



# Health Insurance Coverage for the Home Care Sector:

*Experience from Early DirigoChoice Enrollment in Maine*

*A Report from:*

Paraprofessional Healthcare Institute's  
*Health Care for Health Care Workers Initiative*

*In collaboration with:*

Consumers for Affordable Health Care  
Foundation

Institute for Health Policy, Edmund S. Muskie  
School of Public Service, University of  
Southern Maine



HEALTH CARE *for*  
Health Care Workers

An Initiative of the Paraprofessional Healthcare Institute

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*Health Care for Health Care Workers*, a campaign to expand access to affordable health insurance coverage for the direct-care workforce, is an initiative of the **Paraprofessional Healthcare Institute** (PHI). The nonprofit PHI works to strengthen the direct-care workforce within our nation's long-term care system. PHI's program activities include developing innovative approaches to recruitment, training, and supervision; client-centered caregiving practices; and effective public policy. Our premise is that creating quality jobs for direct-care workers is essential to providing high-quality, cost-effective services to long-term care consumers.

The mission of **Consumers for Affordable Health Care Foundation** (CAHC) is to advocate the right to affordable, quality health care for every man, woman and child in Maine. CAHC is nonprofit organization whose core activities focus on policy research, analysis and reporting, outreach and education, and direct client services. Consumers for Affordable Health Care Foundation operates a toll-free statewide HelpLine that assists consumers with health care coverage options and also serves as a statewide resource center to numerous businesses and organizations working on health care issues.

The **Institute for Health Policy, the Edmund S. Muskie School of Public Service at the University of Southern Maine** has directed Maine's Real Choices Systems Change grants and Demonstration Grant for Direct Service Workers funded by the federal Centers for Medicare and Medicaid Services. The Muskie School supported the development of the Maine Personal Assistance Services Association, a professional association for direct-care and support workers across long-term settings, providing opportunities for professional development, recognition and increased public awareness. In addition to these workforce initiatives, the Muskie School conducts nationally recognized research and policy analysis to identify and promote solutions to complex health care challenges.

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## Executive Summary

This report reviews the findings of an outreach project conducted with direct-care employers and employees in Maine to help connect them with a new health insurance product in Maine called DirigoChoice. This product is one component of Maine's path-breaking initiative to provide universal health coverage to Maine citizens. DirigoChoice is available to small businesses, sole proprietors, and individuals who meet certain eligibility criteria. It was launched in January 2005. The outreach project took place during the first six months of 2005.

The information gathered through this outreach project informs the Paraprofessional Health-care Institute's (PHI) Health Care for Health Care Workers Initiative and several other Maine-based projects in their respective efforts to provide accessible health coverage to direct-care workers.

### Key findings

- **Direct-care providers and employees lack of credible, accurate information on the DirigoChoice product and its costs.** Personal, individualized outreach to home care administrators and staff is an effective means of providing information and correcting misinformation about DirigoChoice. Outreach workers need time to build relationships with employers and employees in order to solicit information and reassess the employer and employee's health coverage decisions, cost of health premiums, status, and potential to benefit from DirigoChoice.
- **For some direct-care agencies, DirigoChoice is a viable option** and has offered them a way to provide affordable health insurance coverage to their employees for the first time.
- **Many employers are interested in providing health insurance; however, some view DirigoChoice as an unaffordable option.** Agencies that serve MaineCare clients state that their reimbursement rates are not adequate to cover the costs of employee health benefits—even DirigoChoice.
- **Unique circumstances in the home care sector affect whether employers and their employees are eligible and have the resources to participate in health insurance plans.** Many of these circumstances—e.g., fee-for-service funding, part-time schedules, and fluctuating work hours—do not make DirigoChoice as currently designed a viable option, or at least make it difficult to evaluate DirigoChoice as an option for this sector.

### Recommendations

- **Increase targeted, personal outreach** to workers and employers in the long-term care system using the established consumer HelpLine and Maine's nonprofit worker association.
- **Continue to track the agencies** that have already been contacted to see whether they have enrolled in a plan, what their level of satisfaction is with the product and what, if any, impact it has had on recruitment and retention. Assess what barriers remain for those who have not enrolled in any plan.
- **Determine what level of MaineCare reimbursement and state funding is needed** to make DirigoChoice affordable to all long-term care agencies and what level of subsidy is required to cover their eligible workers.
- **Assess policies that restrict eligibility** for DirigoChoice and program procedures for accessing discounts and reimbursements for their impact on this population of workers and employers.

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Maine’s Dirigo program is a bold effort to expand coverage while also controlling costs and improving quality, a comprehensive approach to health care that is being carefully watched by policymakers and advocates across the country. In addition, the state has made a commitment to better understanding the coverage challenges for direct-care workers and their employers, and to enrolling thousands into DirigoChoice, in order to ensure a quality long-term care workforce to care for Maine’s growing elderly and disabled population. The lessons learned from the first six months of enrollment in Dirigo suggest that other states experimenting with innovative health coverage plans will need to address major challenges—such as the part-time nature of direct-care work, low wages, and low reimbursement rates—to ensure coverage for these critical health care workers.

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# Health Insurance for Workers Supports Quality Long-Term Care

Over 18,000 direct-care workers, primarily low-income women, deliver health and long-term care services to Maine residents, yet many are themselves uninsured. This lack of affordable health care contributes to a growing shortage of these workers, which, in turn, reduces the quality of care for Maine's elderly and disabled residents.

