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USING STATE-LEVEL EVIDENCE TO INFORM NATIONAL POLICY: RESEARCH FROM THE STATE HEALTH ACCESS REFORM EVALUATION (SHARE) PROGRAM

Small Group Employer Participation in New Mexico's State Coverage Insurance Program: Lessons for Federal Reform

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Objective. To identify factors associated with small group employer participation in New Mexico's State Coverage Insurance (SCI) program.
Data Sources. Telephone surveys of employers participating in SCI ($N = 269$) and small employers who inquired about SCI ($N = 148$) were fielded September 2008–January 2009.
Study Design. Descriptive and multivariate analyses investigated differences between employer samples, including employer characteristics, concerns that applied to the business when deciding whether to participate in SCI, prior offerings of insurance to workers, and perceived affordability of the program.
Data Collection/Extraction Methods. Unweighted employer samples yielded 88 and 75 percent response rates for the participating and inquiring employers, respectively.
Principal Findings. The administrative issue most commonly selected by inquiring employers as applying to their business was difficulty understanding how eligibility requirements applied to their business and its employees (53.5 percent). Inquiring businesses were significantly more likely to report concern about affording to pay the premiums in the first month (35.6 versus 18.7 percent) and the cost to the business over the long run (46.5 versus 26.6 percent) relative to participating employers. From the model results, businesses with the fewest full-time employees (zero to two) were 19 percentage points less likely to participate relative to businesses with six or more full-time employees.
Conclusions. Administrative and cost barriers to participation in SCI reported by employers suggest that the tax credit offered to small businesses under new federal provisions, which merely offsets the employer portion of premium, could be more effective if accompanied by additional supports to businesses.

Key Words. Small employers, federal reform, subsidized health insurance, state health policy

The Patient Protection and Affordable Care Act (PPACA) of 2010 maintains an important role for employer-sponsored insurance (ESI). Provisions within

the legislation will exert direct incentives for employers to offer health insurance. Beginning in 2014, businesses with 50 or more employees will face penalties if they do not offer health insurance and have at least one full-time employee receiving subsidized coverage through a state-based exchange. In contrast, businesses with fewer than 25 full-time employees and an average annual payroll per worker of $<$U.S.$50,000 may claim tax credits for up to 35 percent of the employer's contribution to the total premium through 2013 (PPACA 2010).[1] After that, the tax credit increases to an amount up to 50 percent of the employer's contribution, but it may be taken only for 2 years. Employers who do not fit either of these criteria face no new direct incentives or penalties to offer coverage under PPACA.

Small employers are treated more favorably under reform in part because they face extra barriers to provide coverage to workers relative to larger employers. For a small employer to qualify for a group policy, insurers may require that some minimum percentage of the employees "participate," with 100 percent participation typically required of the very smallest businesses.[2] In addition, there is evidence that small employers pay higher "loading fees," expressed as the ratio of administrative costs to premium dollars paid out for medical services (Karaca-Mandic, Abraham, and Phelps 2010). These factors help explain why small employers are less likely to offer ESI relative to large employers (Fronstin and Helman 2000; Abraham, DeLeire, and Royalty 2009).

The response by small employers to reform provisions will affect the overall landscape of employer-sponsored coverage in this country, as $>$60 percent of uninsured adults in the United States work for small businesses (100 or fewer employees) or are self-employed (Fronstin 2009). Moreover, decreasing offer rates among the smallest employers (three to nine employees) may be associated with overall declines in ESI coverage (Kaiser Family Foundation 2009). Among policy makers and academics, there is considerable uncertainty regarding the likely response by small businesses reform provi-

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sions. State programs that have previously sought employer participation in coverage initiatives provide some evidence by which to gauge employer responses to the PPACA.

Small business reform initiatives at the state level have sought to increase employer coverage in small businesses through multiple strategies. Many build on existing commercial products and seek to modify employer decisions to offer coverage (through tax credits or subsidies) or employee decisions to take up an employer offer (through premium assistance programs). These strategies have all had only limited success (Nelson A. Rockefeller Institute of Government 2008; Kenney, Cook, and Pelletier 2009).

