

NATIONAL SURVEY OF SMALL BUSINESS EXECUTIVES

KAISER/HARVARD PROGRAM ON HEALTH POLICY in conjunction with AMERICAN SMALL BUSINESS ALLIANCE EDUCATION FUND

National Topline

Methodology

The *National Survey of Small Business Executives on Health Care* is a product of the Kaiser-Harvard Program on the Public and Health/Social Policy in conjunction with the American Small Business Alliance Education Fund. It was designed and analyzed by researchers at the Kaiser Family Foundation and Harvard University in conjunction with the ASBAEF. The survey was conducted by telephone by Princeton Survey Research Associates with 800 heads of companies and organizations with fewer than 100 full-time employees between March 18 and May 9, 1998. Respondents included sole/principal owners (45%); presidents/CEOs/executive directors (12%); other decision-makers such as chief operating officers, general managers, partners, chief financial officers, and vice presidents (17%), and decision-making employees including human resource directors (26%). The margin of error for results based on the total sample is plus or minus 5%, although the margin of error is larger for some subsets.

RESPONDENT INTRODUCTION: Hello, my name is _____ and I'm calling for Princeton Survey Research. We're conducting an important national survey about issues facing U.S. employers for Harvard University, a major foundation, and a small business association. This interview will take only about 15 minutes. As a token of our appreciation, we'll be happy to send you a copy of our survey findings.

S1-3. First, what is the TOTAL number of people now employed by your company or organization at ALL locations and work sites, including yourself? Just your best estimate...

61	4 to 9
20	10 to 19
14	20 to 49
<u>5</u>	50 to 99
100	

Unless otherwise noted: Public comparisons are from a January 1998 Kaiser-Harvard Program on the Public and Health/Social Policy Survey, "Americans' Views on Consumer Protection in Managed Care," conducted December 12-30, 1997 by Princeton Survey Research Associates, of 1,204 adults.

S4-6. What is the TOTAL number of FULL-TIME employees in your company or organization, including yourself? Just your best estimate..

None	
15	1 to 3
51	4 to 9
17	10 to 19
12	20 to 49, OR
3	50 to 99?
<u>0</u>	Refused
100	

S7. Are you a private, for-profit company, or a private, non-profit organization?

88	For-profit company/professional practice
12	Non-profit organization
0	Government/public institution
<u>*</u>	Refused
100	

MAIN INTERVIEW

1. Including both full-time and part-time workers, how many of your company=s (organization=s) employees are now paid more than \$30,000 per year?

26	None
36	Only a few
10	Less than half
10	About half
6	More than half, OR
5	Nearly all?
2	(VOL.) All
<u>5</u>	Don=t know/Refused
100	

2. Which, if any, of the following benefits does your company (organization) now offer to any of your full-time employees? Do you now offer...

Based on those who have full time employees: n=785

		Yes, <u>Offer</u>	No, <u>Do Not</u>	Don=t Know/ <u>Refused</u>	
a.	Paid sick days or vacation days?	83	17	*	=100
b.	Paid maternity leave?	22	74	4	=100
c.	Child care?	5	94	1	=100
d.	An employee pension plan?	35	64	1	=100

3. Next, we=d like your opinion on a national policy issue... If it turns out that the federal government has a budget SURPLUS this year, which ONE of the following do you think should be done with the available money? Should it be used...

<u>Current</u>		<u>Public</u> ¹
18	For a tax cut?	11
27	To pay off the national debt more quickly?	22
15	For increased spending on domestic programs such as health, education, and the environment?	33
38	To help make the Social Security and Medicare programs financially sound?	32
<u>2</u> 100	Don=t know/Refused	<u>2</u> 100

¹ Trend from the January 1998 News Interest Index conducted by The Pew Research Center for The People and The Press.

4. We=d also like your views on this country=s health care system... Please tell me if you are very satisfied, somewhat satisfied, somewhat DISsatisfied, or very dissatisfied with each of the following. (First,) what about...

