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The 2010 Massachusetts Employer Health Insurance Survey Field Report

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Background

The Center for Survey Research of the University of Massachusetts-Boston (CSR) has been conducting employer surveys for the Division of Health Care Finance and Policy (DHCFP) since 2001. The purpose of this survey series has been to gather information directly from employers about whether they offer health insurance to their employees, which employees qualify for this insurance, characteristics of the insurance offered, reasons for not offering insurance, and in general, the current overall picture of employer based health insurance in Massachusetts. The surveys, which were originally conducted on a bi-annual basis and are now conducted on an annual basis, allow DHCFP and other interested parties to observe trends over time.

Data from the 2010 survey may be more critical than ever given the rising cost of health insurance and how those cost increases may impact employers and employees. The 2010 survey created the ability to describe the current status of employer based health insurance, and also to study trends across the last decade by utilizing data from all six surveys. This report will describe the design and results of data collection efforts for the 2010 survey. Analytic results and contrasts to previous results will be provided in separate reports from DHCFP.



Design of the Survey

Questionnaire Design

The questionnaire used in this survey is largely based upon the questionnaires used in the 2001, 2003, 2005, 2007, and 2009 employer surveys in order to compare results. In 2009, a number of detailed questions were added in response to the increasing complexity of the employer based health insurance marketplace. Additional questions added to the 2009 questionnaire included:

- 1) Questions concerning health reimbursement arrangements (HRAs);
- 2) Questions concerning health savings accounts (HSAs);
- 3) Questions concerning tiered provider networks;
- 4) Questions concerning high deductible plans; and
- 5) Questions about the minimal creditable coverage that is now mandated by the state.

Response rates to the previous Employer Health Insurance Surveys in Massachusetts were always over 55% and were generally over 60%. It was hoped that the increased length and complexity of the 2009 survey would not adversely affect the expected response rate as these modifications would require most survey respondents to do a more in-depth record check. The 2009 survey was able to achieve a response rate above 50%. Due to this success the same questionnaire was used in 2010.



Sample Design

The sample for this survey was purchased from listings kept by Dun & Bradstreet, which keeps detailed up-to-date records on all employers in the United States. For the 2001, 2003, 2005, and 2007 employer surveys, the sample was drawn from all employers in Massachusetts with the following two exceptions:

- 1) Self-employed people were not eligible for the survey
- 2) Federal and state government employers were not eligible

The reason for excluding self-employed individuals was that employer based health insurance, in this instance, is simply personal health insurance since there is only one employee. The reason for not considering federal and state government employers was that the health insurance offerings of these employers are known and available through public records. It should be stated that state colleges and universities and federal post offices were included in the sample as these employers' benefit offerings are often more similar to private employers than typical federal and state agencies.

The 2010 survey also kept in place a significant change made to the sample design in 2009, which changed the lowest number of employees an eligible employer could have from two to three. This change was made to make the Massachusetts survey more consistent with other national survey efforts.

Another sample design feature that was retained was the designation of the worksite as the primary sampling unit. The worksite is defined as a particular site or location, which could be a single store, office or factory, or it could be an office complex, group of buildings, or a campus. For example, each CVS drugstore or each McDonald's restaurant is its' own worksite. Likewise, the General Electric facility in Lynn, Massachusetts is a distinct worksite from the General Electric facility in Springfield, Massachusetts. It was decided in 2001 that this survey should be conducted at the worksite level for two reasons:

- 1) It is not known in advance if worksites within a larger corporation are able to independently design benefits policies or if such decisions are mandated from corporate headquarters.
- 2) Since specific questions are asked about each individual worksite, such as the number and demographic profile of employees at the worksite, it is important to talk to someone at a specific worksite in order to get accurate information about the worksite.



For the 2010 survey, a stratification scheme was employed with the following strata:

- Stratum 1: employers with 3-10 employees
- Stratum 2: employers with 11-24 employees
- Stratum 3: employers with 25-50 employees
- Stratum 4: employers with 51-249 employees
- Stratum 5: employers with 250 or more employees

This scheme was the same stratification scheme used in 2009.