Nationally one in four nurse aides working in nursing homes lacks health insurance and around 40 percent of home health aides are uninsured. Maine-specific data are not available for the rate of uninsurance among direct-care workers; however, it is estimated to be far greater than the 10 percent uninsurance rate among the general Maine population. <sup>1</sup>

The majority of home care services in Maine are paid for through MaineCare, Maine's Medicaid program. Thus, most home care agencies and consumers employing personal assistants base workers' wages and benefits on current MaineCare reimbursement rates. These rates have historically been inadequate for employers to buy affordable health insurance policies for their employees. Rates are also too low to pay workers the wages they would need to afford individual health insurance plans.<sup>2</sup> And even when employers offer health insurance, many workers cannot afford the co-pays and deductibles.

Without health insurance, workers are less likely to seek health care. This puts them at greater risk of preventable illnesses that can disrupt their ability to perform their duties as care providers. This lack of health insurance is particularly concerning given the high rate of injury in the direct-care profession. The occupational injury rate for direct-care workers in 2000 was more than twice the average incident rate for all other occupations in Maine (6.9 incidents per 100, versus a state average of 3 per 100).<sup>3</sup> Many workers end up using the workers' compensation insurance that their employers are mandated to provide as a form of health insurance, which offers limited care and drives employers' workers' compensation rates up.

When workers are injured or out sick, the quality of consumer care is compromised. Consumers must either go without care because no replacements are available or cope with a series of short-term replacement workers who are not as familiar with their needs.

Low compensation rates make it increasingly difficult to attract and retain a quality direct-care workforce. This situation is exacerbated by Maine's changing demographics. Elders over 65 in Maine are predicted to increase by 77 percent between 2000 and 2025;<sup>4</sup> however the cohort who has traditionally cared for them—women aged 24 to 54—is not growing fast enough to fill the number of jobs that will be needed to provide services for the aging population.<sup>5</sup> In 2001, Maine's providers were already reporting ongoing staff vacancies and a turnover rate in some occupations above 50 percent.<sup>6</sup>

Maine's "care gap" will continue to grow as the population ages. Lack of health insurance for workers, in addition to low wages and limited training and career advancement opportunities, will intensify this crisis. The worker shortage, which is extremely stressful for workers and consumers, reduces the quality of a vital part of Maine's long-term care system.

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# DirigoChoice Outreach Project

## Project Description

In January 2005, Maine launched DirigoChoice, a new state-supported health insurance product aimed at small businesses and low-income workers. DirigoChoice is one part of Dirigo Health, Maine's new comprehensive health program, which through a focus on cost, quality, and access, aims to provide universal coverage for all of Maine's citizens. The program is overseen by the Dirigo Health Agency and the Governor's Office of Health Policy and Finance.<sup>7</sup> DirigoChoice is administered through Anthem Blue Cross Blue Shield, Maine's largest private health insurer.

As part of its Health Care for Health Care Workers initiative, the Paraprofessional Healthcare Institute (PHI) became interested in DirigoChoice as a means of expanding health coverage for

direct-care workers. Consequently, PHI contracted with the Consumers for Affordable Health Care Foundation (CAHC) to conduct a targeted outreach and education campaign to small home health care agencies and their employees to determine their interest in, and to offer information about, DirigoChoice and other health care coverage options. A long-standing statewide advocacy organization, CAHC was already conducting outreach to the general public about DirigoChoice and other public and private health care coverage options. As a result, CAHC's consumer HelpLine staff were

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## A Tight Budget

A home health care worker called to see if she'd qualify for DirigoChoice. Her premium would be somewhere around \$114/month, which would be very tight for her budget. I am sending other assistance resources in case DirigoChoice is out of reach, but encouraged her to get an official quote and get on the waiting list if the cost sounds doable.

–CAHC HelpLine

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familiar with the DirigoChoice health plan and could easily support the project. In addition, to support the outreach effort, several volunteers from Maine PASA made phone calls to PASA direct-care worker-members to gather information directly from employees.

The project objectives were to begin outreach and assessment efforts with home health care workers and their employers in Maine to:

- Provide information and answer questions about DirigoChoice and other coverage options, with the goal of increasing enrollment.
- Document employers' and workers' issues, concerns, and decisions about whether or not to participate in DirigoChoice.
- Identify key issues and barriers to enrollment as policymakers continue to develop the DirigoChoice product

The DirigoChoice outreach project is one of several initiatives underway in Maine to improve wages, benefits, and working conditions for direct-care workers. In particular, the state of Maine's Office of Health Policy and Finance has a three-year research project underway, funded by the Centers for Medicare and Medicaid Services. The Direct Service Worker Demonstration Grant is administered by the Institute for Health Policy at the Muskie School for Public Service, University of Southern Maine, where researchers are studying the impact of DirigoChoice health coverage, as well as other workforce interventions, on recruitment and retention of Maine's direct-care workforce. Maine is one of six states focusing on health insurance coverage for the direct-care workforce in the Real Choice Systems Change grant program.



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## Methodology

The first phase of this project was the development of outreach materials and survey forms. Using CAHC’s materials from their broader public outreach efforts to target home care agencies, an information packet was developed that included health care coverage options, a small business newsletter highlighting DirigoChoice, a two-page DirigoChoice information sheet (see Appendix 1), and a HelpLine brochure. With input from PHI and the Muskie Institute, outreach letters were modified and two survey forms were created—one for employees and one for employers (see Appendices 2, 3, and 4). Additional support materials created for the project—“Frequently Asked Questions” and “Outreach Project Description”—can be reviewed in Appendices 5 and 6.

A series of outreach events took place between February and May. These included two mailings to a list of 226 Maine home care agencies provided by the state (see Appendix 7). The first of these mailings invited agency directors to attend one of fourteen regional meetings. CAHC and PASA made follow-up phone calls to encourage participation. By employer invitation, several presentations were made on-site with employers and employees. A mailing was also done to 550 PASA worker members and agencies. The CAHC HelpLine number was continually advertised as a resource for more in-depth information.

A second round of outreach calls was initiated with 17 of the 40 employers who had responded to the outreach letters and meeting invitations to solicit specific information about the status of insurance at their businesses.

