

Fact Sheet

Basic Health

January 2012

The Basic Health program is the only health insurance option for many low-income workers in Washington State but it has been proposed for elimination. While the Governor prioritized funding for this program if new revenue can be raised, it is currently on the cut list and remains in a very tenuous position.

Basic Health has offered affordable access to preventive, specialty, pharmacy and hospital care to hundreds of thousands of low-income Washingtonians over 20 years. A Medicaid waiver was approved last year to provide federal funding to help support the program in the bridge period until the coverage expansions in January 2014. The federal funding has been a much needed infusion for a program that has become a model for other states to consider replicating in the coming years.

Over 70,000 have lost Basic Health since 2008. Although demand has skyrocketed in the economic downturn, Basic Health has taken budget cuts and implemented eligibility changes.

Now the Basic Health wait list is more than *four times* the enrollment at over 150,000. There were 35,000 Basic Health enrollees in October 2011; many of them receive care in community health centers. It would devastate many people to lose coverage when health care reform coverage expansions are only two years away. Now is the time to hold on to the innovative programs we built up before the economy stumbled, especially when it is now federally matched after more than 20 years of being sustained solely with state funds. Eliminating Basic Health would cause Washington State to forego tens of millions in federal funds.

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, now nearly 820,000 people in Washington.¹ In addition to the difficulties individuals face when uninsured, it also puts 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. Uncompensated care in Washington State is estimated at over \$1 billion, with \$1,100 in hidden tax passed on to the average uninsured family.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.³

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 2010 Washington State Population Survey, v1. Data accessed at <http://wa-state-ofm.us/SPSOnline/>.

² 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.

³ Basic Health also provides coverage to foster parents up to 300% FPL.