"Three-share" programs take a different strategy by creating new insurance products to small employers and their workers through public–private partnerships formed at the state and local levels. Three-share programs, also referred to as "multi-shares," are named for the number of sources of financing: a public revenue stream; the employer's share of the premium; and the individual's share of the premium. A distinct feature of three-share programs is that employers may decide to participate by enrolling eligible workers as a group, and paying employer premium contributions to obtain a subsidized insurance product. Essentially, the business pays a reduced price for the product but otherwise administers the group benefit in much the same way as any other group insurance. Several states, including Arkansas (ARHealthNet), Oklahoma (Insure Oklahoma), and New Mexico (State Coverage Insurance [SCI]), have established such programs, and county-level multi-shares operate in at least seven states. Maine, New York, and Washington have three-share components as part of wider state-level coverage initiatives. While all of these programs target uninsured workers at small businesses and self-employed individuals, most also permit enrollment by nonworking adults as well (State Coverage Initiatives 2009).

Statewide programs such as Maine's Dirigo Choice, Healthy NY, and Washington's Basic Health Plan have experienced disproportionately higher enrollment by nonworking populations, relative to employees in small businesses (Dorn and Alteras 2004; Kilbreth 2006; Lipson and Quincy 2007). Across states, the number of participating employers has been modest, with the fraction of individuals enrolling through group sponsorship varying from <1 percent in Washington to 33 percent in Maine (Kilbreth 2006). Employer participation across county initiatives also has been modest (Ten Napel, Cohn, and Martinez-Vidal 2009). The resulting small share of private premium revenue has made program sustainability a common challenge. In addition, at least three state programs have reported adverse selection (Dorn and Alteras

2004; Kilbreth 2006). On a more positive note, a recent evaluation of New Mexico's SCI program found that the vast majority of enrollees reported that their coverage has increased their ability to obtain routine and acute care, and improved their ability to afford care (Call et al. 2010). In addition, this study found that most individuals reported that completing the application was easy.

No studies to date on three-share models have investigated the factors that influence employer participation. The aim of this study is to better understand why small group employer participation remains low in New Mexico's SCI program, and to investigate the determinants of small group employer participation associated with program structures and processes. It is the first study to collect primary data from employers about factors affecting their decision to participate in a three-share program. Results from this study provide lessons for policy makers to consider as federal provisions are implemented that impact small employers.

Program Background

New Mexico's SCI program opened for enrollment in July 2005 and provides access to subsidized, private health insurance for uninsured adults (parents and childless adults) aged 19 through 64 years with household incomes below 200 percent of the federal poverty level (FPL). Historically, about 71 percent of SCI program revenue has been financed with Children's Health Insurance Program funds authorized through a Health Insurance Flexibility and Accountability waiver; state funds (about 18 percent); and premiums from participating employers and individuals (about 11 percent).

As the result of the Children's Health Insurance Program Reauthorization Act of 2009 requirements, the Centers for Medicare and Medicaid Services approved a new waiver beginning January 1, 2010, that maintains financing for childless adults in SCI using Title XIX funds. The original waiver for parents has been extended.

The New Mexico Human Services Department (HSD), which administers SCI, contracts with three private health plans to offer a standardized and comprehensive benefits package, albeit with a U.S.$100,000 annual claims benefit maximum. The program targets small businesses by allowing those with 50 or fewer eligible employees to sponsor group enrollment into SCI by their low-income employees. Employers pay a U.S.$75 monthly premium for each enrolled employee. Low-income (working or nonworking) adults may also enroll without an employer sponsor. These individuals pay both the

employee share of the monthly premium, which is either U.S.$20 or U.S.$35, depending on income, in addition to the U.S.$75 employer share. Since August 2007, the state has provided additional financial assistance with the monthly premium to individuals with household income below 100 percent FPL.

State-certified insurance brokers market SCI to employer groups and individuals. Many brokers, and two of the contracted health plans, also sell small group commercial insurance. Broker commissions for SCI enrollment are set by health plans and have varied over the life of the program, but they have always been lower than commissions for private insurance. Brokers report that SCI is marketed to employers who turn down or are not eligible for commercial insurance. Employer groups may offer a commercial plan in combination with SCI to cover higher income workers who are ineligible for the program. Lower income workers who enroll in SCI count as "participating" toward the minimum percentage threshold that a private insurer may require to extend a product offering to a small business. In this manner, SCI can help a business meet minimum threshold requirements, with the two products, public and private, resulting in coverage for all workers at the business.