Employees and employers were also asked to fill out the respective survey forms at meetings and over the phone. There were 40 employers who filled out the surveys and 44 employees. These survey results come from nonrandom samples and therefore the findings cannot be generalized to the larger population of employers or employees.

As part of their ongoing outreach and HelpLine services, CAHC documents issues with DirigoChoice and presents them to the Dirigo Health Agency. CAHC staff similarly documented and reported issues identified by the home care employers and employees.

This report presents the outreach project’s findings and recommendations.

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# Findings

## Home Care Employers

Fourteen out of 40 home care agencies contacted through the outreach project already provided insurance. Of those, nine offered it through the hospital or corporation they were affiliated with, four paid for other health plans as individual agencies, and one had enrolled in DirigoChoice. Another employer enrolled in Dirigo Choice after numerous contacts via email, meeting, and telephone contact with CAHC and the Muskie Institute.

All 25 of the employers who did not provide insurance said that they would like to provide insurance to their uninsured employees.

Several key issues about DirigoChoice were identified through outreach to home care employers:

1. Negative impressions of the Dirigo Health program need to be addressed before employers will seriously consider enrollment.
2. Eligibility for employers with more than 50 employees, but 50 or fewer full-time employees, is not well understood.
3. Among those employers who are not already offering insurance, many consider DirigoChoice unaffordable.
4. Some employers already providing insurance do not consider DirigoChoice more affordable or more attractive than their current insurance plans.
5. Some employers consider the employer contribution rate too high or too inflexible.

These issues will be addressed in turn.

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### ***Affordability Issues for Employers***

An agency that attended a DirigoChoice meeting conducted by the project determined that they could not afford to purchase it due to the employer contribution rate. The agency currently offers insurance that is paid in full by the employees.

One employer said that a premium contribution of \$187 per month per employee is too much for her business to pay. She offers Anthem BCBS and pays \$60 per month for full-time employees and \$30 per month for part-time employees. She would be willing to enroll in DirigoChoice for all of her employees if she could afford it.

*–CAHC Outreach Worker*

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Outreach workers found that misinformation among the employers about DirigoChoice is common. Many employers, responding to negative press about DirigoChoice and about Anthem, expressed concerns about the viability of the program. They also expressed a lack of trust in DirigoChoice because of their experiences with low reimbursement and payment problems with the MaineCare program. It was difficult to engage them in a discussion until these misconceptions were addressed.

Early in the process, interviewers, who had been providing a targeted message about DirigoChoice, switched tactics and instead offered to share information about a variety of health care coverage

options including MaineCare and DirigoChoice. This approach met with less resistance and opened up more discussion. With accurate information, employers responded more favorably to DirigoChoice. A few employers investigated DirigoChoice on their own with their brokers after hearing more about it.

Many employers assumed they were ineligible to enroll because they had more than 50 employees. They did not understand that if they had more than 50 employees, but only 50 or less

were eligible for coverage, they could enroll in DirigoChoice. Most were also unclear that they could offer coverage on a pro-rated basis to employees working between 20 and 30 hours per week. The eligibility threshold for DirigoChoice is 20 hours per week or more on a consistent basis.

Many direct-care agencies employ primarily part-time and per diem employees. Even though DirigoChoice can be offered on a prorated basis to certain part-time workers, some employers do not feel an obligation to cover part-time employees. Others employ only people who work less than 20 hours per week, and are therefore ineligible for DirigoChoice.

Several cost concerns were expressed:

- DirigoChoice costs about the same as coverage plans that some employers already had. They needed a compelling reason to make the switch, such as comparing the benefits covered by DirigoChoice with the other available plans.
- Some employers who wished to purchase insurance felt that the required employer contribution was too high or too inflexible for them. DirigoChoice requires a minimum of 60 percent employer premium contribution for employees covered by the employer’s full-time eligibility policy. If the employer elects to cover part-time workers, DirigoChoice requires a 40 to 50 percent premium contribution (based on hours worked).
- One agency noted that DirigoChoice was unaffordable because the state does not adequately fund home care.

It was not possible to collect specific data on what constitutes an affordable contribution for these agencies because employers were hesitant to disclose such a dollar amount.

## Direct Care Workers

Outreach workers distributed written surveys to direct-care workers at meetings and conducted surveys over the phone. Forty-four employees completed the surveys. Among those surveyed, 13 direct-care agencies were represented.

Of these workers, two-thirds were employed for more than 20 hours per week with a single employer. The rest were divided relatively evenly between those who worked less than 20 hours for one employer; those who worked more than 20 hours for multiple employers; and those who worked less than 20 hours for multiple employers.

Survey results indicated that one out of three—32%—were currently uninsured (see figure at right).

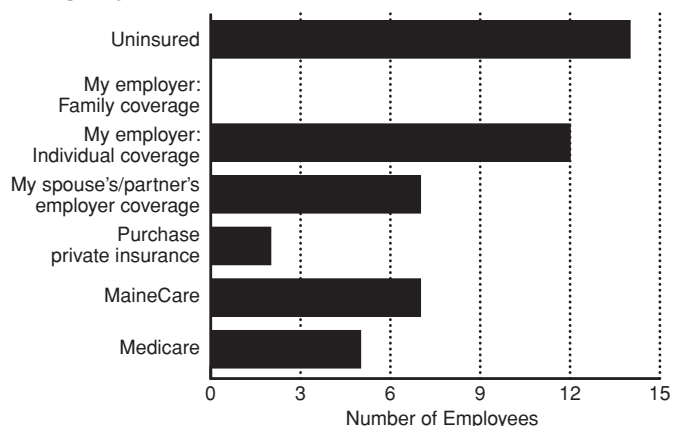
## Am I Getting a Good Deal with Dirigo?

