sept. 4, 2003. The sample included 278 small businesses (1-19 employees), 108 medium businesses (20-99), and 65 large businesses (100+). The margin of error is $\pm 4.6\%$. Conducted by Ward Research in Summer 2003.

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scale program in which government pays for certain populations and those with higher incomes can fully buy in. The key to affordable coverage is to create a large enough and healthy enough pool so that insurance rates are attractive to individuals within the pool.

The project is just about at its half way mark. Where is the project in terms of its progress?

We have made significant progress, especially in the areas of protecting the safety net and expanding government insurance programs. Additional state funds will be available in the next fiscal year in both of these areas. We are pleased that we have an ongoing collaborative partnership with Hawai'i Covering Kids, an initiative that includes outreach projects to enroll additional children in QUEST/SCHIP and to streamline the application and renewal process.

We convened a work group to develop recommendations for pricing and administration of alternative health plan options for the working uninsured. Our research partners have presented the latest quantitative data to guide the working group's final policy recommendations, and a proposal is currently being considered by our Leadership Group.

Finally, the project has developed a historical brief about the significance of the Prepaid Health Care Act and its critical role in Hawaii's health care environment. A second policy brief is under development that will outline the spectrum of issues surrounding the Act as it is implemented in today's workplace.

“A majority of uncovered workers believe that every worker – regardless of hours – should have health insurance.”

—Survey conducted by Ward Research, Summer 2003.

How the Uninsured Make a Living in Hawai'i Uninsured Employees Age 19-64 by Industry

The University of Hawai'i Social Science Research Institute recently reported that about 7 out of 10 uninsured workers in Hawai'i are in service-based industries.

Industry	Uninsured Workers
Visitor & Government Services	14,914
Wholesale & Retail Trade	10,304
Transportation & Utilities	2,162
Construction	1,963
Agriculture, Forestry, Fishing, Hunting	1,893
Public Administration	1,467
Financial, Insurance, Real Estate Activities	1,195
Manufacturing	1,172
Information & Communications	525
TOTAL	35,595

Based on a 10-year average of U.S. Census Bureau data from the Current Population Survey (1994 - 2003)



Milestones

TO COVERAGE

More Options. Better Access. Hawaii needs it now.

“Thanks Boss! I’m Healthy and On the Job.”

Thank your employer for your health care! Send an email to your CEO and supervisor and let them know that you appreciate that they pay for all or most of your monthly insurance premium.

Whether it’s a once-a-year routine physical, a sprained ankle, the birth of your child, a major surgery or visit to the emergency room, the cost for your health care is paid for largely by your employer and your health insurance company.

Cover Your Full-Timers! It’s the Law.

In Hawai‘i, health insurance is provided to full-time workers because of the Prepaid Health Care Act of 1974, the only state law of its kind in the nation. It requires employers to provide health insurance coverage and pay the bulk of the premiums for employees who work 20 hours or more a week after four consecutive weeks of employment. The employee share is capped at 1.5 percent of their salary.

For more information, visit http://dliir.state.hi.us/dcd/dc_1.pdf



Photo courtesy of Hawai‘i Kids Count

Some Uninsured Workers Fall Outside of Realm of Mandatory Coverage

Part-Time Workers.

Reasons for part-time employment vary. Some are unable to obtain full-time work, and rely on a series of part-time jobs that total or exceed 40 hours per week. Others may prefer part-time employment, such as parents with young children, college students, and retirees who are too young to collect retirement benefits or qualify for Medicare.

Sole Proprietors, Self-Employed.

Sole proprietors are not required to carry health coverage or workers compensation. Also, they do not qualify for group health insurance rates. Many who want coverage believe that private insurance plans in the marketplace are unaffordable.

Some Classes of Government Employees.

Government employees and workers covered by collective bargaining as well as temporary hires are not entitled to receive health coverage provisions under the Prepaid Health Care Act.