

## Grant Outcomes Report

### Making it Easy: A Rural Plan to Increase Enrollment in Healthy NY

#### The Problem:

Small business owners—especially those in rural, poor areas—often go without health insurance coverage for themselves and their employees. According to S2AY Rural Health Network, approximately 19,400 small firms with fewer than 50 employees employed approximately 78,500 individuals in the Finger Lakes region at the start of the grant period. S2AY estimated that 31,400 people, or 40% of this workforce, were uninsured.

#### Grant Activities & Outcomes:

The S2AY Rural Health Network (which comprises the Public Health Departments in Schuyler, Seneca, Steuben, Allegany, Yates, Ontario, and Wayne Counties), together with the Genesee Valley Health Partnership in Livingston County, Excellus, Preferred Care, and the Chambers of Commerce, formed a partnership to undertake, “Making it Easy: A Rural Plan to Increase Enrollment in Healthy NY.” The planning project covered a 5,000-square-mile area with a population of just under a half a million people. The goal was to inform rural small business owners about the options available to them, particularly the publicly subsidized option, Healthy NY, and ultimately identify specific ways to boost health insurance enrollment.

#### The Plan

The first phase of the project focused on gathering information directly from the targeted communities. S2AY held focus groups with more than 100 small business owners employing 750 individuals in the Finger Lakes region of central upstate New York. The meetings began in 2008 and focused on the barriers to purchasing health insurance for employers and their staff.

#### KEY INFORMATION:

**GRANTEE**

S2AY Rural Health Network

**GRANT TITLE**

Making it Easy: A Rural Plan to Increase Enrollment

**DATES**

November 1, 2008–October 31, 2009

**GRANT AMOUNT**

\$97,635

**GRANT ID**

2008-2615864

**FUNDING**

Expanding Coverage Options in the Small Group and Individual Market in New York State (2008 RFP)

In addition to conducting focus groups, S2AY reviewed coverage strategies used in other states; coverage options available in New York State; and the types of health insurance coverage guides currently available on the Internet. All these activities proved useful in helping to inform ways to develop S2AY's own website/online coverage guide for the Finger Lakes region.

The second phase of the project focused on the creation of a website/online coverage guide designed to simplify the insurance enrollment process. S2AY's website included an online coverage guide on its homepage that includes a user's path from public programs through direct pay options. S2AY used [www.surveymonkey.com](http://www.surveymonkey.com) to test the online tool and [www.211ny.org](http://www.211ny.org) to post and test the coverage guide on their website. If the implementation phase of the project had commenced, the website would have been expanded to become, "The Finger Lakes Health Insurance Connector," to more directly connect people with the best health insurance product for them.

## *The Results*

According to S2AY, some of the overall key focus group findings regarding health insurance in general included:

- ▶ Nearly 85% of the uninsured in the Finger Lakes region had incomes below 250% of the Federal poverty line—the income eligibility level for Healthy NY—and 57% of the uninsured worked in the region's small businesses.
- ▶ Nearly two-thirds of small business owners reported that insurance plans were too confusing or that there was not enough time to make an informed decision.
- ▶ Fifty-seven percent said health insurance coverage no longer had value in relation to cost; and 50% did not think enough of their employees were eligible for insurance to make it worth offering.

S2AY reported that four key themes emerged from these focus groups:

### **1) Education**

- ▶ In all of the focus groups, at least one participant said they had never heard of Healthy NY.
- ▶ Many rural business owners said there were too many options available to make an informed decision.

## 2) Affordability

- ▶ Affordability was not as much of a barrier as previously believed. At the opposite ends of the spectrum, on average, an employer with higher profit margins was willing to contribute \$2,500 per year per employee whereas an employer with lower profit margins reported being willing to contribute \$1,200 per year per employee. Employers were not willing to contribute more in the event of rising premiums.
- ▶ S2AY estimated that an affordable health insurance plan for a rural small business should cost between \$140 and \$270 per month for individual coverage. Healthy NY provided options within this price range.
- ▶ Small business owners who were currently offering health insurance to their workforce felt that Healthy NY was very affordable. Entrepreneurs who were in the process of opening a small business believed that Healthy NY was an attractive option for them to consider, given the lower cost. They considered it a stepping-stone toward more comprehensive coverage.
- ▶ However, many small business owners also believed Healthy NY lacks value because other options available directly through local insurers offer better coverage and lower deductibles for the same cost.

## 3) Relationship Building

- ▶ Rural small business owners had negative perceptions toward the insurance industry and toward government-owned insurance plans. S2AY reported anger and mistrust among many who participated in the focus groups. “The mistrust of the whole insurance industry was big, and the mistrust of the government was bigger than I expected,” said Andrea Haradon, S2AY Rural Health Network Project Coordinator.
- ▶ These perceptions were driven by reports of poor customer service, premium increases without explanation, and urban-centered organizations that did not understand rural communities. S2AY reported that this relationship perpetuated underinsurance and lack of insurance among rural small business owners and their employees.

#### 4) Policy

- ▶ One of the largest barriers to Healthy NY is that a small business cannot have been offered health insurance within the last 12 months to qualify. “That was seen as a huge detriment for folks,” said Ms. Haradon.
- ▶ Other policy barriers included the requirement that a small business contribute at least half of a single Healthy NY premium; the requirement to offer Healthy NY to a full-time employee earning \$40,000/year or less; insufficient premium rate increase notices; and the need for improvements to the premium rate review process so that rate increases are considered fair and reasonable, which would also help foster better relationships between insurance providers and rural small business owners.

The focus group data revealed education and misinformation as major barriers to health insurance enrollment. As a result, S2AY’s recommendations included a focus on educating rural communities about the different insurance plans available, with the goal of ultimately enhancing enrollment outcomes. S2AY identified that establishing the “Finger Lakes Health Insurance Connector” could help educate rural communities, drive enrollment, and also provide health insurance referral and advocacy information. The Connector could also feature a coverage guide to help walk rural employers through the necessary steps to identify eligibility for health insurance and enroll in it.

#### The Future:

Since the planning grant began, the health insurance landscape has greatly shifted with the enactment of Federal health care reform. It is yet unclear how these Federal changes will impact health insurance options offered in New York State. Through this planning grant, S2AY gathered valuable qualitative data from the focus groups that could prove useful in structuring health insurance marketing efforts as New York State implements Federal health care reform.

## BACKGROUND INFORMATION:

### ABOUT THE GRANTEE

The S2AY Network is a Rural Health Network funded by the New York State Department of Health. Originally called the SAY Rural Health Network when formed in 1997, it included the counties of Steuben, Allegany, and Yates. With the addition of Schuyler County to the Network in 1998, the Network officially became recognized as the S2AY Rural Health Network. In 2002 Ontario, Wayne, and Seneca Counties joined the S2AY Rural Health Network. The Network's mission is to integrate, promote, and expand appropriate components of the public health delivery system to improve health outcomes for all residents of the Network region. Staff teams work to ensure coordinated services across a seven-county area, and management works to streamline administrative processes, planning, and funding activities. S2AY also serves as a facilitated enroller, assisting approximately 7,000 people per year with applications for Child Health Plus, Medicaid, and Family Health Plus.

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