In the initial years of the program, HSD made concerted efforts to ameliorate administrative barriers to employer participation. HSD developed a program to educate and certify brokers to market SCI. The *Insure New Mexico!* Bureau established the Group Enrollment Center in 2007 to screen employers, link them to brokers, and coordinate application submissions for each group. Although over half of all employers in New Mexico employ fewer than six workers,[3] the number of small employers participating in SCI remains lower than expected. As of April 2010, of the 52,000 individuals enrolled in SCI, only 4,785 were enrolled through a group, and 1,615 groups participated (Falls, Secretary Katie, New Mexico Human Services Department 2010).[4] The aim of this study is to better understand why, despite SCI's concerted efforts, small employer participation rates remain low.

DATA

To investigate the set of programmatic factors associated with small group employer participation, we sampled two employer populations: (1) small employers that joined SCI between June 2007 and August 2008 (participating employers) and (2) all employers that called the *Insure New Mexico!* Group Enrollment Center between September 2007 and April 2008 and received

SCI packets but had not enrolled in SCI by August 2008 (inquiring employers).[5] A representative sample of nonparticipating employers was considered as a comparison group, but a statewide survey of employers in New Mexico had already identified reasons for not offering health insurance that are unrelated to program features, including "can't afford to subsidize health insurance for employees," concern about "future health care costs" (Research & Polling Inc. 2005). Because the intent of the evaluation was to study barriers to participation related to program structures and processes, not factors unrelated to the program, the nonparticipating employers who serve as a comparison group were drawn from a state database of employers who had sought help with coverage solutions for their workers.[6]

HSD provided contact information for the employers. All employers meeting our criteria were included in the sample. Research & Polling Inc. fielded the telephone survey between September 2008 and January 2009. Response rates were 88 percent ($N = 269$) for participating employers and 75 percent ($N = 148$) for inquiring employers. Inquiring employers who had been told they were ineligible to participate in SCI were excluded from this analysis ($n = 16$).

Additionally, a site visit was conducted in May 2008 to understand programmatic changes on enrollment, marketing of SCI to small employers, application and enrollment processes, and perceived barriers to enrollment. A total of 60 individuals were interviewed, including SCI administrators and Group Enrollment Center staff, staff who determine eligibility, health plan representatives, and insurance brokers.

METHODS

We used descriptive analyses to investigate differences between the participating and inquiring employer samples on structural dimensions, including the number of full- and part-time employees, percentage of employees earning less than U.S.$10 per hour, use of seasonal and contract workers, region of the state, industry, and years in operation. We also analyzed differences among employers regarding their administrative concerns about participation in SCI, perceived affordability of SCI, and prior experience offering coverage.

Employers were asked whether certain concerns or issues definitely or somewhat applied to their business when deciding whether to participate in SCI. Administrative and cost issues were selected for inclusion in the survey based on input from stakeholders collected during the site visit. Administrative

issues included the following: (1) time to process the application, (2) difficulty understanding eligibility requirements for the business and its workers, (3) coordinating applications is difficult, (4) setting up the premium payment to the health plan is complicated, and (5) ongoing administration would be complicated. Cost issues included the following: (1) concern could not afford to pay the employer share of the premiums in the first month; (2) concern about the cost to the business over the long run; and (3) concern about employees taking time off work to complete applications. Regarding affordability, employers were asked to agree or disagree on a four-point scale with the statements that "SCI is affordable for businesses like theirs" and "SCI is affordable for our low-wage employees."

We used multivariate logistic regression to identify the set of employer characteristics that were significantly related to participation. Our dependent variable was a binary indicator equal to one if an employer participated in SCI, zero if not. Employers were classified as participating if they had a service agreement with a health plan to sponsor SCI at the time of interview (nine inquiring employers in addition to the participating sample met this criteria) or had disenrolled by the time of the interview (four employers from the participation sample had disenrolled).

