

Fact Sheet

Basic Health

January 2010

The Basic Health program is the only health insurance option for many uninsured working adults in Washington State. Basic Health has offered affordable access to preventive, specialty, pharmacy and hospital care for low-income Washingtonians for over 20 years.

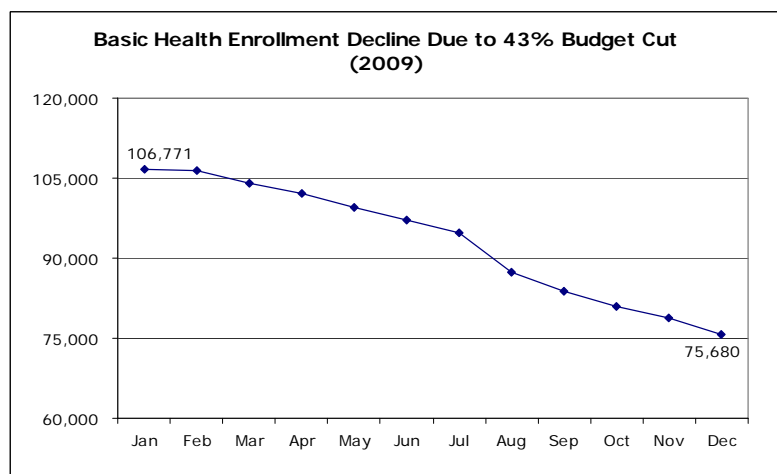
Tens of thousands lost Basic Health in 2009. Although demand has skyrocketed in the economic downturn, Basic Health was cut by \$255 million last year. More than 31,000 people lost Basic Health coverage in 2009 as the Health Care Authority (HCA) tightened the eligibility requirements to reduce enrollment.

Now the Basic Health wait list exceeds enrollment at over 87,000. Enrollment is projected to drop to 65,000 in the coming months due to the doubling of enrollees' monthly premiums.

The program is at increased risk for adverse selection if healthy people find themselves unable to pay increasing premiums while sicker people do whatever they can to retain coverage. The high costs from this small pool of less healthy people cannot be balanced out with lower costs from healthier people, making the program financially unsustainable.

Basic Health elimination has far-reaching consequences. Each person who loses or is locked out of Basic Health is likely to add to the rapidly rising uninsured population, expected to soon exceed one million people in Washington.¹ In addition to the difficulties individuals face when they are uninsured, they also put incredible stress on our state's entire health care system:

- Newly uninsured community health center (CHC) patients continue to seek care but cannot pay for their services, nor do they have access to specialty care or coverage for expensive hospital bills. The CHC mission of serving all regardless of ability to pay becomes increasingly difficult.
- Patients who are unable to access timely care with CHCs or specialists use local emergency rooms but cannot pay their bills.
- The unpaid cost of care for uninsured people must be passed on to those with insurance in the form of higher premiums—a hidden tax on already struggling workers and employers that will only draw out the recession. Families USA projects health insurance premiums in Washington for a family with private, employer-sponsored coverage to be \$2,144 higher this year due to this cost shift.²



Basic Health program details. Since 1987, the Basic Health program has provided health insurance coverage to uninsured low-income Washington residents at or below 200% of the Federal Poverty Level (\$36,620 per year for a family of three), many of whom are employed but unable to access health insurance through their employers.

Basic Health ensures access to preventive care and protection from catastrophic health care costs by:

- requiring enrollees to partner with the state for their health care costs, paying copayments, premiums, and deductibles, with the state subsidizing premiums based on a sliding scale; and
- providing outpatient, hospital, emergency, pharmacy, specialty care and limited mental health benefits, but offering fewer benefits and requiring greater cost-sharing than many employer plans.

Basic Health is part of the health care solution in Washington and has provided needed coverage to nearly a half million people in the last decade.

¹ Washington State Office of the Insurance Commissioner. "A Problem We Can't Ignore: The Hidden and Rapidly Growing Costs of the Uninsured and Underinsured in Washington State." November 2009. Available at: http://www.insurance.wa.gov/consumers/FirstAid_Uninsured/documents/2232-UncompensatedCarereport_000.pdf

² Families USA, "Paying a Premium: The Increased Cost of Care for the Uninsured", June 8, 2005 (revised July 13, 2005). <http://www.familiesusa.org/resources/publications/reports/paying-a-premium.html>