A home health worker called to ask for more information about DirigoChoice. She had cancelled her Anthem plan to enroll in DirigoChoice, but had lots of questions, such as whether it will continue, if she is really getting a good deal, and if her age matters.

She is pleased with her Dirigo coverage for the most part, and does not want to go back to a high-deductible plan. We talked about the other factors that are important in comparing plans such as premiums, out-of-pocket expenses, deductibles, percentage of coverage, and what is actually covered.

—CAHC HelpLine

## Employee Insurance Status (n=44)



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### **Source of Health Insurance for Direct Care Workers (n=30)**

Medicare	5
MaineCare	7
Employer individual coverage	12
Coverage through spouse	7
Individually purchased plan	2

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Among those with employer coverage, two employees had two jobs, and it was the non-direct-care job through which they had insurance. Of the thirteen agencies represented among these employees, five offered insurance to their employees. Twelve employees had some type of coverage in the last few years but lost it. The main reasons for losing insurance were job loss, high cost of employee share, or retirement.

Thirty employees reported having insurance currently. The table at left indicates the various sources of that insurance, with some employees having more than one source. Of those with employer coverage, three reported paying no premium share and two did not answer. The average weekly contribution for the remaining seven was \$21. When asked how much they could afford to pay per month for insurance, the range was from \$0 to \$200, with an average of \$38/month.

Nine employees worked for employers who offered insurance, but did not participate. The reasons for not participating included: a) they were working less than the required hours per week for insurance eligibility, b) they considered the insurance policy too limited and not worth the price, and c) the employee share was too costly.

Over a third (15) of the 44 employees surveyed stated that someone in their family had postponed seeking medical care because of the lack of insurance. Of these, six were insured and nine were not.

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### **Helping Workers Understand a Confusing Program**

A direct-care worker received the DirigoChoice information packet from her employer, but she was confused and called the HelpLine.

She is 54 years old. Her annual income is around \$15,000 and comes from her direct-care wages and self-employment. She is the legal guardian of her son and her grandson who live with her. Her boys are enrolled in MaineCare but her modest retirement assets disqualify her.

We talked about ballpark premiums and deductibles through DirigoChoice, and I explained the two-step application process. Because she was an eligible individual, I referred her to the Anthem customer service line. She thanked me and said she was glad she had called, because I had made something that was very confusing for her simple to understand.

–CAHC HelpLine

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All of these employees had heard of Medicare and all but one had heard of MaineCare. Three-quarters knew about DirigoChoice. Word of mouth and television appeared to be the most frequent methods of learning about insurance coverage, with the newspaper and employer ranking second.

These direct-care workers were asked to describe the kind of health insurance coverage they would like. Most said they wanted basic medical coverage. One out of four said they wanted prescription and dental coverage. One out of five said they wanted vision coverage. And 13 percent said they wanted low deductible payments. A few pointed out that they wanted universal or single payer health care coverage for all Americans.

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## Lesson Learned and Recommendations

These findings provide insights for state policymakers and outreach workers and indicate areas for further study. Based on these findings, we offer recommendations in three areas:

### **1 Personal outreach, tailored to home care agencies and direct-care workers, improves their understanding of and receptivity to DirigoChoice.**

Many home care agencies do not have human resource personnel and have little time to deal with insurance information and issues. They find it challenging to navigate the world of insurance and they rely on word-of-mouth and the media to learn about available plans. Likewise, direct-care workers may have heard of DirigoChoice and other health care options, but often do not have the detailed, easy-to-understand information needed to assess these options. The kind of personal outreach afforded by this project helped to dispel myths, clarify information about eligibility and cost, and build trust in the DirigoChoice product.

It is difficult for direct-care agency owners to attend meetings because many of them actively participate in caregiving as well; thus, visits and telephone calls are most effective. Workers are reached most easily by phone.

#### **Recommendations:**

- Increase targeted, personal outreach to workers and employers by phone, site visits, and through the maintenance of the CAHC HelpLine.
- Use Maine PASA members to reach out to other direct-care workers.
- Initiate targeted outreach to the full spectrum of long-term care agencies and more categories of uninsured direct-care workers.

### **2 It is critical to understand what motivates employers to actually enroll and what constitutes barriers to enrollment for those who show initial interest.**

Sixteen employers expressed active interest in DirigoChoice or some type of health coverage for their employees but had not taken the next step of contacting Anthem or a broker. Five of these agencies had planned on attending the regional meeting about DirigoChoice in Portland. In the end, four were unable to attend but asked for materials and were left on their own to contact Anthem. It would provide useful information for DirigoChoice planners to understand the rationale and decision making process that ensued for these agencies.

#### **Recommendations:**

- Initiate further follow-up with these sixteen agencies to determine if they actually contacted Anthem, whether they have enrolled in a plan, and if not, what barriers remain. Additional follow-up might also help them make a connection with a broker or answer further questions that have arisen.
- Track the experience of home care agencies that have enrolled in DirigoChoice with signing up, level of participation, satisfaction with the product. Also assess the impact of offering health coverage on direct-care recruitment and retention.
- Follow-up with employers who asked for other options besides DirigoChoice to determine how many obtained some type of coverage from alternate sources and what those sources were.

### **3 DirigoChoice is not considered an affordable choice by some home care agencies.**

While some employers do not feel obligated to cover these predominantly part-time direct-care workers, most employers would like to offer employee benefits. However, those that rely primarily on MaineCare funding do not think they can offer DirigoChoice or any employee health coverage within current state reimbursement rates.

#### **Recommendations:**

- Conduct a study to determine what level of MaineCare reimbursement and state funding is needed to make DirigoChoice affordable to all long-term care agencies, especially the many home care agencies that are not able to offer health insurance currently.
- As part of the study, estimate the level of DirigoChoice subsidy required to cover the eligible workers in this field.
- Assess the policies that restrict employer eligibility (number of employees) and employee eligibility (part-time hours) and the program procedures for accessing discounts and reimbursements for their impact on this target population.