We constructed independent variables to capture employer characteristics, including categorical variables for the number of years the business had been in operation (10 or more years, 5–9 years, <5 years (reference); indicators for whether the business employs seasonal workers or contract workers; region (frontier, rural, urban [reference]); for-profit status; eight industry indicators ("other" as reference); and categorical variables of the number of permanent, year-round, full-time employees (0–2, 3–5, 6 or more [reference]).[7] Although attitudes toward SCI may be important predictors of participation, they are potentially endogenous, so we did not include these attitudinal variables in the model.

RESULTS

Descriptive Analysis

Employer Characteristics. Inquiring employers were significantly smaller than participating employers, with 41.2 percent employing fewer than three full-time employees compared with 27.2 percent of participating employers (Table 1). Participating businesses were significantly more likely to be low-wage employers, defined as those reporting that more than one-half of their employees earned less than U.S.$10 per hour, compared with inquiring

Table 1: Sample Characteristics of Participating and Inquiring Employers: Unadjusted Means

Employer Characteristics	*Participating Employers (N = 269)*	*Inquiring Employers (N = 132)*
Number and type of workers (%)		
0–2 full-time, year-round employees	27.2	41.2***
3–5 full-time, year-round employees	24.3	21.4
6–20 full-time, year-round employees	29.1	29.0
21–50 full-time, year-round employees	16.0	6.1***
51 or more full-time, year-round employees	3.4	2.3
Retains any workers on contract	16.5	26.7**
Retains no workers on contract	83.5	73.3
Employs any seasonal workers	16.0	17.7
Employs no seasonal workers	84.0	82.3
Low-wage employer (>50% of employees <U.S.$10/hour)	36.3	25.8**
≤ 50% of employees <U.S.$10/hour	63.7	74.2
Years of operation		
< 5 years	16.6	18.6
5–9 years	15.9	24.8**
10 or more years	67.6	56.6**
For profit	81.3	87.0
Not for profit/government	18.7	13.0
One location only	86.6	87.9
More than one location	13.4	12.1
Region of state		
Urban county, any location	44.0	56.2**
Rural county, any location	38.0	40.8
Frontier county, any location	18.1	6.9***
Industry		
Arts, design, and entertainment	6.3	3.8
Community and social services	13.0	8.4
Education	3.7	5.3
Food preparation and serving	13.8	4.6***
Health practitioner, technical, or support	11.9	11.5
Installation, maintenance and repair, construction, and extraction	12.6	21.4**
Production	6.0	3.8
Sales and related services	13.0	12.2
Transportation and material moving	2.6	1.5
Other industry	17.1	27.5**

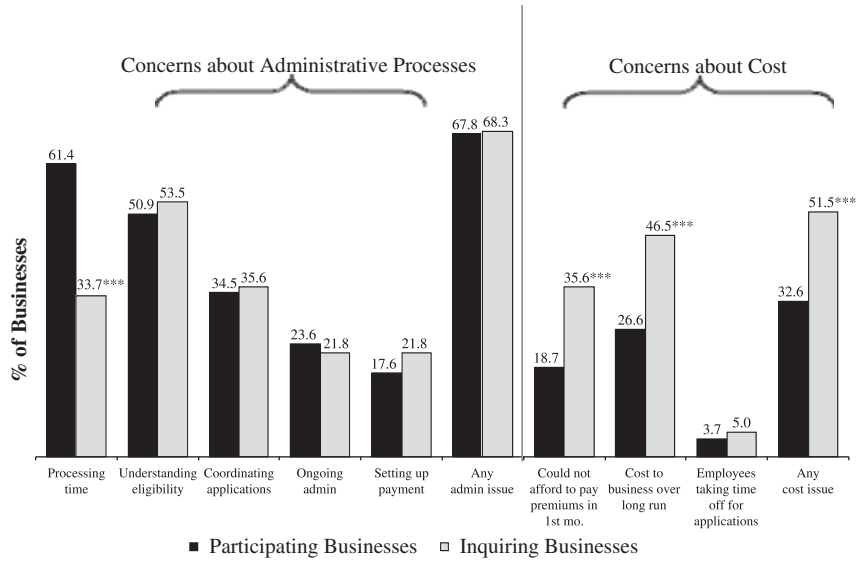
Significantly different at
**$p < .05$ and ***$p < .01$ levels.