		<u>Very Satisfied</u>	<u>Somewhat Satisfied</u>	<u>Somewhat Dissatisfied</u>	<u>Very Dissatisfied</u>	<u>Don=t Know/ Refused</u>	
a.	The quality of health care available for you and your employees	35	39	9	11	6	=100
b.	The cost of health care and health insurance	8	21	30	39	2	=100
c.	Administrative ease in purchasing employee health insurance and submitting claims for reimbursement	22	33	19	15	11	=100

5. How closely have you followed news reports about the consumer bill of rights for health care proposed by President Clinton and similar bills proposed in Congress? Have you followed news about this ...

8 Very closely
 26 Fairly closely
 30 Not too closely, OR
 22 Not at all closely?
14 Don=t know/Refused
 100

6. We're interested in YOUR views on what might happen if these proposed consumer protections were passed into law. If they were passed into law, do you think...

a. The cost of health insurance premiums would increase a LOT, only a LITTLE, or not at all?

37	Increase a lot
25	Increase a little
7	Not at all
1	(VOL.) Increasing some
<u>30</u>	Don't know/Refused
100	

b. MANY employers would drop health coverage for their workers, only a FEW would drop coverage, or NONE would drop coverage?

18	Many
42	Only a few
9	None
2	(VOL.) Some
<u>29</u>	Don't know/Refused
100	

c. There would be a LOT more government involvement in health care, only a LITTLE more government involvement, or no more government involvement than there is now?

41	A lot more involvement
22	Only a little more involvement
10	No more involvement
1	(VOL.) Some more involvement
<u>26</u>	Don't know/Refused
100	

d. It would lead to better health care for workers and more information for employers, or not much improvement in these areas?

21	Better health care/more information
49	Not much improvement
2	(VOL.) Would make things worse
<u>28</u>	Don't know/Refused
100	

7. How many of your full-time employees are now offered health insurance coverage that is paid for, at least in part, by the company (organization)...

Based on those who have full-time employees; n=785

55	All full-time employees
8	Most of them
9	Only some of them, OR
27	None of them?
<u>1</u>	Don't know/Refused
100	

8. What is the MAIN reason your company (organization) does NOT offer health insurance coverage?

Based on those who do not offer health insurance; n=183

57	Cost
6	All/most covered elsewhere
4	Employees are self insured or pay for coverage
8	Not necessary
6	Company/organization too small
2	Business too new
3	Largely part-time employees/seasonal business
2	Salary compensates for lack of coverage
13	Other
3	No reason/none
2	Don't know/refused
<i>Total exceeds one hundred percent due to multiple responses</i>	

QUESTIONS 9-11 BASED ON THOSE WHO OFFER HEALTH INSURANCE; N=594

9. For full-time employees, does your company pay all, one-half or more, less than half, or none of the monthly health insurance premiums?

56	All
32	Half or more
8	Less than half
4	None
<u>*</u>	Don't know/Refused
100	

10. Do you offer employees a choice of more than one health plan, or only one plan?

11. How many different health plans do you offer?

81	One plan
17	More than one plan
9	Two
4	Three
1	Four
1	Five
1	Six or more
1	Don't know number of plan
<u>2</u>	Don't know/refused
100	

12. We're interested in why you don't offer your employees more choices of health plans. As I read you some possible reasons, tell me if each is a MAJOR reason, a MINOR reason, or NOT a reason you don't offer more choices (First,) what about this...

Based on those who offer one or two health plans: n=533

		<u>Major Reason</u>	<u>Minor Reason</u>	<u>Not a Reason</u>	<u>Don't Know/Refused</u>	
a.	It's too expensive to offer more choices	51	11	32	6	=100
b.	There would be too much administrative burden	40	21	36	3	=100
c.	Health plan rules require all or most employees to be in the same plan	51	14	29	6	=100
d.	There aren't enough different plans available locally	21	21	53	5	=100

13. Which of these is the MOST important reason you don't offer more choices of health plans?

Based on those who offer one or two plans; n=533

30	It's too expensive to offer more choices
16	There would be too much administrative burden
25	Health plan rules require all or most employees to be in the same plan
5	There aren't enough different plans available locally
*	(VOL.) Other
21	None are major reasons
<u>3</u>	Don't know/Refused
100	

14. Do you NOW offer employees health coverage through an HMO, PPO, or other managed care plan that directs them to a list of doctors and hospitals, or through a traditional health plan that allows them to go to almost any doctor or hospital?

