



Date: April 8, 2008

From: Brian Robertson, Ph.D.
Market Decisions, LLC

To: George Hoover
Deputy Insurance Commissioner

RE: Validity of the 2004 Pennsylvania Health Insurance Survey

Market Decisions is a member of the American Association for Public Opinion Research (AAPOR), a national organization that provides guides, standards, definitions, recommended and condemned practices for public policy survey data collection. Market Decisions abides by AAPOR's code of ethics and practices, and as such, we assure that the sampling methodology used in the 2004 Pennsylvania Health Insurance Survey meets industry specifications. The survey employed a rigorous data collection strategy that included techniques meeting industry standards for acceptability and legality in market research.

For purposes of reporting results, data was compiled by nine geographically specific areas of Pennsylvania. These regions were developed by examining the geographic distribution of counties, labor market areas (LMA's) and metropolitan statistical areas (MSA's). Counties were grouped into regions based upon inclusion in LMA's, MSA's, and geographic proximity. These regional groupings provide a higher level of precision when presenting results and allow for comparisons to be made between various parts of the state.

Additionally, survey data gathered during the 2004 Health Insurance Survey was weighted to adjust for non-response and to match the state profile based upon gender, age, Hispanic origin, race, county of residence, and enrollment in state sponsored health insurance programs. Weighting also adjusted for households with multiple phone lines and for interruptions in phone service. While not specifically targeted in the sampling frame, cell phone only households were allowed to participate in the survey and were weighted based the demographic characteristics of that population. Therefore, the cell phone only population is accounted for in the weighting adjustments.

The weighting plan has been used by Market Decisions in a number of other state health insurance surveys. The weighted data set is designed to provide data that can be generalized to the population of Pennsylvania and to allow statements to

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be made about the state as a whole as well as for various sub-populations with a known standard error and confidence.

We recognize that another common source of statistics regarding the health insurance status of US citizens is the Current Population Survey (CPS) conducted by the Census Bureau. While this survey may be helpful for making comparisons across the 50 states, it cannot provide all of the detailed information available from the state-specific survey conducted by our firm in 2004. Furthermore, the larger number of households interviewed on a statewide basis (approximately 6,700 in 2004) permits more precise estimates than those available from the CPS survey, which collects information on approximately 2,000 households in Pennsylvania.

Sincerely,

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