



**RECOMMENDATIONS ON MARKETING, OUTREACH,
AND ENROLLMENT FOR THE
MICHIGAN FIRST HEALTH CARE PLAN**

Prepared by
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The Paraprofessional Healthcare Institute's (PHI) Health Care for Health Care Workers Initiative (HCHCW) applauds Governor Granholm for introducing the Michigan First Health Care Plan (MI First) to provide health insurance to 550,000 of Michigan's uninsured. HCHCW is particularly interested in MI First because it could provide health insurance coverage to thousands of uninsured direct-care workers in the state. Direct-care workers are the backbone of Michigan's long-term care system, providing the hands-on care to the elderly and individuals with disabilities. Despite the important health care services these workers provide, many lack health insurance coverage ensure that their health care needs are met.

The other state programs highlighted in this report provide important information that Michigan can use in constructing a successful public/private partnership to offer health insurance coverage to low-income individuals; particularly in the areas of marketing and outreach. This report provides a description of the marketing and outreach strategies for these programs and recommendations that Michigan should consider in the design of MI First.

Summary of Recommendations

- **The marketing and outreach of MI First should be the responsibility of the State agency administering the program.** As demonstrated by shortcomings of the DirigoChoice program and the successful marketing of Healthy New York, the State can more effectively direct and coordinate these efforts.

Marketing and outreach efforts should be adequately funded and considered an integral component in MI First. Although The Exchange will be responsible for coordinating the products offered through various health plans, the State should have the sole responsibility for outreach and providing accurate, concise information on the availability of coverage.

The Michigan Department of Community Health (MDCH) has existing resources and relationships that can be used in developing a successful marketing and outreach strategy for MI First. As the state agency leading the work of the State Planning Grant for the Insured, MDCH already has the attention of a broad range of health care, businesses, and advocacy leaders that are interested in the success of MI First can be harnessed to launch successful and innovative marketing and outreach efforts.

- **Initiate a pilot program to target personalized outreach to small employers in order to reach uninsured individuals living below 200% of poverty.** Since it will not be possible to conduct personalized outreach to all small employers, MI First should consider piloting targeted outreach to small employment sectors that have high rates of uninsurance. Outreach efforts conducted by CAHC on behalf of the DirigoChoice program showed that targeted, personalized outreach was very effective in reaching both small employers and workers.

- **Provide a streamlined means of receiving information and enrolling into MI First.** With multiple health plans offering varying levels of coverage, MI First has the potential to be a difficult program for consumers to navigate. Available information on MI First indicates that The Exchange will be responsible for facilitating enrollment and providing information to assist individuals in choosing an appropriate health plan. However, it is not clear on how The Exchange will operate. We offer the following guidelines that should be considered in the development of how The Exchange will operate:
 - The Exchange should be the primary means by which individuals receive accurate, neutral, concise information on available coverage and health plans.
 - Individuals should be able to be screened for eligibility by The Exchange. If eligible, this screening should be followed-up by having an application mailed to them. If they are not screened, they should be provided appropriate resources for finding other coverage.
 - Screening and application materials should be available on-line for individuals with Internet access. However, the Internet should not be the sole source for receiving information and screening.
 - The Exchange should be staffed as a “HelpLine” with hours from 9am to 10pm Monday through Friday, with shorter weekend hours. to fit varying work schedules.

Discussion

Michigan has an opportunity to be innovative in designing MI First. As a public/private endeavor, MI First will take a market approach by working in partnership with the health insurance industry. As we understand it, health insurance will be made available to uninsured individuals, using insurance products through the private sector, as opposed to relying solely on the State to deliver coverage.

The design of marketing, outreach, and enrollment strategies for MI First is a critical area in the partnership between the State and private insurers. While designing a program that is both affordable and responsive to the health care needs of consumers is the primary predictor in the success of an expansion program, marketing and outreach are also important factors in the rate of enrollment in a health plan. Michigan can learn from other states that have taken a similar approach in using a market-based approach to extend coverage to the uninsured.

Maine and New York are two states that have used a market approach to make insurance available to low-income, uninsured individuals. In Maine, DirigoChoice began in January 2005 as a health insurance expansion program aimed at small businesses and low-income individuals. Blue Cross Blue Shield, the state’s largest private health insurer, administers DirigoChoice. In New York, HealthyNY also makes health insurance coverage available through private health insurers to low-income workers and small businesses. HealthyNY requires all health maintenance organizations in the state to

participate in the program and offer a HealthyNY plan. An earlier program in New York, the Small Businesses Health Insurance (SBHI) demonstration project also extended low-cost health insurance plan to small businesses in Brooklyn and the South Bronx.