Table 1: Eligible Worksites in Massachusetts by Stratum

Stratum	Total Number of Worksites	Worksites Selected for the Sample
3 - 10 employees	101,455	700
11 - 24 employees	21,055	320
25 - 50 employees	12,593	320
51 - 249 employees	7,531	350
250 or more employees	1,135	250
Total	143,769	1,940

There is almost 100 times the number of employers in Massachusetts with 3-10 employees as compared with employers with 250 or more employees. However, the larger employers may actually employ a greater number of total employees within the state. This discrepancy must be addressed in any reasonable sample design. In each survey iteration between 2001 and 2007, the number of worksites listed in the Dun& Bradstreet database increased within each survey stratum. However, in 2009, the number of worksites decreased within each stratum. This trend continued in 2010 with fewer listed worksites in each stratum.

As Table 1 indicates, the proportion of worksites selected for the sample increased by estimated size of the worksite going from a low of 0.69% (700/101,455) of the worksites with 3-10 employees to a high of 22.03% (250/1,135) of the worksites with 250 employees or more. This design allowed for an examination of employers by size and yet still allowed for an investigation of all employers on a statewide level. For analysis, data must be weighted due to the differences in probabilities of selection across the strata. These weights are provided on all final data files.



Data Collection Design

On February 1, 2010, all sample worksites began to be called by CSR interviewers in an attempt to both find the name of the person who knew the most about health insurance at the worksite and then confirm that person's exact mailing address, telephone number, and email address. The purpose of this effort was to be able to mail survey materials directly to the correct person. In addition, interviewers could confirm that the worksite was still an operational business and had at least three employees.

Once this effort was complete, an initial mailing to sample worksites was conducted. If specific names were obtained, the mailing went directly to that person. If not, the mailing went to the worksite addressed to a generic "personnel manager." The initial mailing consisted of:

- 1) a copy of the questionnaire,
- 2) an introductory letter from CSR,
- 3) a letter from DHCFP,
- 4) a postage paid return envelope, and
- 5) a \$10 bill.

Previous employer surveys indicated that a \$10 gratuity paid in advance to respondents significantly increased response rates and primarily paid for itself by reducing the effort expended to get people to respond. The initial mailing to all sample worksites was conducted on April 8, 2010.

One week later, a reminder postcard was sent to all sample members asking them to return the questionnaire if they had not already done so. Two weeks after this postcard was mailed, a second copy of the survey materials was mailed to all sample members who had not yet responded. Approximately two weeks after this second mailing of survey materials, on May 17, 2010, the information for all sample worksites who had not yet responded was given back into the telephone facility so they could be called by CSR interviewers. The purpose of these calls was not to conduct the interview, but simply to ask the respondent if they could return the questionnaire. Additional mailings of the questionnaire were arranged for any respondent who requested a copy. During the reminder calls, respondents were asked to disclose the number of employees at the site and whether or not the employer offered health insurance to employees. In this way, this basic information would be known even if a questionnaire was not returned.

One change in the data collection design initiated in 2009 was offering respondents the opportunity to complete the survey on-line. This change was made in keeping with current survey methodology practices. The introductory letter mailed from CSR to respondents listed a website to go to as well as a unique identification code. People for whom there was a known email address received an email reminder with a link to the website. This on-line option was continued for the 2010 survey. With slightly lagging returns of completed questionnaires, one last mailing to sample members was done in early August. It was stated as the last attempt and resulted in approximately 25 additional questionnaire returns.



Data Collection Results

As described earlier, the initial stage of data collection involved calling all 1,940 sample employers to determine if they were still in business and had more than two employees. Table 2 details the result of this effort.

Table 2: Results of Screening for Eligibility

Stratum	Successfully Screened ¹	Unable to Locate ²	Not Eligible ³	Screening Refusal ⁴	Screening Limit ⁵	Total
3 - 10 employees	433	91	73	43	60	700
11 - 24 employees	248	28	15	18	11	320
25 - 50 employees	262	19	8	25	6	320
51 - 249 employees	287	23	14	21	5	350
250 or more employees	211	9	5	22	3	250
TOTAL	1441	170	115	129	85	1940

¹ Successfully Screened - Determined to be in business at worksite with a least 3 employees.

