

The Taylor Family, Guthrie, Oklahoma



“Is there something else I should be doing?”

Until a few years ago, Charlynn Taylor never thought about health insurance. Now, it seems there are times she thinks of nothing else. “When I hit 25, I started feeling old, and they had an open enrollment at work, so I signed up,” Charlynn says. “I was paying about \$35 every pay period, and when I found out I was pregnant, I thought, ‘This is a good investment.’”

But after Charlynn gave birth to a son, Kenyon, on March 31, 1998, she and her husband, Monty Taylor, found out that their coverage wasn’t as good as

they'd thought. The Cesarean birth left them with thousands of dollars worth of bills, which their creditors have since turned over to collection agencies.

Disappointed with the limited coverage, and finding it more and more difficult to pay the \$68 biweekly premium for a family policy, they gave up their insurance in January 1999. Since then, medical care for all three has been haphazard at best. The couple worries especially about the impact on Kenyon, who is borderline anemic, of not seeing a doctor regularly. And they worry that without health insurance, they might never be able to afford a second child.

Both Charlynnne, 27, and Monty, 29, are fast-food workers. Charlynnne has worked for Taco Bell for eight years, Monty for six. Charlynnne manages a restaurant in Edmond, about 15 miles north of Oklahoma City, where she earns about \$18,400 a year; Monty is a shift manager at one of the chain's Oklahoma City restaurants, earning a little more than \$17,000 a year.

Before they married in 1997, the couple lived in an apartment in Oklahoma City. But after Charlynnne became pregnant, they decided to move to Guthrie, a small town 30 miles north of Oklahoma City, both to get better housing and to be closer to Charlynnne's parents. "We were paying over \$300 a month for a one-bedroom apartment in Oklahoma City," Charlynnne explains. "Here, we are paying \$250 for a four-bedroom, two-story house."

The Taylors get a break on the rent because their house was formerly the parsonage for the Guthrie Free Methodist Church, and the church no longer needs it. "My grandmother was a member of the church, which is why we were able to qualify to get this house," Charlynnne says. "We were lucky. It's a great deal."

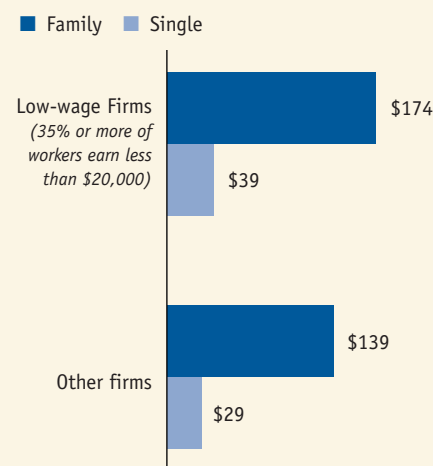
"Apply to Deductible"

But as it turned out, it was because they moved to Guthrie that Charlynnne's insurer wouldn't cover as much of the cost of Kenyon's birth as the Taylors had expected. The reason? Charlynnne's been told that their new zip code in Guthrie put the family outside of the boundaries for their insurer's preferred provider network. "If you go out of network for a provider, you pay 50 to 60%, and that's with a \$4,000 deductible for a family," Charlynnne explains. "I kept getting the bills that I thought would be taken care of, and they would read, 'Apply to Deductible.'"

Charlynnne had never imagined that moving could affect her coverage. "I have the same job, the same doctors and the same hospital in Oklahoma City, and the same insurance," she points out. "Guthrie's hospital doesn't even do deliveries. Didn't somebody at the company have some type of obligation to tell me, 'Your coverage is changed because your address is changed'? I mean, I kept paying."

Employees in Low-Wage Firms Pay More for Family Coverage

Average monthly employee contribution



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000.

When Charlynnne called to dispute the reduction in benefits, a customer service representative told her how she could have outwitted the insurer. “He told me that I could have easily avoided all of this if I had just taken a post office box in Oklahoma City, because then we would have the right zip code,” Charlynnne says. “I know he was just being nice, and he probably could get in trouble for saying that, but isn’t it ridiculous that if I had just lied, everything would be fine?”

