

## EXECUTIVE SUMMARY

### ADDRESSING UNINSURANCE AMONG JEWISH EDUCATORS: BACKGROUND ANALYSIS AND OPTIONS

#### Introduction

- The recruitment and retention of Jewish educators is a major challenge facing the Jewish community. One factor that leads to difficulties in recruiting and retaining qualified educators is that, all too often, they do not receive health insurance, for themselves and their families, as a benefit of employment. This problem of uninsurance is writ large in American society today.
- In Part One of this background paper we place the lack of health care coverage afforded to many Jewish educators in the context of the broader problem of uninsurance in the US; In Part Two, we present information from an initial exploration of the parameters of the problem in the Jewish community; and in Part Three we discuss a series of options for action.

#### Part One

##### *How does health insurance work? How do people gain and lose coverage?*

- All forms of health care coverage share the basic idea of helping connect the insured person to needed health care and making expenses for health care more predictable. Another key feature of all forms of insurance, including health insurance, is that a group of individuals with attributes in common are “pooled” into a “risk group.” The premiums paid for each member of the group are combined to take care of whatever “insurable events” (i.e. uses of health care services) occur across the group. By intent, some individuals will have few or no events while others may have quite a number.
- An important feature of American health care is that the workplace is considered a major source of health care coverage. Thus, a group of employees is often the basis of a risk pool and premiums are calculated based on actuarially estimated future expenditures of that group on insurable events. In addition, since employers can take the cost of health benefits as a tax deduction, they have some incentive to providing benefits, in addition to the primary incentive of recruiting and retaining qualified employees.
- Publicly sponsored health insurance programs also pool risk across individuals with attributes in common. Thus, the Medicare program pools risk for nearly 40

characteristics or in certain occupations may find it impossible to find insurance at any price, even though they could be covered as part of a sizable group.

- Certain public coverage programs, such as Medicaid, can consciously or unconsciously erect barriers to enrollment even for those who are indeed eligible, either through lack of public education on the availability of the program or through cumbersome and demeaning enrollment processes. However, in many states considerable progress is being made in increasing effective outreach and decreasing enrollment barriers.

### *Health, Economic and Social Consequences of Uninsurance*

- Access to health care: Those without insurance are less likely to have a usual source of health care (e.g. a regular physician); less likely to have visited the doctor in the last year; and more likely to report facing difficulties or delays in getting care they believed they needed.
- Appropriate and timely use of health care: Those without insurance are more likely to utilize expensive emergency rooms to address even routine health problems, especially since ERs are required by law to provide care to the insured and uninsured alike; they are less likely to receive appropriate and cost-effective disease prevention and health promotion services; and are less likely to get the range of services they need to manage chronic conditions and more likely to delay getting needed care or treatments because they face financial barriers.
- Health care quality: The uninsured overall are more likely to get low quality care even when they do get care, for example if they are hospitalized.
- Health outcomes: It is conservatively estimated that 18,000 American die each year because of lack of health insurance. The burden of illness and disability is also huge, as is the burden we all face because children's health and developmental needs are not met, resulting in poor school performance, poorer employment opportunities, and greater likelihood of anti-social behaviors.
- There are over 60 million Americans in families where at least one member is without health care coverage. These families face serious consequences in terms of stresses created by inability to effectively manage illness, particularly chronic illness; financial strains caused by the need to pay for medical services, medications, hospitalizations, etc., out of the family budget; and difficulties for ailing parents to provide the attention and love their children need.

### *Who Doesn't Have Health Insurance Coverage and Why*

- Administrators are also more likely to be covered from these sources than educators.
- Thus, full-time day school teachers (mean=73%) and administrators (mean=86%), and full time supplemental school (mean=80%) and early childhood administrators (mean=82%) are the employees most likely to be insured in this sample of communities.
- In contrast, even full time supplementary school teachers are reported to be insured through their work only 1% of the time; only 28% of part time early childhood educators, 2% of part time youth educators and 2% of family educators are insured this way.
- Very few communities responded to questions about the percents of educators and administrators who were insured through any source. However, those who did provide responses seem to have made very optimistic estimates, perhaps even simply assuming that any married person was insured through a spouse. Thus, in this set of responses, even part-time teachers are reported as being insured from any source at least 80% of the time.
- In many ways, uninsured Jewish educators have a very similar profile to those of uninsured Americans in general. They are likely to work for small or medium sized employers; many work only part-time; few earn salaries that would permit them to purchase insurance on their own or to contribute substantially to an employer based policy.
- While we do not have demographic characteristics, we are assuming, given the tenets of Judaism, that a higher than average number of uninsured Jewish educators are in fact married and have children. While this means they may have an alternative source of health care coverage, it also means that the entire family, including spouse and children, may be uninsured.
- It would be especially useful to learn more about the age distribution of Jewish educators, since a younger profile would lead to a presumption that the group is relatively healthy. The experience of the Gruss Foundation in providing life and health insurance is that insurers find their group of educators highly attractive as clients, which implies that they are relatively young and healthy. A favorable health status profile would be a major asset as solutions are pursued.