15. Do you NOW offer employees health coverage ONLY through HMOs, PPOs, or other managed care plans that direct them to a list of doctors and hospitals, ONLY through traditional health plans that allow them to go to almost any doctor or hospital, OR do you offer BOTH types of plans?

Based on those who offer health insurance; n=594

54	Only HMOs/PPOs/Other managed care plans
33	Only traditional plans
7	Both types of plans
<u>6</u>	Don't know/Refused
100	

16. Is the health plan that now covers the LARGEST NUMBER of your employees...

Based on those who offer health insurance; n=594

58	An HMO or other managed care plan, OR
36	A traditional health plan?
<u>6</u>	Don't know/Refused
100	

For my next question, please think about the health plan that now covers the LARGEST NUMBER of your employees...

QUESTIONS 17-19 BASED ON THOSE WHO OFFER HEALTH INSURANCE; N=594

17. Based on all your company=s (organization=s) experience with this health plan, what letter grade would you give it for its overall performance in serving your company (organization) and its employees: A, B, C, D or F?

<u>Current</u>	<u>Public²</u>
25 A (excellent)	30
42 B (good)	42
23 C (average)	19
3 D (poor)	4
3 F (failing)	2
1 (VOL.) Not with plan long enough to rate	2
<u>3</u> Don=t know/refused	<u>1</u>
100	100

18. Has your company (organization) SWITCHED the health plans offered to employees in the past two years, that is, since March 1996?

30	Yes
68	No
<u>2</u>	Don=t know/refused
100	

19. Have you, or has someone else in your company (organization) who deals with benefits, EVER been asked to intervene on behalf of an employee who was having problems with any health plan you offered?

20	Yes
78	No
<u>2</u>	Don=t know/Refused
100	

² Based on all who are insured, n=994.

20. The LAST time this happened, was it a MAJOR disruption for your company (organization), a MINOR disruption, or NOT a disruption at all?

Based on those who ever intervened; n=133

19	Major disruption
52	Minor disruption
25	Not a disruption
<u>4</u>	Don=t know/Refused
100	

21. Please think back to the LAST time your company (organization) was making decisions about which health plans to offer your employees... Do you feel you had ALL the information you needed to make good decisions about which health plan or plans to buy, MOST of the information you needed, only SOME of it, or NONE of it?

43	All
37	Most
11	Only some
3	None
<u>6</u>	Don=t know/Refused
100	

22. In general, is dealing with health insurance issues an easy and straightforward task for your company, or is it a difficult and confusing task?

23. Would you say it is VERY (easy and straightforward/difficult and confusing), or SOMEWHAT (easy and straightforward/difficult and confusing)?

50	Total easy and straight forward
30	Very easy and straight forward
20	Somewhat easy and straight forward/don=t know
46	Total difficult and confusing
15	Very difficult and confusing
31	Somewhat difficult and confusing
<u>4</u>	Don=t know/Refused
100	

24. Are any of your full-time employees now offered health insurance coverage for their dependent children that is paid for, at least in part, by the company (organization)?

Based on those who offer health insurance; n=594

58 Yes
 40 No
2 Don't know/Refused
 100

25. There is a new government program that provides subsidized health insurance coverage for children in families below a certain income level -- for example, \$30,000 per year for a family of four. If your state had such a program, what is your company (organization) most likely to do: STOP CONTRIBUTING toward the cost of dependent coverage for your employees, DROP dependent coverage entirely, or CONTINUE dependent coverage as is?

Based on those who offer dependent coverage; n=350

7 Stop contributing
 8 Drop coverage entirely
 71 Continue coverage as is
14 Don't know/Refused
 100

PERSONAL HEALTH INSURANCE COVERAGE

26. Do you have your OWN personal health insurance coverage MAINLY through...
 one of the health plans/the health plan...
 your company (organization) offers to employees?
27. What is the MAIN source of your OWN personal health insurance coverage? Do you...