## **Conclusion**

Maine's Dirigo program is a bold effort to expand coverage while also controlling costs and improving quality, a comprehensive approach to health care that is being carefully watched by policymakers and advocates across the country. In addition, the state has made a commitment to better understanding the coverage challenges for direct-care workers and their employers, and to enrolling thousands into DirigoChoice, in order to ensure a quality long-term care workforce to care for Maine's growing elderly and disabled population. The lessons learned from the first six months of enrollment in Dirigo suggest that other states experimenting with innovative health coverage plans will need to address major challenges—such as the part-time nature of direct-care work, low wages, and low reimbursement rates—to ensure coverage for these critical health care workers.

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## Endnotes

1. Current Population Survey, 2004.
2. See, for example, *Getting By: Maine Livable Wages in 2004*. 2005. Maine Center for Economic Policy. This report calculates that a wage sufficient to meet basic needs for a single parent with one child in Maine, including typical health care co-pays, is \$14.84 per hour on a statewide average. By comparison, the median average wage for direct-care workers in 2003 in Maine was \$9.07, according to data from the U.S. Bureau of Labor Statistics.
3. Maine Department of Labor. Bureau of Labor Standards. Occupational Injuries and Illnesses in Maine, 2000. Calculated as 1,197 injuries per 17,280 direct-care workers = 6.9 incidences per 100 workers, and 17,283 Workers' Compensation injuries and illnesses in 2000 and an estimated 582,870 state, local and private workers in Maine for 3.0 incidences per hundred workers.
4. The 2000 Census showed 183,402 persons age 65+ in Maine—14.4% of total Maine population. [www.census.gov/population/projections/state/stpjage.txt](http://www.census.gov/population/projections/state/stpjage.txt). Of those people age 65+ in Maine, 55,483 are living alone. Using data from the 2000 Census and the 1997 Survey of Income and Program Participation, it is estimated that there are 99,954 Mainers 65+ with a disability; 69,143 of those have a severe disability, and 30,628 need assistance. [www.state.me.us/dhs/beas/data/faq.htm](http://www.state.me.us/dhs/beas/data/faq.htm)
5. U.S. Census Bureau Population Projections, Figure 6, L. Pohlmann. 2003. *Without Care: Maine's Direct Care Worker Shortage*. Maine Center for Economic Policy.
6. American Health Care Association. Employment Survey 2001, cited in Maine Health Care Association. 2002. *Long Term Care in Crisis*.
7. Maine's Dirigo Health website: [www.dirigohealth.maine.gov](http://www.dirigohealth.maine.gov)

# Appendix 1: DirigoChoice Information Sheet

## Understanding DirigoChoice:



### What Makes DirigoChoice Different?



- What you pay is based on how much money your household makes.
- No co-pays or deductibles for prevention services, including annual physicals, flu shots, mammograms, and more.
- No deductible for prescription drugs. (co-pays of \$10/\$25/\$40)
- Equal coverage for mental health services.
- Cash rewards of \$100 when you select a primary care physician, or if you complete a health risk assessment with your doctor.
- No worries about pre-existing conditions. Services are covered with no waiting period, even if you've gone longer than 90 days without insurance.

### Who Can Enroll?

- Small Businesses (2-50 employees)
- Sole-Proprietors (self-employed of 1)
- Some Individuals

For more information call  
**1-800-965-7476**



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[www.maine cahc.org](http://www.maine cahc.org)

## DirigoChoice Costs & Discounts

*Last updated on 5/05*



What you pay is based on how much money you make. If you qualify for a discount, you will be given an EBT Card (much like a Debit Card). The level of discount that you qualify for will be refunded to you through the EBT card, on your regular pay-day for small business employees, and on the 1st of the month for self-employed and individuals.

*There are three basic categories for discounts:*

### 1 ) Full Discount

In this category, you may receive a full discount and no deductible. In this category, adults will also have to meet certain asset guidelines. But, many assets will not count against you. Adults without minor children may be put on a waiting list for a full discount, and may be asked to pay a small premium in the meantime. Call us if you have questions.

### 2) Discount

In this category, you will receive a discount between 20% to 80% off the cost of your DirigoChoice premium and deductible.

### 3) No Discount

In this category, you will not receive a discount off the "full-cost" premium and deductible.

	<b>Full Discount*</b>	<b>Discount</b>	<b>No Discount</b>
<b>Household</b>	<i>Yearly Income (at or below)</i>	<i>Yearly Income (at or below)</i>	<i>Yearly Income (at or <u>above</u>)</i>
1	\$9,570**	\$27,930	\$27,931
2 adults	\$12,828**	\$37,470	\$37,471
1 adult/1 child	\$25,656	\$37,470	\$37,471
3	\$32,184	\$47,010	\$47,011
4	\$38,700	\$56,550	\$56,551
5	\$45,216	\$66,090	\$66,091

\*For adults, you will also have to meet asset guidelines

\*\*Adults without minor children may be put on a waiting list to receive a Full Discount.





## DirigoChoice Premiums and Deductibles

### How Much Will It Cost?

*Please note:* When reviewing the information below, please keep in mind that these are **ballpark figures, not official quotes**. When you get an official quote for DirigoChoice, it may vary 30% up or down from the following figures, based on a variety of factors. Charts and numbers based on information available in March, 2005.