businesses (36.3 versus 25.8 percent). They also had been in operation significantly longer. Businesses with more low-wage workers could anticipate a greater benefit from group sponsorship because a greater share of workers

may be eligible for SCI. Both samples represented a broad cross-section of industries, with food preparation and serving (i.e., restaurants) disproportionately represented among participating employers. Moreover, participating employers were less likely to be located in urban counties (44.0 versus 56.2 percent) and more likely to be located in frontier counties, which are more sparsely populated than rural counties (18.1 versus 6.9 percent).

Administrative Issues. The administrative issue most commonly selected by inquiring employers as applying to their business was "difficulty understanding how eligibility requirements applied to their business and its employees" (53.5 percent) (Figure 1). While a similar proportion of participating employers also selected this issue, these businesses selected "concerns about the time necessary to process applications" more often relative to inquiring employers (61.4 versus 33.7 percent, respectively). "Setting up premium payment to the health plan is complicated" (17.6 and 21.8 percent) and "concern that ongoing administration

Figure 1: Concerns That Definitely or Somewhat Applied to the Business When Deciding to Participate in SCI, Participating and Inquiring Employer Samples



Significantly different at ***$p < .01$ level

of the program would be complicated" (23.6 and 21.8 percent) were less often selected by participating and inquiring employers, respectively, yet were still prevalent concerns. Notably, these are tasks that businesses have to perform if sponsoring a commercial plan.

These survey responses corroborate the narratives reported by site visit informants. Brokers and health plan representatives identified difficulty understanding eligibility requirements as one of the most common barriers to enrollment related to the SCI program. A significant issue for employers was their inability to determine in advance how many employees would qualify for SCI. State eligibility offices determine eligibility of each individual on a case-by-case basis, not as a group, and individual eligibility is based on family income. This includes not only wage income but potentially other sources such as disability, pensions, or wage income from other family members, which the business cannot easily observe. Thus, an employer would have to decide about investing its resources to sponsor group enrollment without knowing for certain the number of eligible workers or overall value to the business.

Cost Issues. Inquiring businesses most often selected "concern about the cost of the program to the business over the long run" and were significantly more likely to select this issue relative to participating businesses (46.5 versus 26.6 percent) (Figure 1). This issue was the second most common report for inquiring businesses across all administrative and cost issues. These businesses were also significantly more likely to report "concern we could not afford to pay the employer share of the premiums in the first month" than participating employers (35.6 versus 18.7 percent, respectively). In addition, inquiring businesses were less likely than participating businesses to have "highly agreed" that SCI was both affordable for businesses like theirs and for their low-wage employees (43.8 versus 85.8 percent, respectively, data not shown).

Based on interviews during the site visit, insurance brokers reported that it is difficult to ameliorate concerns about cost obligations among interested employers. As explained above, the true cost to the business of participating in SCI cannot be calculated in advance. Thus, an employer faces uncertainty about the number of workers who are actually eligible and the corresponding total premium obligation. We interpret these findings to suggest that cost matters, but also cost transparency matters for these small businesses.

Prior Insurance Offers. Only 32.3 percent of participating employers and 25.2 percent of inquiring employers had offered health insurance to any

employees in the previous 3 years (data not shown). These rates are somewhat higher than a national study, which found that 18 percent of nonoffering small firms (3–99 employees) have offered insurance benefits in the past 5 years (Kaiser Family Foundation 2009). Insurance brokers reported that most recruitment occurred among employers with no prior experience with the insurance market, and that this creates a second hurdle for brokers. In addition to explaining the SCI program and enrollment process, the broker had to convince businesses of the value of offering any type of health insurance to employees. Furthermore, business owners with only a rudimentary understanding of insurance contracting mechanisms pose additional challenges. For example, brokers reported that some businesses were distrustful of providing a health plan with their bank account information to set up automatic debit of premiums.