21 Have coverage through your spouse or another family member, OR
 12 Do you buy private individual health insurance, OR
 3 Are you covered through some other source, OR
 6 Are you NOT now covered by any health plan?
 55 Company plan
 2 Government/military/Medicare
1 Don't know/Refused
 100

28. Now I=d like your views on HMOs and other managed care plans in general -- regardless of whether you are now in managed care. During the past few years, do you think managed care plans have...

- a. Made it easier or harder for people who are sick to see medical specialists?

Based on Form 1 respondents; n=399

<u>Current</u>	<u>Public 9/97³</u>
20 Easier	25
57 Harder	59
10 (VOL.) No effect	4
<u>13</u> Don=t know/refused	<u>12</u>
100	100

- b. Increased or decreased the quality of health care for people who are sick?

<u>Current</u>	<u>Public 9/97</u>
28 Increased	32
58 Decreased	51
2 (VOL.) No effect	7
<u>12</u> Don=t know/refused	<u>10</u>
100	100

- c. Helped keep health care costs down, or haven=t made much difference?

<u>Current</u>	<u>Public 9/97</u>
31 Helped	28
43 Haven=t made much difference	55
8 (VOL.) Made costs go up	5
<u>18</u> Don=t know/refused	<u>12</u>
100	100

Continued...

³ Trend for questions 28a-e from a survey conducted in September 1997 by Princeton Survey Research Associates for The Henry J. Kaiser Family Foundation and The Harvard School of Public Health .

28. **Continued...**

Based on Form 2 respondents; n=401

- d. Made it easier or harder to get preventive services such as immunizations, health screenings, and physical exams?

<u>Current</u>		<u>Public 9/97</u>
31	Easier	46
43	Harder	31
8	(VOL.) No effect	8
<u>18</u>	Don't know/refused	<u>15</u>
100		100

- e. Increased or decreased the amount of time doctors spend with their patients?

<u>Current</u>		<u>Public 9/97</u>
7	Increased	16
65	Decreased	61
7	(VOL.) No effect	9
<u>21</u>	Don't know/refused	<u>14</u>
100		100

29. I'm going to read you three ways to ensure that consumers in HMOs and other managed care plans are treated fairly and get the proper care. After I read all three, tell me which ONE you think is the BEST way to protect consumers in managed care. Here are the choices...

Based on Form1 respondents; n=399

- A. The managed care industry monitoring itself and setting voluntary standards for plans to follow, OR...
- B. The government developing and enforcing regulations that plans must follow, OR...
- C. A non-government independent organization developing and enforcing standards that plans must follow.

Which do you think is the BEST way to protect consumers -- A, B, or C?

<u>Current</u>		<u>Public</u>
14	A. The managed care industry itself	15
12	B. The government	23
62	C. A non-government independent organization	57
1	(VOL.) Other	1
1	(VOL.) None	1
<u>10</u>	Don't know/Refused	<u>3</u>
100		100

30. In recent months, different groups have said something needs to be done to regulate the operations of HMOs and other managed care plans. Would you MOST like to see managed care plans regulated by...

Based on Form 2 respondents; n=401

<u>Current</u>		<u>Public 9/97⁴</u>
9	The federal government	19
15	State governments	18
36	A independent, non-profit organization, OR	34
23	Should they NOT be regulated at all?	16
2	(VOL.) Regulated by other group	2
<u>15</u>	Don't know/Refused	<u>11</u>
100		100

⁴ Trend from a Kaiser-Harvard Program on the Public and Health/Social Policy September 1997 national survey of American's views of Managed Care, conducted among n=1204 adults by Princeton Survey Research Associates.

31. Next, please tell me whether you would favor or oppose a law requiring HMOs, managed care plans and health insurance companies to do each of the following. (First,) would you favor or oppose a law requiring health plans to...