	Maximum Required <b>Employer</b> Monthly Contribution	Range of <b>Employee</b> Monthly Contribution	Range of <b>Sole-Proprietor or Individual</b> Monthly Contribution	Range of Annual <b>Deductible</b>
<b>Option 1</b>		<i>Based on income level</i>	Option 1 is not available to Sole-Proprietors or Individuals in the first year of DirigoChoice enrollment.	<i>Based on income level</i>
Single	\$186	\$0 to \$124		\$0 to \$1250
Adult & Child(ren)	\$186	\$0 to \$372		\$0 to \$2500
Adult & Spouse	\$186	\$0 to \$465		\$0 to \$2500
Family	\$186	\$0 to \$744		\$0 to \$2500
<b>Option 2</b>		<i>Based on income level</i>	<i>Based on income level</i>	<i>Based on income level</i>
Single	\$172	\$0 to \$115	\$0 to \$287	\$0 to \$1750
Adult & Child(ren)	\$172	\$0 to \$344	\$0 to \$516	\$0 to \$3500
Adult & Spouse	\$172	\$0 to \$430	\$0 to \$602	\$0 to \$3500
Family	\$172	\$0 to \$688	\$0 to \$860	\$0 to \$3500

### Applications - Understanding the Two-Step Process



**Step 1** - First, either call Anthem's customer service line, or speak with an agent or producer who currently sells Anthem products. They will mail you a packet of information, with a quote for the highest amount of monthly premium and annual deductible that you would pay, if you were in the highest income bracket. This is not your final quote.



**Step 2** - Second, fill out the discount application, which will be included in the packet of information mailed to you in Step 1. After you (and your employees) mail in the completed discount application(s), you and your employees will be mailed a second quote, based on household income. You will then have seven days to decide whether or not to enroll.



**Consumers for  
AFFORDABLE  
Health Care**

*For more information about DirigoChoice, and other health coverage assistance programs, call Consumers for Affordable Health Care at 1-800-965-7476.*

*To apply for DirigoChoice, call Anthem BC/BS's customer service line at 1-800-585-0099.*

## Appendix 2: Cover Letter



**Consumers for  
AFFORDABLE  
Health Care  
FOUNDATION**

Advocating the right to health care  
for every man, woman and child.

39 Green Street  
Post Office Box 2490  
Augusta, ME 04338-2490

Tel: 207 / 622-7083  
Fax: 207 / 622-7077  
E: [consumerhealth@mainecahc.org](mailto:consumerhealth@mainecahc.org)  
Web: [www.mainecahc.org](http://www.mainecahc.org)

Dear Participant,

The attached survey is confidential and your responses will not be individually identified. The information we obtain in this survey will be used to provide valuable feedback to the Dirigo Health Agency from those that could benefit from DirigoChoice coverage, specifically you and your employees.

As you know, Dirigo Health is a fairly new initiative, and DirigoChoice, the insurance option, has just recently opened for enrollment. It is our hope that the feedback we gather will be used to refine DirigoChoice, making it a better product for more people.

Thank you for completing this survey. Your responses are very important in informing our work to increase access to affordable, quality health care in Maine. If you have any questions about this survey or our advocacy work please call me at 622-7083.

Cordially,

Lisa Webber  
Program Coordinator

# Appendix 3: Employer Insurance Status

## Employer Insurance Status



**Consumers for  
AFFORDABLE  
Health Care**

**1) Do you offer health insurance to your employees?:**

Yes  No

**If yes:**

1a) Which employees are eligible?  Full time  Part time

1b) What coverage options do you offer?

Employee only

Total cost to employer per month? \_\_\_\_\_

Cost to employee (circle one: \$, %) per month \_\_\_\_\_(FT) \_\_\_\_\_(PT)

Employee plus spouse

Total cost to employer per month? \_\_\_\_\_

Cost to employee (circle one: \$, %) per month \_\_\_\_\_(FT) \_\_\_\_\_(PT)

Employee plus child

Total cost to employer per month? \_\_\_\_\_

Cost to employee (circle one: \$, %) per month \_\_\_\_\_(FT) \_\_\_\_\_(PT)

Family

Total cost to employer per month? \_\_\_\_\_

Cost to employee (circle one: \$, %) per month \_\_\_\_\_(FT) \_\_\_\_\_(PT)

1c) What are the eligibility criteria:

Define full time: \_\_\_\_\_ (#hrs/week) Define part time: \_\_\_\_\_ (#hrs/week)

1d) Is there a waiting period before coverage begins?

For full time \_\_\_\_\_(circle one: weeks, months, years)

For part time \_\_\_\_\_(circle one: weeks, months, years)

1e) Other criteria? Please describe: \_\_\_\_\_

**If no:**

1f) Insurance offered in the last 12 months  Yes  No

Reason for dropping coverage: \_\_\_\_\_

1g) Insurance offered in the last 24 months  Yes  No

Reason for dropping coverage: \_\_\_\_\_

1h) Insurance never offered  why? \_\_\_\_\_

**2) Number of employees:**

\_\_\_\_\_ Total number of employees \_\_\_\_\_ less than 20 hours/wk

\_\_\_\_\_ between 20-40 hours/wk

\_\_\_\_\_ 40 hours +/wk

**3) Where do you find out about health insurance options (check all that apply)?**

Insurance broker/agent

Trade association

Insurance carrier (e.g., Anthem BCBS,  
Cigna, Aetna, Harvard Pilgrim, etc.)

Chamber of Commerce

State agency

Consumer Information Group

Other, please describe: \_\_\_\_\_

*continued on next page*

**Appendix 3: Employer Insurance Status, *continued***

**4) Are you aware of :**

DirigoChoice  Yes  No

MaineCare  Yes  No

Medicare  Yes  No

Cobra  Yes  No

Other programs?