² Unable To Locate - Worksite could not be found through telephone directory, telephone information and internet searches.

³ Not Eligible - Confirmed out of business, having 2 or fewer employees, or merged with another business.

⁴ Screening Refusal - People at worksite refused to answer any questions.

⁵ Screening Limit - Eligibility could not be determined after many attempts, usually because only voicemail could ever be reached.

The results of the screening effort were successful. A total of 214 of the 1,940 employers (11.0%) either refused to answer the survey or could not be reached to determine eligibility. This was slightly higher than the 10.5% rate from 2009 and the 9.6% from 2007, but equal to the 11.0% rate from the 2005 study. All these employers were considered survey-eligible since no confirmation could ever be obtained. A total of 115 employers were confirmed as ineligible while 1,441 were confirmed eligible. Finally, the 170 employers that could not be located were declared ineligible. If they could not be located through exhaustive telephone and Internet searches, it was determined that they were likely no longer an operational worksite.



A second goal of the screening process was to obtain the exact name and mailing address of the specific person who would be most knowledgeable for answering health insurance questions at the worksite. Table 3 gives the results of this effort.

Table 3: Results of Obtaining Contact Information

Stratum	Successfully Screened Eligible	Not Screened but Considered Eligible	Contact Information Obtained	Success Rate ¹
3 - 10 employees	433	103	368	85.0%
11 - 24 employees	248	29	222	89.5%
25 - 50 employees	262	31	225	85.9%
51 - 249 employees	287	26	272	94.8%
250 or more employees	211	25	181	85.9%
Total	1441	214	1268	88.0%

¹ Success Rate - This is the rate for which those successfully screened as eligible also gave out contact information. Contact information could not be obtained from the 214 employers who were assumed eligible but not successfully screened.

The screening effort resulted in a total of 1,655 employers deemed eligible to be part of this survey. This was more than the 1,500 sample size that was sought. A random sub-sample of 1555 employers out of the 1655 was then selected to receive questionnaires. Table 4 shows the results of the data collection effort.



Table 4: Results from Mailing Questionnaires

Stratum	Complete Mail Interviews	Complete Web Interviews	Not Eligible ¹	Refusals ²	Not Returned ³	Total Mailed	Response Rate ⁴
3 - 10 employees	218	19	62	21	201	521	51.63%
11 - 24 employees	129	15	13	21	78	256	59.26%
24 - 50 employees	114	19	14	20	93	260	54.07%
51 - 249 employees	135	25	7	25	117	309	52.98%
250 or more employees	79	21	9	25	75	209	50.00%
Total	675	99	105	112	564	1555	53.38%

¹ Not Eligible - These are employers who could not be reached during screening but who later were found to be ineligible

² Refusals - These are employers who mailed or called in to actively refuse to participate.

³ Not Returned - These are employers who never refused but still never returned a questionnaire.

⁴ Response Rate - This is computed as (complete interviews) / (total mailed –not eligible)

The combined effects of screening to identify the best person to receive the survey, offering a web option, and the \$10 gratuity paid in advance were instrumental to success. Response rates across strata were fairly consistent. Employers with 250 or more employees had the lowest response rate of 50.0%, while employers with 11-24 employees had the highest response rate of 59.26%. All others were around 53%.

Due to differential rates of selection for the sample across strata and differential response rates, it is important to weight survey data for analysis when combining strata. Table 5 gives the appropriate valued weights that take into account both the different probabilities of selection and the different response rates.



Table 5: Survey Weights

Stratum	Weight
3 - 10 employees	284.9733
11 - 24 employees	118.7473
25 - 50 employees	80.7768
51 - 249 employees	40.7439
250 or more employees	10.1079

As stated earlier, during the reminder call respondents were asked two questions, namely the size of the worksite and if health insurance was offered to employees. Table 6 shows the results from this call.