Based on Form 1 respondents; n=399

		<u>Favor</u>	<u>Oppose</u>	<u>Don't Know/ Refused</u>	
a.	Provide people with information about how the health plan operates, such as the benefits covered, the doctors in the plan, and how to get complaints resolved				
	Current	89	5	6	=100
	Public	92	6	2	=100
b.	Allow a woman to see a gynecologist without having to get permission or see her regular doctor first				
	Current	84	11	5	=100
	Public	82	16	2	=100
c.	Allow people with serious medical conditions to see a medical specialist without always having to get permission or see their regular doctor first				
	Current	75	21	4	=100
	Public	81	18	1	=100
d.	Pay for an emergency room visit when someone might reasonably believe they need immediate medical attention -- even if the problem doesn't turn out to be serious				
	Current	77	18	5	=100
	Public	79	18	3	=100
e.	Allow people to appeal a health plan's decision to an independent reviewer if they are denied coverage or a particular medical treatment				
	Current	88	8	4	=100
	Public	88	9	3	=100
f.	Allow patients to sue a health plan for malpractice, like they can now sue a doctor				
	Current	61	30	9	=100
	Public	64	31	5	=100

32. You said you favor a law requiring health plans to...(INSERT--READ AND ROTATE). Would you still favor this law if you heard it might increase the cost of people=s health insurance premiums? (**RECORD RESPONSE**) You also said you favor a law requiring health plans to...(INSERT NEXT ITEM) Would you still favor this law if you heard it might increase the cost of people=s health insurance premiums?

Based on Form 1A; n=198

		Yes, Would <u>Still Favor</u>	No, Would <u>Oppose</u> ⁵	Don=t Know/ <u>Refused</u>	
a.	Provide information about the plan				
	Current	69	21	10	=100
	Public	58	34	8	=100
b.	Allow a woman to see a gynecologist without special permission				
	Current	66	26	8	=100
	Public	63	34	3	=100
c.	Allow people to see a medical specialist without special permission				
	Current	59	33	8	=100
	Public	58	39	3	=100
d.	Pay for an emergency room visit if someone believes they need immediate medical attention				
	Current	66	27	7	=100
	Public	62	33	5	=100
e.	Allow people to appeal a plan=s decision to deny coverage to an independent reviewer				
	Current	72	20	8	=100
	Public	63	32	5	=100
f.	Allow patients to sue a plan for malpractice				
	Current	51	36	13	=100
	Public	48	45	7	=100

⁵ Includes respondents who opposed initially in Question 31.

33. You said you favor a law requiring health plans to...(INSERT--READ AND ROTATE). Would you still favor this law if you heard it might get the government too involved in health care? (RECORD RESPONSE) You also said you favor a law requiring health plans to...(INSERT NEXT ITEM) Would you still favor this law if you heard it might get the government too involved in health care?

Based on Form 1B; n=201

		Yes, Would <u>Still Favor</u>	No, Would <u>Oppose</u> ⁶	Don't Know/ <u>Refused</u>	
a.	Provide information about the plan				
	Current	49	37	14	=100
	Public	55	38	7	=100
b.	Allow a woman to see a gynecologist without special permission				
	Current	46	43	11	=100
	Public	51	43	6	=100
c.	Allow people to see a medical specialist without special permission				
	Current	41	50	9	=100
	Public	47	48	5	=100
d.	Pay for an emergency room visit if someone believes they need immediate medical attention				
	Current	45	42	13	=100
	Public	52	41	7	=100
e.	Allow people to appeal a plan's decision to deny coverage to an independent reviewer				
	Current	44	42	14	=100
	Public	51	41	8	=100
f.	Allow patients to sue a plan for malpractice				
	Current	33	54	13	=100
	Public	38	54	8	=100

⁶ Includes respondents initially opposed in Question 31.

34. Next, I'm going to read you some laws that would require HMOs, managed care plans and health insurance companies to do certain things. As I read each law, tell me whether you favor it as a way to make sure people get the care they need, OR oppose it as unnecessary government involvement in health care. (First,) how do you feel about a law requiring health plans to...

Do you favor it as a way to make sure people get the care they need, or oppose it as unnecessary government involvement in health care?