**5) Would you consider buying DirigoChoice for your employees?**

Yes

why: \_\_\_\_\_

No

why: \_\_\_\_\_

**6) Did you talk to your employees about DirigoChoice?  Yes  No**

What are they saying? \_\_\_\_\_

**7) Have your employees asked you to consider offering DirigoChoice?  Yes  No**

**8) Have you talked to your employees about health insurance options, in general?  Yes  No**

**9) What would you like to be able to offer your employees? \_\_\_\_\_**

\_\_\_\_\_

What's the difference between what you do and what you can do? \_\_\_\_\_

\_\_\_\_\_

**10) How much of the premium cost could you contribute for each employee? \_\_\_\_\_**

**11) Would you like help to learn about and review the options for coverage and affordability for you, your company, and your employees?  Yes  No**

## Appendix 4: Employee Insurance Status

### Employee Insurance Status



**Consumers for  
AFFORDABLE  
Health Care**

**1) Employee work status:**

- unemployed (skip to question # 4 )
- work less than 20 hrs/wk for one employer
- work less than 20 hrs/wk for more than one employer
- work more than 20 hrs/wk for one employer
- work more than 20 hrs/wk for more than one employer

**2) Job title:** \_\_\_\_\_

**3) Name of employer(s):** \_\_\_\_\_

**4) Do you have health insurance coverage?**  Yes  No  Don't Know

*If yes:*

4a) What is the source(s) of your insurance?

- Medicare  MaineCare  My employer individual coverage
- My employer family coverage  My spouse's/partner's employer
- Purchase private insurance  Don't know

4b) What do you pay for insurance? \_\_\_\_\_ per pay period

- paid weekly  paid bi-weekly  other \_\_\_\_\_

*If no:*

4c) Does your employer offer insurance?  Yes  No  Don't Know

4d) If Yes: why don't you participate? \_\_\_\_\_

4e) Have you had any health insurance in the last few years?  Yes  No  Don't Know

If yes, what happened to the coverage? \_\_\_\_\_

**5) Do other members of your family have health insurance coverage?**

- Yes  No  Don't Know

Who is covered?  spouse/partner  child  children

**6) Have you heard of these health insurance coverage options?**

DirigoChoice  Yes  No      MaineCare  Yes  No

Medicare  Yes  No      Cobra  Yes  No

Other? \_\_\_\_\_

**7) How did you learn about the above health insurance coverage options?**

- Social service agency  newspaper  word of mouth  provider
- employer  school  town office  church  tv  radio

Other? \_\_\_\_\_

**8) Are members of your family postponing medical care because of lack of insurance?**

- Yes  No

*continued on next page*

**Appendix 4: Employee Insurance Status, *continued***

9) What would you like for health insurance coverage? (please describe) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

10) How much could you pay to help cover the cost of insurance? \_\_\_\_\_ per month

11) 11) Would you like help to learn more about health insurance options?  Yes  No

If yes, a staff person from Consumers for Affordable Health Care's HelpLine will contact you to answer your questions, or assist you with applying for any appropriate programs.

## Appendix 5: Frequently Asked Questions

### Direct Care Work

#### Small Business FAQs

##### Business Eligibility

**Q. I own a business that employs 100 people. 40 employees work full time (30+ hours per week) and 30 employees work part time (20+ hours per week), and 30 employees work less than 20 hours per week. Am I eligible to enroll?**

A. You can have between 2 and 50 “eligible employees” to enroll in DirigoChoice as a small business. Employees who work 30 or more hours per week count as “eligible employees” when calculating a business’s eligibility. Therefore in this example, there are 40 eligible employees. In order to be eligible to enroll in DirigoChoice, at least 30 of those employees (75%) must either:

- agree to sign up for DirigoChoice; or
- already have other coverage (for example, coverage under a spouse’s policy)..

In addition, an employer may also choose to count part-time employees who work 20 to 30 hours a week as “eligible employees.” That means that, in this example up to 70 employees could enroll in DirigoChoice if the employer chooses to cover part-time workers. Remember that, even if you decide to offer coverage to these part time workers, only the employees who work 30 or more hours per week count in calculating the required 75% participation rate.

**Q. My business employs 10 people who all work part time, varying hours, but they average 20 hours per week over the year. Am I eligible to enroll?**

A. This business is not eligible to enroll because all employees are part time (less than 30 hours per week). There must be at least two employees who work 30 hours or more (full time) to be an eligible business. The owner of the business counts as one, therefore there must be one more full time employee. Employees may enroll as individuals if they meet the criteria below:

1. Unemployed, or;
2. Working 20 hours per week or less for any one employer, or;
3. Working for a small business (2-50 employees) that has not offered coverage in 12 months or more.

##### Individual Eligibility

**Q. If I work for an employer who offers DirigoChoice, and then I leave that business, am I eligible to enroll on my own?**

A. Yes, if an employee becomes unemployed, they may elect to enroll as an individual, although enrollment for individuals is currently capped at 2250.

##### Changes in participation

**Q. If I have an employee enrolled in DirigoChoice who leaves the business, what happens to their coverage?**

A. When an employee leaves the business, the employer is obligated to contact Anthem and terminate their coverage in a timely manner. As long as the notification takes place prior to the end of the month, the coverage will end that month and the employer is not obligated to pay for the next month’s coverage.

*continued on next page*

## Appendix 5: Frequently Asked Questions, *continued*

If the business has over 20 employees, it is subject to COBRA rules.

**Q. I own a business that employs 10 people. If 8 enroll in DirigoChoice and then one decides to drop the coverage, my participation rate is now only 70%. What happens to my group coverage?**

A. If a business had a participation rate of 75% or more and it goes below that percent, group coverage can continue for the contract year.

**Q. My business hires employees in May and then more in June after school lets out. If I enroll in DirigoChoice in May, can I also offer the coverage to the employees who begin in June?**

A. Employers may enroll new hires into DirigoChoice at any time during the 12 month coverage period. It is up to the employer to establish their own policy for when an employee is eligible for coverage and to tell DirigoChoice what the policy is when applying.