Multivariate Analysis of Small Employer Participation

Table 2 reports marginal effects and standard errors for the multivariate logistic model of employer participation in SCI. The general pattern of results for participation is consistent with the descriptive analyses, although the significance of two variables, low-wage employers and years in operation, disappear in multivariate estimation. From the model results, businesses with the fewest full-time employees (zero to two) were 19 percentage points (pp) less likely to participate relative to businesses with six or more full-time employees; and businesses that retain any workers on contract were 13 pp less likely to participate. Contract workers are not eligible for group enrollment. Businesses in frontier counties were 16 pp more likely to participate than urban businesses. In addition, there is some heterogeneity across industries. Businesses in food preparation/serving and production categories were more likely to participate (relative to the Other category).

DISCUSSION

Study results provide evidence that employer concern about the administrative complexity of sponsoring group participation in SCI is a significant barrier to employer sponsorship, despite concerted efforts by HSD to minimize this burden for employers. In addition, employers that inquired about SCI were significantly more likely to express concerns about the costs of offering a group insurance benefit to employees than participating employers. Brokers

Table 2: Logistic Regression (Marginal Effects) of Small Employer Participation

Explanatory Variables	*Percentage Point Difference*	*Standard Error*
0–2 full-time employees	− 18.73***	0.0655
3–5 full-time employees	− 2.0	0.0669
6+ full-time employees	Reference	
Retains any workers on contract	− 12.51*	0.0705
Retains no workers on contract	Reference	
Employs any seasonal workers	0.09	0.0677
Employs no seasonal workers	Reference	
Low-wage employer	4.80	0.0558
Non-low-wage employer	Reference	
< 5 years in operation	Reference	
5–9 years in operation	− 6.58	0.0886
10+ years in operation	− 2.34	0.0687
For-profit organization	− 16.04**	0.0710
Not-for-profit/government	Reference	
Rural county	2.72	0.0517
Frontier county	16.26***	0.0595
Urban county	Reference	
Industry		
Arts, design, and entertainment	12.87	0.0871
Community and social services	5.37	0.1042
Education	− 14.23	0.1572
Food preparation and serving	18.65***	0.0642
Health practitioner, technical, or support	2.24	0.0845
Installation, maintenance, repair, construction, and extraction	− 2.16	0.0781
Production	15.83**	0.0743
Sales and related services	5.17	0.0750
Other	Reference	
Number of observations	369	
Log likelihood	− 204.22	

Significant at
*$p < .10$; **$p < .05$; and ***$p < .01$ levels.

reported that lack of cost transparency likely contributes to employer cost concerns, since employers may be unable to accurately calculate their costs as a group sponsor in advance of enrollment. Interestingly, participating businesses were disproportionately from frontier counties, where brokers often know business owners personally, suggesting that in-person outreach can facilitate small employer participation for hard-to-reach businesses.

Yet any positive response by some kinds of employers is outweighed by the larger universe of small businesses that has never inquired about or joined

the SCI program. Such a modest employer response is consistent with the experience of other three-share programs. Moreover, it is consistent with the modest take-up in a broader range of small business initiatives to improve ESI coverage by states, including state tax credits targeting small businesses and premium assistance programs (Nelson A. Rockefeller Institute of Government 2008; Kenney, Cook, and Pelletier 2009).

Generalizing these results to other states is limited where small group market characteristics differ markedly. Firm-level characteristics, such as whether an owner's spouse is covered by his or her own employer, and industry factors such as employee turnover can influence employer responses to small business initiatives. New Mexico's ESI market differs somewhat from the United States as a whole, in that a lower percentage of employees in businesses with <200 employees are potentially eligible for health insurance through an employer, and take-up rates for ESI are lower (Reynis, Busch-DeMarcus, and Sylvester 2000).

Policy Implications

When comparing the specific objectives of provisions in the PPACA of 2010 to those of state-based, three-share programs, there are notable similarities and differences. First, the introduction of the small business tax credit is designed to encourage lower wage, small employers to offer coverage through a reduction in the price. This tax credit reduces the premium to employers, but it requires employers to apply for the credit and administer a group benefit. Given the low to modest employer response across existing three-share programs, policy makers may want to consider offering to small employers additional help with administrative functions so as to increase the likelihood that small employers respond positively to the tax credit.