Before they found out about their reduced coverage, the Taylors had already paid the 20% co-pay for the doctor’s fee (about \$200, which assumed a normal delivery.) But Charlynnne didn’t have a normal delivery. Her blood pressure spiked during the last week of pregnancy, and her doctor induced the birth. During the long labor that followed, Kenyon’s heart rate dropped, and the doctor decided to deliver the baby by Cesarean section. As a result, the doctor’s fee went up, as did the hospital charges. And with the insurer paying a lower percentage of the fees than it would have had the Taylors still lived in Oklahoma City, the amount the Taylors owed went up—to about \$4,000, including \$2,746 more for the hospital bill.

Even without the higher-than-expected medical bills, the Taylors would have found themselves in financial straits after Kenyon’s birth, since Charlynnne had to miss seven weeks of work while recovering from the surgery. Because she had no paid maternity leave, that meant seven weeks without pay. Even after Charlynnne returned to work, the family still couldn’t get back on its feet financially. “That’s when the hospital and doctors kept calling,” she says.

Eventually, all the bills were sent to collection agencies, which have taken over the task of calling the Taylors to demand payment. For awhile, the calls came every week, and Charlynnne had to explain again and again that she wanted to pay, but couldn’t.

“I told them I had been off for seven weeks, and I couldn’t commit to more than \$10 or \$15 a month, and when we got caught up, then it would be more,” Charlynnne says.

It was soon after the collection agencies started calling that Charlynnne cancelled her coverage. “What’s the point?” Charlynnne thought. She decided that she could use the \$68 that was deducted from her paycheck every two weeks for insurance to pay some of her outstanding bills.

Going without regular medical care

The lack of insurance means that none of the family members gets regular medical care, even Kenyon, who’s at an age often accompanied by frequent illnesses. Charlynnne is so careful about keeping Kenyon from being exposed to other sick children that she’ll ask her mother to watch Kenyon if her regular



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babysitter’s child even has the sniffles, or she’ll stay home from work. “If Tina’s little girl is sick, then I don’t take him over there because I can’t afford for him to be sick,” she says. If Kenyon does show symptoms of illness, Charlynnne usually relies on friends, family, and books for health care advice. “I have a big book about kids, and I look everything up,” she says.

Fortunately, apart from an iron deficiency, Kenyon has been a pretty healthy child. “He was only sick once, really bad, this winter,” Charlynnne says. “I knew that he had a cold and fever. I was giving him Tylenol®, and after three hours, the Tylenol® would wear off, and his fever would come back. Then he started coughing.” And it wasn’t just any cough, but that barking seal cough characteristic of the croup. “If I had had a doctor, I would have called the doctor right away,” Charlynnne says. “But I called my mom, and we waited a day.”

By chance, Charlynnne’s mother had scheduled a visit to a health clinic that same day for her youngest daughter, who is about Kenyon’s age, and the nurse-practitioner agreed to see Kenyon in her place. “Otherwise, I don’t know how we would have gotten in,” Charlynnne says. The visit to the nurse-practitioner cost the Taylors \$50, plus about \$30 for drugs; if they had still had insurance, their co-pay for the visit would have been just \$15, plus \$5 for the drugs. Had the nurse-practitioner not been willing to see Kenyon, Charlynnne says she probably would have taken him to a hospital emergency room and incurred a bill in the hundreds of dollars.

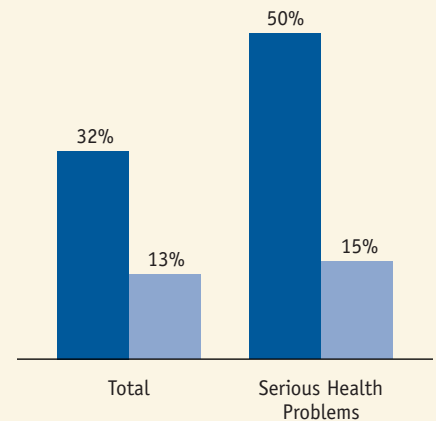
The Taylors worry about the effect on Kenyon of not having a doctor with whom the family can develop a relationship. “You know, he really hasn’t seen a doctor since he was four months old,” Charlynnne says. “And the iron thing concerns me. I’m glad I can take him to the county. They check his iron. But he’s never really seen a doctor, just nurses. Is there something else I should be doing? Are there prescription iron pills he can take? I don’t know. I don’t have a pediatrician to ask.”