### Part Three

- Multiple options are presented in this section, because of (1) likely variations in the extent and nature of the problem from community to community; (2) the

targets the very low-income; the SCHIP program targets children from families whose incomes are up to 175% or 200% of poverty. A few SCHIP programs also cover parents of eligible children.

- In some states, these programs will use Medicaid or SCHIP funds to pay the employee contribution to employer offered health benefits.
- There are efforts in almost all states (typically public-private partnerships funded by the Robert Wood Johnson Foundation's Covering Kids and Families Program) to encourage eligible individuals and families to enroll in these programs. Those involved in these efforts would likely welcome overtures from Jewish communal organizations seeking to ensure that any eligible Jewish educators, or their children, are enrolled in these programs.
- One advantage of the relatively high educational level of Jewish educators is that they are better prepared to deal with the paperwork that accompanies initial enrollment and continuing re-enrollment in these programs.
- This option is certainly viable for at least a subset of Jewish educators and their children; further research is needed to determine in which states and communities it is most likely to be an option to pursue vigorously.

#### *Option Three: Consumer Directed Health Plans*

- In an attempt to increase the degree to which employees recognize the financial consequences of their decisions to use health care, more and more employers are offering a new kind of insurance to their workers – Consumer Directed Health Plans (CDHPs).
- These plans generally have very high deductibles. The employer contributes to a Personal Care Account (PCA) for the worker which represents a portion of that deductible. From that PCA the employee pays for the medical services they use. If the PCA is not exhausted, it can be carried over into the following year, if the person remains with the same employer. For this reason, these plans can also be considered Health Savings Accounts, an approach to coverage which has been encouraged by recent legislation. If the PCA is exhausted, then the employee must pay the rest of the deductible out of pocket. For example, the deductible for a family policy might be as large as \$2,500, with the PCA associated with that policy set by the employer at \$1,200. This leaves the employee at risk to paying as much as \$1,300 of the deductible in a given year, which is considered to increase the care they will take to use only needed medical care. Once the

with state-licensed insurers and having financial reserves available to supplement the operating funds of the AHP, are critical to maintaining the stability and value of health insurance to be offered through such a plan. Communal/philanthropic organizations and professional associations could sponsor an AHP for Jewish educators. An AHP could offer, as one or the only option, a CDHP.

### Next Steps To Be Considered

- There are both practical and ethical reasons for the Jewish community to address, now, the issue of lack of health care coverage among people to whom we entrust the future of our heritage. It will not be easy to completely solve the problem, but it is certainly not impossible to begin, now, to increase the number of Jewish educators who have decent health care coverage for themselves and their families.
- Here are some next steps that can be taken now:
  - Disseminate this paper widely to interested parties, as well as those who need to participate in these efforts but may not be fully aware of the situation and the options.
  - Continue efforts at the national, state, regional and local levels to collect information on the nature and extent of the problem of uninsured Jewish educators and the demographic and health status of those who are and are not currently insured.
  - Take steps to link Jewish communal organizations to groups and coalitions at the state and local level who are committed to getting all eligible people, especially children, enrolled in public health coverage programs.
  - Assess the willingness and ability of Jewish communal organizations, individual donors, and philanthropic organizations to contribute financially and organizationally to this effort, and at what geographic level. For example:
    - Who would be willing and able to broker and maintain linkages between Jewish communal organizations and those who employ Jewish educators with advocacy groups and coalitions that support enrollment in public programs, such as Covering Kids and Families?
    - Who would be willing and able to explore the creation of a safe and reliable Association Health Plan for Jewish educators, and under whose sponsorship?