Administrative issues for small employers seeking coverage in 2014 would be different and perhaps less burdensome than observed in the SCI market. SCI eligibility determination takes place person by person and results in staggered renewals when an employer sponsors SCI. Under PPACA, employers would enroll workers into group plans at the firm level. However, the general burden of group sponsorship would likely continue, including shopping for coverage annually, meeting participation thresholds, and coordinating premium payments and payroll deduction. New regulations of the small group market, including how participation thresholds are set, could simplify

participation for small groups as states redesign individual and small group markets under PPACA guidance, but how this will play out is still uncertain.

In New Mexico, HSD established a Group Enrollment Center to screen employers, link them to brokers, and coordinate application submissions. In 2014, state-based SHOP Exchanges could also help small employers navigate the group market, though there is still uncertainty about the scope of functions that Exchanges will assume. The number of products offered in Exchanges could also affect employer search costs. Employers with the most limited human resources would benefit from additional supports for navigating new insurance markets.

Second, responses by employers to the tax credit are expected to be driven by perceptions about their premium obligations. Uncertainty about the cost to the employer both today and in the future may impede small employers' willingness to offer health insurance. This uncertainty in future costs is exacerbated by the 2-year time limit for which businesses can take the credit beginning in 2014. Evidence from prior research on state-based subsidies to small businesses to offer insurance suggests that employers take into account the time-limited nature of programs and are less likely to respond if the subsidy is perceived to be temporary (Thorpe et al. 1992; Morrissey, Jensen, and Morlock 1994). However, the tax credit may help businesses maintain coverage that is already offered by offsetting costs to the business temporarily, thus reducing the number of small employers who would be expected to otherwise drop coverage in the short run. Unfortunately, eligibility for the tax credits may be misaligned to target the smallest employers where offers of coverage are lowest.

Finally, dynamics between employers and their workers are likely to change once the individual mandate is in place. The characteristics of a small employer's workforce may be particularly important in this decision. Certain types of workers, including younger individuals, historically have had relatively low demand for coverage through their own employer (Cooper and Schone 1997). How these individuals choose to respond to an individual mandate, including placing new pressures on their employers to offer coverage, will likely play a critical role in the overall response of employers to federal reform.

Three-share programs seeking to involve small employers in coverage initiatives have faced the common challenges of disseminating awareness about coverage options, assisting employers with limited resources to navigate coverage choices, and overcoming a lack of interest in offering coverage among many of them. In 2014, these challenges could be offset by additional provisions in new federal laws that cannot be informed by the SCI experience

in New Mexico. The joint impact of new private insurance market regulations, the individual mandate, and the supports that could be provided to businesses through new Exchanges remains unknown, yet all will play a role in altering state insurance markets fundamentally.

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Disclaimers: None.

NOTES

1. See also *Section-by-Section Analysis with Changes Made by Title X and Reconciliation Included within Titles I-IX* at http://dpc.senate.gov/healthreformbill/healthbill96.pdf
2. In this state, participation requirements can be met by taking up the employer offer or demonstrating a valid waiver, including insuring through a spouse or having coverage through Medicare.
3. Estimates based on a representative sample of businesses surveyed in New Mexico (Research and Polling 2005).
4. A waiting list for individuals was established in November 2009, and for employer groups in December 2009. As of April 2010, these lists included 15,000 individuals and 29 groups.
5. We did not survey a broader sample of nonparticipating employers due to concerns expressed by stakeholders that the primary reason for nonparticipation was lack of awareness about SCI. Of inquiring employers surveyed, 85 percent had contacted someone about SCI and thus were familiar with the program and could speak to program-related barriers to participation.
6. Another survey of individuals enrolled in SCI without group sponsorship was conducted to investigate their potential to enroll through group sponsorship.

Among the 1,160 individuals interviewed, 47.4 percent of the weighted sample reported that they were either employed by someone else or a student with a paying job, and another 10.7 percent were self-employed.

7. We also tested a continuous measure of number of full-time employees and different categorical definitions. Results were qualitatively similar.

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SUPPORTING INFORMATION

Additional supporting information may be found in the online version of this article:

Appendix SA1: Author Matrix.

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