

PARTIAL DRAFT-MORE TO COME TOMORROW

Health Policy Commission Employer Study

Key Findings

- ◆ Fifty-nine percent of New Mexico companies offer health insurance to their employees, while 41% do not offer insurance.

Company Size: As company size increases, so, too, does the likelihood of offering health insurance. In fact, less than half (46%) of the companies with 2-5 full or part-time employees offer health insurance compared to 87% of companies with more than 20 employees. Three-quarters of companies with 11 to 20 employees offer health insurance as do 64% of those with between 6 to 10 employees.

Region: Approximately two-thirds (66%) of Albuquerque area companies and 60% of companies in the North Central area of the state offer health insurance compared to 53% of Eastside companies, 51% of South/Southwest companies, and 50% of companies in the Northwestern Region.

Employee Earnings: Approximately one-third (34%) of the companies that pay *all* of their employees less than \$30,000 per year offer health insurance. This compares to 68% of companies that pay at least some of their employees more than \$30,000. Thus, companies that offer the lowest wages are also the least likely to offer health insurance.

Years in Operation: Companies that have been operating in New Mexico for a longer period of time are more apt to offer health insurance. Sixty-eight percent of companies that have operated in New Mexico for more than 25 years offer health insurance compared to 49% of those that have been in operation for eight years or less.

- ◆ Thirty-seven percent of New Mexico companies that offer health insurance pay 100% of their employees' premium, while 72% pay at least half the premium (18% of companies pay exactly 50%). Twelve percent of the companies offering health insurance pay less than half the single employee premium.
- ◆ Twelve percent of companies offering health insurance require that all full-time employees have insurance.
- ◆ Twenty-eight percent of companies offering health insurance have special benefits programs such as Cafeteria Plans, Health Saving Accounts and Health Reimbursement Arrangements. This is most common among those companies with 21 or more part and full-time employees (48%), companies paying between 51% and 99% of employee premiums (45%) and non-profit companies (43%).

Non-Insurers

- ◆ When asked in an unaided, open-ended manner, four-fifths (81%) of the companies that do not offer employee health insurance cite cost as the reason for not doing so. Ten percent of the companies say they do not offer insurance because of a lack of employee interest or participation, while 3% say their premiums rose too much and another 3% claim they do not need to offer insurance to attract employees.
- ◆ Six percent of the companies that do not currently offer insurance say they discontinued their health plan within the past year. Again, cost (60%) and a rise in premiums (32%) are cited most frequently as the reasons for discontinuing their health plan.
- ◆ When asked specifically, 76% of employers who do not offer insurance say the inability to subsidize health insurance for their employees *definitely applies* to their decision not to offer health insurance and another 11% say this *somewhat applies*. Furthermore, over four-fifths of the companies say the concern over future health care costs either *definitely* (71%) or *somewhat applies* (11%) to their decision not to offer health insurance.

Less than half (47%) of the employers say they do not need to offer health insurance to attract employees (28% say this *definitely applies*). Approximately two-fifths of those who do not offer health insurance indicate their employees prefer higher salaries to health insurance (43%) and the sufficiency of their other benefits (41%) are at least somewhat applicable to the reasons why they do not offer health insurance. Forty-two percent also indicate that health insurance is not their organizations' responsibility.

- ◆ Seventy percent of companies that do not currently offer health insurance express interest in having the state government offer tax relief as a way help employers offer insurance (60% are *very interested*). Two-thirds also express interest in a purchasing alliance, while 51% are interested in state subsidies for low-income employees. Less than half the employers express interest in administrative/technical assistance in establishing (40%) or managing (35%) a health insurance program.
- ◆ When asked in an unaided fashion what other types of assistance they would be interested in, 42% mention low cost/affordable insurance and 5% mention less restrictive conditions for being accepted by a plan.
- ◆ Half of the employers that do not currently offer insurance express interest in a comprehensive health insurance plan (34% are *very interested*). Thirty-eight percent of employers also express interest in a catastrophic health plan (25% are *very interested*).

- ◆ Administrative factors do not appear to be having a large impact on the majority of companies that do not offer health insurance. Twenty-eight percent do indicate that a lack of knowledge of how to discuss or negotiate issues with insurance companies has had some impact on their decision not to offer insurance, while 24% say not knowing how to find other health insurance options has had an impact.
- ◆ Approximately one-in-four (26%) of companies that do not currently offer health insurance say they likely to offer a plan in the near future, with 20% saying they are *very likely* to do so. Half of the employers are unlikely to offer insurance in the near future, while 21% have a mixed or neutral opinion.
- ◆ Ten percent of employers that do not currently offer health insurance would be willing to contribute up to \$300 per month in order to offer an insurance program.