Table 6: Results including Telephone Questions

Stratum	Total Eligible Sample	Mail & Web Questionnaires	Answered Phone Questions	Overall Response Rate ¹
3 - 10 employees	459	237	70	66.88%
11 - 24 employees	243	144	37	74.50%
25 - 50 employees	246	133	36	68.70%
51 - 249 employees	302	160	39	65.89%
250 or more employees	200	100	23	61.50%
Total	1450	774	205	67.52%

¹ This rate is computed as (Mailed Questionnaires + Answered Phone Questions) / Total Eligible Sample

From this table, it can be seen that for the most critical measure in the survey (i.e., whether an employer offers health insurance to employees), accurate information was obtained from 67.52% of all sample employers. This is a higher percentage than the 63.4% obtained in 2007, but lower than the 72.35% in 2009. The percentage of employers offering health insurance computed solely from the mail questionnaires (76.7%) is quite close to the same percentage computed from answers to the reminder phone calls (74.6%). These two estimates are not statistically different at the 95% level of confidence. This addresses the issue of potential survey non-response bias. In fact, the overall rate of offering insurance becomes 76.3% instead of 76.7% if both the mail and telephone responses are taken into account. This points to the stability of the estimates and that non-respondents, in general, would not be expected to differ significantly from respondents.



Attachments

1. Introduction letter from CSR mailed to respondents.
2. Letter from DHCFP mailed to respondents.





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Commissioner

Spring 2010

Dear Employer:

As part of an ongoing agenda to monitor the health insurance landscape in Massachusetts, the Massachusetts Division of Health Care Finance and Policy (DHCFP) is conducting an employer health insurance survey. Similar surveys were conducted in five prior years. This survey is being repeated to continue monitoring changes in health insurance coverage and premium cost, and to deepen our understanding of how the rising cost of health insurance affects the purchasing behavior of employers, employees and their families. The Commonwealth, as well as insurers and employers, use these data for planning, budgeting and comparative analysis. The survey is being conducted by the University of Massachusetts Center for Survey Research.

In conjunction with the interested parties listed below, Governor Deval Patrick and the Executive Office of Health and Human Services are asking you to help by participating in this important survey. Please fill out and return the survey in the enclosed postage paid envelope. Your responses will be strictly confidential. Results of the survey will be available later in the year at the following website: www.mass.gov/dhcfp. We hope you find the results interesting and useful.

Thank you for your cooperation,

JudyAnn Bigby, MD
Secretary, Executive Office of Health and Human
Services, Commonwealth of Massachusetts

Jack Curley
Executive Director
New England Employee Benefits Council

Shannon Linde
Consultant
Massachusetts Business Association

Richard Lord
President and CEO
Associated Industries of Massachusetts

April 2010

Dear :

We know the increasing cost of offering health insurance to employees and their families is a serious concern today to employers of all sizes. We also know that the state of Massachusetts has instituted many new laws governing health insurance as part of a large health care reform initiative. In order to obtain information about employer-offered health insurance, we are conducting a survey of selected Massachusetts' employers to find out about the problems and barriers you face in offering health insurance to employees. Learning about these problems is important to all of us who want to keep the costs of health insurance from growing and to make sure any new laws are effective for employers. We are interested in your answers, regardless of whether your organization currently offers health insurance to its employees.

**THE CENTER FOR SURVEY RESEARCH HAS ENCLOSED \$10.00 AS A TOKEN OF OUR
APPRECIATION FOR COMPLETING THIS SURVEY**

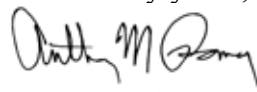
Please fill out the enclosed questionnaire and return it in the postage-paid envelope. It generally takes only about 25 minutes of your time, although this can vary depending upon the complexity of your company and its' policies. You can also complete the survey on the web by accessing:

www.{website}
and entering your private code of:

The information you provide will be invaluable to us. Of course, all information will be kept strictly confidential. Your name and the name of your organization will never be revealed in any fashion. A report of the results will be made available to you in a few months, enabling you to see how your organization compares to other employers your size. The survey is, of course, voluntary and you can skip any question you do not want to answer. However, if you choose not to respond, your valuable experiences and opinions will not be reflected in the survey results.

Thank you in advance for your time and cooperation. If you have any questions or concerns, please contact me at 617-XXX-YYYY. We will be happy to speak with you.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Anthony M. Roman".

Anthony M. Roman
Senior Researcher



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