We recognize that these plans differ from MI First in how they chose to target coverage. Coverage under MI First will be made available to individuals, rather than to businesses to cover their workers. Although businesses will be involved in MI First by coordinating with The Exchange to withhold premium payments from earnings, they are not the target population for coverage. Despite the difference in target populations, these plans all worked with private insurers to make health insurance available to the uninsured. Each state had a different approach and level of success with how they collaborated with insurers to market coverage.

The programs highlighted in this report provide important information that Michigan can use in constructing a successful public/private partnership to offer health insurance coverage to low-income individuals; particularly in the areas of marketing and outreach. This report provides a description of the marketing and outreach strategies for these programs and recommendations that Michigan should consider in the design of MI First.

Description of Marketing and Outreach Strategies used in other States

Maine's DirigoChoice

Although DirigoChoice differs from MI First in that their primary target was business owners, we chose to highlight this plan because it did include individuals as an eligible population. In addition, like DirigoChoice, MI First has potential complexities in the products offered and how individuals access coverage. These complexities require an outreach and marketing plan that provides understandable, concise information to individuals eligible for coverage. The lack of a clear marketing and outreach strategy on the part of the state and not effectively utilizing community resources influenced the DirigoChoice's success in reaching eligible populations.

DirigoChoice is a public/private partnership between Maine's Dirigo Health Agency and Blue Cross Blue Shield (Anthem) and is coordinated by MaineCare, the state's Medicaid program. DirigoChoice offers health insurance coverage to small businesses with less than 50 employees and individuals with an annual household income below 300% of poverty. Employers are required to pay at least 60% of the employee costs of the program. Employees are eligible for discounts for the remaining costs based on their income. Unemployed individuals or individuals whose employer does not offer health insurance are eligible for coverage and discounts based on their income. After 18 months of operation, as of June 2006, 18,000 individuals are enrolled in DirigoChoice; 37% of enrollees are individuals, 34% are small businesses, and 29% are self-employed¹. These figures are well below the 30,000 enrollees projected during the first year of the program². While the low-level of enrollees cannot be solely attributed to the marketing of DirigoChoice, it is a factor.

The focus for DirigoChoice was initially on small businesses, despite the program being open to individuals who lack access to insurance through their employer. Anthem has the primary responsibility for developing marketing and outreach strategies to get small businesses to enroll in the program. Anthem incorporates DirigoChoice into their traditional marketing plan for other insurance products to businesses.

Outreach and marketing to individuals was not built in to the design of DirigoChoice; therefore, additional funding from the Maine Department of Health and Human Services is not available to support such efforts. Since the primary target for enrollment into the program was through employers, there was no plan to target individuals for enrollment in the program. Since the inception of the program, Anthem has not done any outreach or marketing targeted to individuals. No use of radio or television advertising has been used to reach this market.

By not defining a marketing and outreach strategy for individuals, the State did not capitalize on existing community resources to reach uninsured individuals who would be eligible for DirigoChoice. Despite a lack of planning and financial support from the State or Anthem, Consumers for Affordable Health Care Foundation (CAHC), important health advocacy and information organization in Maine, has done much of the outreach to individuals for DirigoChoice³.

CAHC operates a Health Care HelpLine that provides individuals and families with information on free or low-cost health coverage programs in Maine⁴. The HelpLine provides information and screens individuals for eligibility into DirigoChoice. CAHC has also developed information sheets on DirigoChoice to provide clear, concise information on the program. In addition to the HelpLine, CAHC uses their general outreach opportunities at health fairs, county fairs, and general mailings to provide information on DirigoChoice. Neither Anthem nor the State have provided funding support to CAHC's outreach work on behalf of DirigoChoice.

Health Care for Health Care Workers (HCHCW), an initiative of Paraprofessional Healthcare Institute (PHI), became interested in the potential for DirigoChoice to reach home health employers and their employees. PHI contracted with CACH to utilize their existing outreach resources for DirigoChoice to conduct an outreach project during the first six months of the program to connect these employers and workers to coverage.