Based on Form 2 respondents; n=401

	<u>Favor To Ensure People Get Care</u>	<u>Oppose as Unnecessary Govt. Involvement</u>	<u>Don't Know/ Refused</u>	
a. Provide people with information about how the health plan operates, such as the benefits covered, the doctors in the plan, and how to get complaints resolved	88	8	4	=100
b. Allow a woman to see a gynecologist without having to get permission or see her regular doctor first	81	12	7	=100
c. Allow people with serious medical conditions to see a medical specialist without always having to get permission or see their regular doctor first	76	19	5	=100
d. Pay for an emergency room visit when someone might reasonably believe they need immediate medical attention -- even if the problem doesn't turn out to be serious	74	19	7	=100

Continued...

34. **Continued...**

	<u>Favor To Ensure People Get Care</u>	<u>Oppose as Unnecessary Govt. Involvement</u>	<u>Don=t Know/ Refused</u>	
e. Allow people to appeal a health plan=s decision to an independent reviewer if they are denied coverage for a particular medical treatment	86	10	4	=100
f. Allow patients to sue a health plan for malpractice, like they can now sue a doctor	66	25	9	=100

35. If the requirements we just talked about were passed into law, some say it would increase health insurance premiums for employers like yourself. If your share of health insurance premiums increased by ONE TO FIVE DOLLARS per month for a single employee, would your company (organization) be most likely to...

Based on Form 1 respondents who offer insurance; n=300

50 Absorb this additional cost
 33 Pass on SOME of it to employees
 9 Pass on ALL of it to employees, OR
 1 Drop coverage entirely?
 2 (VOL.) Switch to a plan with lower premiums
5 Don=t know/Refused
 100

36. If the requirements we just talked about were passed into law, some say it would increase health insurance premiums for employers like yourself. If your share of health insurance premiums increased by 15 TO 20 DOLLARS per month for a single employee, would your company (organization) be most likely to...

Based on Form 2 respondents who offer insurance; n=294

45 Absorb this additional cost
 35 Pass on SOME of it to employees
 8 Pass on ALL of it to employees, OR
 3 Drop coverage entirely?
 3 Switch to a plan with lower premiums
6 Don=t know/Refused
 100

37. We=d like to know if you or someone you know has experienced some different kinds of problems with an HMO, managed care plan or health insurance company. In the last few years, have you or someone you know...

<u>"Yes"</u>		<u>Public</u>
35	Needed more information about how the health plan operates in order to choose among different health plans	29
9	Had difficulty getting permission from a health plan or regular doctor to see a gynecologist	6
25	Had difficulty getting permission from a health plan or regular doctor to see a medical specialist	18
21	Had difficulty getting a health plan to pay an emergency room bill	19
20	Wanted to file an appeal to an independent reviewer when a health plan denied coverage for a particular medical treatment	17
7	Wanted to sue a health plan for malpractice	9

DEMOGRAPHICS:

D1. RECORD SEX

62	Male
<u>38</u>	Female
100	

D2. Now I have just a few background questions... Is there someone in your company (organization) whose MAIN JOB is dealing with employee benefits and other personnel or human resources issues?

51	Yes
49	No
<u>*</u>	Refused
100	

D3. Are you the sole or principal owner of your company?

D4. What is your TITLE in your company (organization)?

45	Sole/principal owner
12	President/Chief executive officer (CEO)/Executive director
1	Chief financial officer (CFO)
9	Chief operating officer (COO)/General manager
3	Partner
4	Vice president (VP) (not also CFO or human resources director)
1	Human Resources/Personnel Director
1	Benefits officer/related title
24	Other
<u>*</u>	Refused
100	

D5. In politics TODAY, do you consider yourself a Republican, Democrat, or Independent?

41	Republican
20	Democrat
30	Independent
1	(VOL.) Other party
2	(VOL.) No party
2	Don't know
<u>4</u>	Refused
100	

D6. What is your race? Are you white, black, Asian, or some other race?
Do you consider yourself a WHITE Hispanic/Latino or a BLACK Hispanic/Latino?

91	White
4	Black/African-American
1	Asian
2	Other or mixed race
*	Don't know
<u>2</u>	Refused
100	

National Survey of Small Business Executives on Health Care

Questionnaire and Topline

June 17, 1998