**Q. My business operates based on demand for work, therefore the employees' hours fluctuate. What happens if an enrolled employee's hours fall below the eligibility level?**

A. When an employer enrolls in DirigoChoice, they sign a statement that describes the average hours worked for their eligible employees. The employer should calculate hours worked based on an average for the year. If the employee's work hours go below the eligibility level set by the employer, and they will continue to work at the lower rate, then the business can notify Anthem of the change.

**Q. I run a seasonal business for 7 months, and plan to offer coverage to all of my employees. What happens to our coverage when the season ends?**

A. When a business closes, it must send a 30 day cancellation notice to Anthem. At that point, group coverage will be terminated. Any employees who wish to purchase DirigoChoice on their own may do so if they meet the criteria for eligible individuals. There is an enrollment cap for individuals (2250).

### Employer contribution rates

The following describes the minimum required contribution rate of the employer (amount employer pays for the premium):

Employee average hours worked	Minimum employer contribution	Ee Contribution
20-24 hrs/wk	40%	60%
25-29 hrs/wk	50%	50%
30 and up hrs/wk	60%	40%

It should be noted that the remaining amount must be paid by the employee, and that their discount will only apply to 40% (employee share) of the premium.

### Other notes:

**Q. How much lead time should I plan on when enrolling?**

A. Your application materials must be postmarked no later than the 28th of any month to ensure an effective date of coverage the 1st day of the 2nd month after the postmark. For example:

- Application materials postmarked January 28th; coverage begins March 1st.
- Application materials postmarked January 29th; coverage begins April 1st.

**Q. How often am I billed for the premiums?**

A. The payment is due the first of every month. Checks should be made out to the Dirigo Health Agency and mailed to Dirigo Health Agency, P.O. Box 11014, Lewiston, ME 04243 in the envelope provided. DO NOT mail



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## Appendix 6: Outreach Project Description

### **Consumers for Affordable Health Care Provides Outreach and Support for the *Health Care for Health Care Workers Initiative***

Many direct-care and home health care agencies nationwide want to be able to offer their staff insurance but can't afford the premiums, or have policies that are unaffordable for part-time and low-income employees and their families.

Consumers for Affordable Health Care Foundation is a Maine organization working to do something about this. We are reaching out to all home health care, and adult day service providers in Maine to offer our no cost information and referral services to administrators and their employees. We have been funded to make this outreach through the Health Care for Health Care Workers initiative sponsored by the Paraprofessional Healthcare Institute, a national organization advocating for quality care and quality jobs. We are a non-profit organization committed to helping Maine people obtain affordable, quality health care.

Working in partnership with Elise Scala of USM Muskie Center, Maine PASA and the Health Care for Health Care Workers Initiative, we are spreading the word about our services that are available to all Mainers at no cost. We can help families find quality health care coverage in Maine, review options for affordable insurance, interpret insurance policies, negotiate with insurance companies, and obtain coverage for medically necessary services.

Call our **Consumer Assistance HelpLine 1-800-965-7476** for individual assistance or questions about MaineCare, DirigoChoice, and other health care coverage options.

## Appendix 7: Outreach Activities

### Maine DirigoChoice Outreach Project Activities, January to June 2005

When	Who	Outreach Activity	Outcome
January	Muskie	Created a mailing list from the state list of licensed and registered agencies that targeted agencies geographically and based on the number of employees, 226 agencies.	
February	CAHC	Outreach letter and informational materials were mailed to 226 home health care agencies, including an invitation to one of 14 meetings about DirigoChoice and MaineCare, a one-page overview of DirigoChoice and a "Consumers for Affordable Health Care HelpLine" brochure.	Five employers registered for the Portland regional meeting in March, although only one actually attended.
March	CAHC	Telephoned 77 employers.	Connected with 40 employers, and elicited five to attend a regional meeting. Another 20 were interested in information about MaineCare, DirigoChoice, or other options.
March	CAHC and Muskie	Conducted employer regional meetings on health care coverage options.	One employer attended the meeting, received individual attention and eventually enrolled in DirigoChoice
April	CAHC	Mailed 205 HelpLine brochures to various employers for their employees, most of them to go with paychecks.	
April	CAHC	Mailed small business newsletters with updated DirigoChoice enrollment information to the 226 agencies.	
April	CAHC	Conducted a second round of outreach to 17 of the 40 employers to solicit specific information about the status of insurance at their business. These employers were selected based on their proximity to meeting locations and on those who expressed some interest and could benefit from direct contact with the information.	Three employers who had considered DirigoChoice but felt it might not work, decided to take a second look at it. Five employers returned the survey and results were summarized. Four agencies were considering DirigoChoice and were either actively seeking information or became active after discussions with CAHC.
April	CAHC and Muskie	Conducted two employee meetings in Gorham to review DirigoChoice and other health care coverage options.	30 employees attended and many completed survey forms
May	PASA	Mailed Maine PASA newsletter, small business newsletter, CAHC magnets to 550 PASA members (employees and agencies).	
May	CAHC	Conducted two employee meetings (telephone conference to Presque Isle) to review DirigoChoice and other health care coverage options.	Five employees attended and one planned to enroll in DirigoChoice.
May	PASA	Conducted telephone surveys with employees.	26 workers completed survey forms.
May	CAHC	Compiled survey form results.	
On-going	CAHC	Operate HelpLine that assists employers and employees with all health care coverage options, and provide feedback on DirigoChoice to the Dirigo Health Agency.	Received seven calls from home health care workers between January and June.





HEALTH CARE *for*  
Health Care Workers

Phone: 718-928-2066  
E-mail: [info@hchcw.org](mailto:info@hchcw.org)  
[www.hchcw.org](http://www.hchcw.org)

**Paraprofessional**  
Healthcare  
I N S T I T U T E

349 East 149th Street  
Bronx, NY 10451  
Phone: 718-402-7766  
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[www.paraprofessional.org](http://www.paraprofessional.org)