In February 2006, PHI published a report that documented the results of the outreach program and provided recommendations on how to improve outreach to individuals eligible for DirigoChoice⁵. One of the major findings that came out of the project is that home health employers and direct-care workers lack accurate and credible information on DirigoChoice. DirigoChoice is a complex insurance product. The program has different levels at which individuals receive a subsidy for the cost of coverage, and the premium and deductible structure can be complex. Without reliable and accurate information, many workers and employers are unclear about what the program offers, making it difficult to determine the benefit of enrolling in the coverage. In addition, various state and national interests, including the Heritage Foundation, launched campaigns in

opposition to DirigoChoice, leading to negative press about the product. These campaigns proved to be effect and contributed to misperceptions and a negative impression of the program among employers. Without a comprehensive outreach and marketing strategy promoting Dirigo Choice, it has been be difficult for the State to counter such criticisms

Based on the finding that neither employers or workers had adequate information on DirigoChoice, one of the primary recommendations of the report was the need for personal, targeted outreach tailored to home care agencies and workers. This type of outreach is important for small businesses that have small human resource staff to deal with insurance issues. These businesses rely largely on word of mouth or the media for information on available health insurance coverage. For workers, the same level of personal, targeted outreach is important in providing accurate information on eligibility and costs of the program, as well as dispelling myths and misconceptions of the program.

New York City's Small Business Health Insurance Demonstration

In the information on MI First it is unclear what role, if any, brokers will have on the marketing and outreach of the program. While targeted to the business community, the Small Business Health Insurance (SBHI) demonstration illustrates the pitfalls that can arise by placing much of the marketing and sales of an inexpensive insurance product in the hands of brokers.

Prior to the creation of the HealthyNY, the Mayor's Office on Health Insurance, in New York City, created the SBHI demonstration. The effort combined private insurance and the city's public hospital system to create a low-cost health insurance product to small businesses in parts of Brooklyn, the Bronx, and Manhattan. The monthly cost for this for product was about half of market rate for health insurance at that time. This project was aimed at providing comprehensive coverage for a moderate cost to small businesses and their employees. After three years, the project had only enrolled 53 small businesses with 49 continuing to use the product, despite an initial market of over 10,000 potential businesses. The program stopped taking new applications as of October 2001.

A 2002 report by the Commonwealth Fund highlights aspects of the plan design, marketing, and outreach that contributed to the low enrollment of the program⁶. In surveys and focus groups with business owners at the end of the project, the sales process, which included marketing and outreach, was one of the two factors responsible for low enrollment.

SBHI made promising initial efforts to reach prospective businesses. Mailings were sent to prospective businesses introducing the product. Both during and after the mailings, outreach workers and brokers visited small businesses and made community presentations. Advertisements in local and ethnic newspapers. These efforts showed promise in attracting businesses to the product. The response from the initial marketing

of SBHI was comparable to response rates from similar products. The largest proportion of responses was in response to direct-mailings, visits from outreach staff, and brokers.

Despite the initial success of reaching businesses, focus groups revealed poor follow-up, which contributed to the low enrollment in the program. A focus group for businesses owners who enrolled in SBHI revealed that though they were enthusiastic about the program, they had difficulty obtaining additional information on the product. Most focus group participants indicated that they needed to be vigilant in receiving additional information and gaining assistance in enrolling in the program. Several noted that it took several calls to the insurance carrier before speaking to someone familiar with SBHI. They also stated that brokers often did not return phone calls or missed scheduled appointments. Business owners stated that their personal diligence was the reason they were successful in enrolling in the program. Discussions with brokers confirmed the frustrations expressed by business owners. Despite the insurer designating brokers familiar with the target communities, there was little financial incentive for the brokers to aggressively sell or market SBHI.

Healthy NY

Healthy NY is a statewide, state-subsidized reinsurance program that provides coverage to small businesses, individuals, and sole proprietors. All HMOs in the state are required to offer a Healthy NY plan. Individuals are eligible for the program if they have been uninsured for one year or more and have income less than 250% of FPL. Small businesses with less than 50 employees are eligible if at least 30% of their employees have an annual income of \$35,000 or less and they have not offered a group health plan in the last 6 months. In addition, small businesses in Healthy NY must assure that at least 50% of eligible employees will participate in the program, they will contribute at least 50% of the premium, and they make it available to employees who work at least 20 hours/week.