Charlynnne has heard the commercials for SoonerCare—Oklahoma’s version of the federally funded Children’s Health Insurance Program (CHIP)—but she hasn’t yet called the state’s toll-free number to find out if Kenyon would qualify. Given the current eligibility threshold, he wouldn’t. The Taylors’ annual income is more than \$35,000, and SoonerCare has set the income limit for a family of three at \$26,178. (If the Taylors lived in neighboring Missouri instead, Kenyon would qualify for Missouri’s CHIP program, since its income limit for a family of three is \$42,450.)

As for Monty and Charlynnne, Monty has not been to see a doctor in at least six years, and it’s been at least 10 years since he had his vision or teeth examined. But even if he earned enough money to afford to pay for a good health insurance policy for himself, Monty says he would rather buy life insur-

It Is Harder for the Uninsured to Get an Appointment with their Usual Provider on Short Notice

■ Uninsured ■ Privately Insured
 Percent Reporting It Is Somewhat, Very Difficult, or Impossible to Get an Appointment on Short Notice



Source: Kaiser Survey of Family Health Experiences, Round 3, 1997–1998.



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ance for himself and Charlynnne. "In case something happens to one of us, I don't want everything to go wrong for the other," he says.

Charlynnne, on the other hand, is convinced of the importance of regular checkups and has scouted out sources of free or inexpensive care. For annual Pap smears and the renewal of her birth control prescription, she relies on the Logan County Health Department, which provides both for free. "That's the extent of my medical care," she says. Because she wears glasses and needs to have her prescription reevaluated periodically, she watches for specials at the optical shop at a nearby mall and then pays out of pocket. "They test you for glaucoma, and I think my glasses cost about \$100," she says. "So it was \$150 for everything."

But Charlynnne wishes that she had a doctor of her own, so that she'd be able to discuss some of the concerns on her mind. She is particularly worried about her method of birth control. "I smoke, and I've been on the pill for two years," she says. "You know, they say if you are over 30 and you smoke, it's dangerous. I'm not over 30 yet, but I'm getting there. I'm also worried about my weight. I've asked my mom and some of her friends. But I want to know, What are the repercussions?"

If taking birth control pills scares her, the idea of not being able to take them is petrifying. "I would like to be pregnant, but we can't do it," she says. "We'd be stuck with \$10,000 worth of bills. We just can't do it. We can't. I just hope we don't have to wait until Kenyon is 10. He should have a baby sister or brother before then."

Future goal: a job with good benefits

The Taylors wish they could buy health insurance at an affordable rate. "I would be willing to pay the money for insurance, if it covered us," Charlynnne says. "If we just had something. Not even like checkups every six months, but if it was something we could use as a last resort, it would be great." But it would have to be cheaper than the \$68 every other week that Taco Bell's coverage costs. Although their gross annual income puts them solidly in the middle class, when they look at what's left each month after they pay their fixed bills, they have only \$500 to buy groceries, diapers, and clothes, pay old medical bills, and deal with any other need that arises.

For instance, right now the couple is facing a transportation emergency. Charlynnne's 1988 Toyota Tercel gave out in mid-July. The engine head cracked, and it needs a whole new engine, too expensive a repair, the couple thinks, for a 12-year-old car with 190,000 miles on it. Making do with just one car is out of the question. The couple needs two cars because Charlynnne always works the night shift, and Monty is usually scheduled for both days and nights.

For the summer, Monty has managed to arrange to stay on the night shift, which enables the couple to carpool together to Oklahoma City. But because Monty's shift starts earlier than Charlynné's, carpooling requires that Charlynné leave for work several hours early, which means more time away from Kenyon. Even so, the couple can't even think about buying another car until they finish paying off the loan for Monty's car in December. "We're going to have to be carpooling for four or five months, or he'll have to get a second job, because we can't be making two car payments," Charlynné says.

With their financial pressures mounting, the Taylors have decided that Monty should look for another job, with better benefits, including good family health coverage. "It can pay the same," Charlynné says. "That's OK with him. But it has to have better benefits." There is a nearby manufacturing plant where Charlynné believes Monty could become a forklift operator. Or he might be able to get a job at the local Wal-Mart or Coca-Cola bottling plant. He hasn't yet investigated whether any of those employers would be interested in a prospective employee whose experience is limited to the fast-food industry.

"I don't think Monty worries about these things, because he knows I do," Charlynné continues. Her husband smiles. "She worries enough for both of us," he says.

"I worry a lot," Charlynné admits. "We have a plan for the future, but I don't know what we would do if something major happened."

Health Benefits Vary Among Small Business by Industry

Percent of Small Firms Offering Health Benefits



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000.