Since the program's inception, Healthy NY has covered over 200,000 individuals. The program has experienced growth in both net enrollment and gross enrollment since it started in 2001. As of December 2005, enrollment in Healthy NY was 106,944, with individuals, not including sole proprietors, making up the largest group of enrollees at 56%⁷. Considering that there are over 2.3 million uninsured adults ages 19-64 in the state, the enrollment numbers in Healthy NY are low⁸. These low enrollment numbers are largely due to the benefit package and premiums required for the program.

Unlike the other insurance expansion programs highlighted in this report, the State leads the marketing and outreach efforts related to Healthy NY⁹. The New York State Department of Insurance works with other state agencies and through existing partnerships with local chambers of commerce, various medical societies, and small business associations to coordinate the marketing and outreach for the program. In addition to utilizing these resources to inform businesses and providers about the program, the Department does an intensive radio and television campaign each year during the open enrollment period.

The annual report by EP&P Consulting provides important information on the effectiveness of the Healthy NY's marketing and outreach plan¹⁰. Since 2004, Healthy NY has experienced a 40% increase in enrollment. Health plan representatives listed the advertising done by the State as a contributing factor to the program's growth. Since most health plans do not specifically market Healthy NY outside of mentioning it on their website, they rely on the State's campaign as their main marketing tool. Plans note that inquiries into the program increase dramatically during the promotional campaign done by State, specifically in response to the television ads. In surveys of individuals enrolled in the plan, one-fourth stated they heard about it through television advertising.

Recommendations for Michigan First

Other states' experience in marketing a public/private health insurance expansion product provides important information as Michigan designs the Michigan First Healthcare Plan. Based on these experiences and available information on the design of MI First, PHI's Health Care for Health Care Worker Initiative offers the following recommendations for the marketing and outreach:

- **The marketing and outreach of MI First should be the responsibility of the State agency administering the program.** As demonstrated by shortcomings of the DirigoChoice program and the successful marketing of Healthy New York, the State can more effectively direct and coordinate these efforts.

Marketing and outreach efforts should be adequately funded and considered an integral component in MI First. Although The Exchange will be responsible for coordinating the products offered through various health plans, the State should have the sole responsibility for outreach and providing accurate, concise information on the availability of coverage.

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Conclusion

The MI First Healthcare Plan is poised to be an innovative means of providing health insurance coverage to the uninsured. Providing accurate and concise information on the program will be a critical component to the success of this program. We recognize that there are many details to be worked in developing MI First. PHI/HCHCW is very much interested in working with state officials in the design of MI First to make sure accurately reflects the needs of the uninsured.

Endnotes

- ¹ Dirigo Health Agency (2006). *Dirigo Health Monthly Numbers. June 2006*. Available on-line http://www.dirigohealth.maine.gov/Numbers_June06.pdf . August 2006.
- ² Governor's Office on Health Policy and Finance. (2004). *Dirigo Health Fast Facts*. Available on line - http://www.maine.gov/governor/baldacci/healthpolicy/launching_dirigo_health/fast_facts_42304.htm . August 2006.
- ³ Information regarding CAHC outreach and marketing provided by Lisa Webber, Program Coordinator at CAHC on July 21, 2006.
- ⁴ In addition to providing information, the HelpLine also screens people for eligibility into these programs.
- ⁵ Paraprofessional Healthcare Institute (2006). *Health Insurance Coverage for the Home Care Sector: Experience from Early DirigoChoice Enrollment in Maine*. New York. Accessed on-line <http://www.hchcw.org/docs/HealthInsCovMEreport.pdf> July 2006.
- ⁶ Commonwealth Fund (2002). *Lessons from a Small Businesses Health Insurance Demonstration Project*. Field Report. Washington, DC. Accessed on-line
- ⁷ EP&P Consulting, Inc. (2005). *Report on the Healthy NY Program 2005*. Prepared for the State of New York Insurance Department. Available on-line at <http://www.ins.state.ny.us/website2/hny/reports/hny2005.pdf> . July 2006.
- ⁸ Kaiser Family Foundation (2004). *New York: Distribution of the Nonelderly Uninsured by Age*. Available at: http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=profile&category=Health+Coverage+%26+Uninsured&subcategory=Nonelderly+Uninsured&topic=Distribution+by+Age&link_category=&link_subcategory=&link_topic=&welcome=0&area=New+York . August 2006.
- ⁹ State Coverage Initiatives (2005). *Profiles in Coverage: Healthy New York*. Available on-line at: <http://www.statecoverage.net/newyorkprofile.htm#marketing> . July 2006.
- ¹⁰ See 5.