



## FACT SHEET

**What option will the Health Care Authority use?** HCA will increase Basic Health premiums effective January 1, 2010 to help offset a \$238 million dollar reduction in Basic Health's 2010-2012 budget. Premium increases will go into effect on January 1, 2010. Basic Health will also increase the current \$150 annual deductible to \$250. Basic Health believes after review of data that will ultimately cover more people and maintain the viability of the program.

Basic Health currently covers just under 100,000 people, who pay an average monthly premium of \$36 a month depending on their income. The average state subsidy is \$205 a month.

**What other options were under consideration, and why did they get ruled out?** Options on the table after discussions with stakeholders, health plans, community partners, members of legislative and staff, and the governor included:

- Lowering the eligibility to 125% of the federal poverty level from 200% where it is now. That protects the most vulnerable, but Basic Health would be able to cover fewer people because poorer people need a larger subsidy from the state.
- Removing members on either a first-in first-out or last-in first-out basis, leaving members without other coverage options.
- Using a lottery. Cutting enrollment through random selection would result in a risk pool more representational of what we currently have.

**Why hasn't the Health Care Authority raised rates to enrollees before this?** Basic Health member contributions have been kept low because of the program's commitment to protect those most vulnerable. The program must now balance this commitment with the need to maintain a viable program. Under the new cost-share scenario, the average enrollee will pay approximately the amount they would have paid if their share had increased at the same rate as the state's share since 1989.

**How many people will be in Basic Health around the middle of 2010?** During the course of the year, Basic Health will be closely monitoring the situation. The number of people enrolled at any given time will depend on how much we've spent already in the biennium, how much is left to spend, and how much we are spending to subsidize coverage for current enrollees based on their income levels, age, and other pertinent factors. This is what the program has always done to keep the program within budget.

**Who was involved in the decision process?** The Health Care Authority solicited input from the Governor, her senior staff, members of the Legislature, health plans, the Basic Health Advisory Council, community clinics, advocacy groups, health care providers, and people enrolled in the program.

**More than 30,000 people are on the wait list, will any of them ever get on Basic Health?**

Yes. Once Basic Health reaches sustainable levels, attrition will continue to occur as members qualify for programs through DSHS and other members leave voluntarily. Typically, more than 3% of enrollees leave the program each month. When slots open up, Basic Health will add new members from the wait list to maintain a sustainable level.

**Is BH taking other steps to maintain enrollment at levels supported by the budget?** Basic Health will:

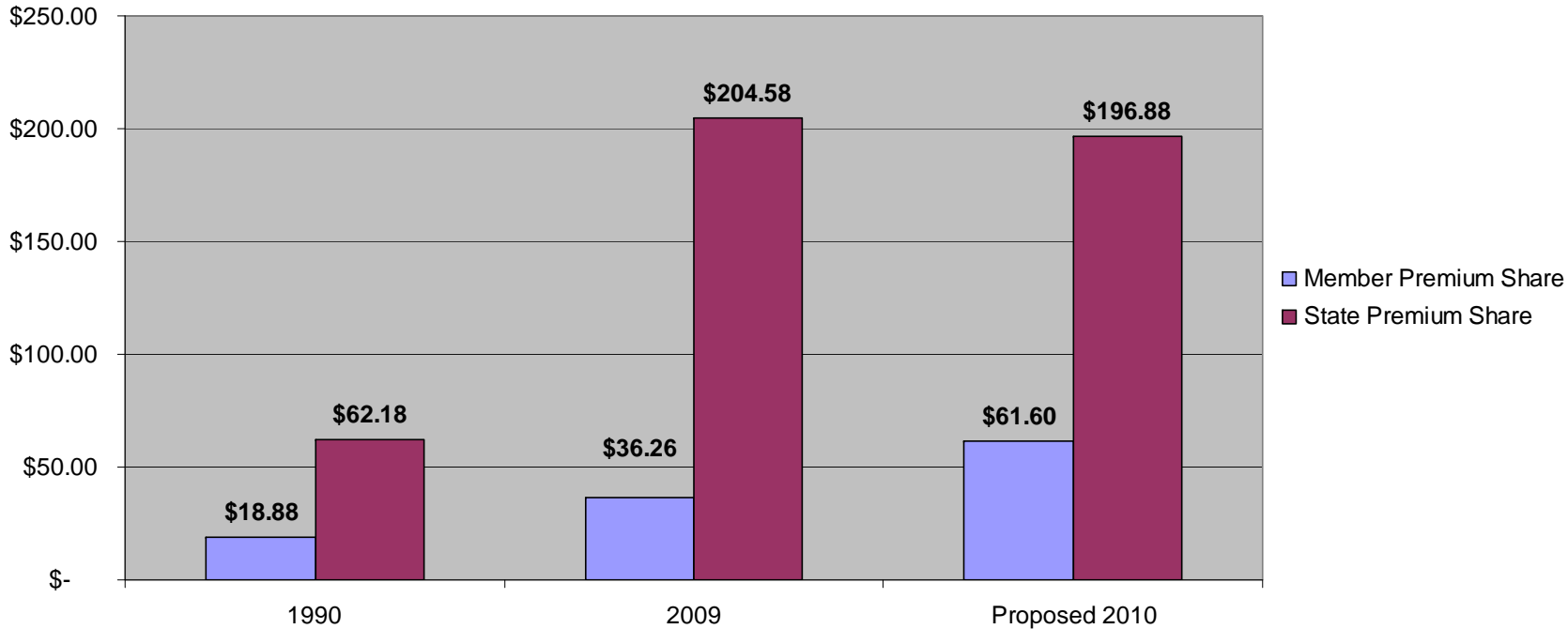
- Increase our recertification process efforts to ensure compliance
- Remove those who are also enrolled in Medicaid (5,300)
- In addition, some attrition will continue to occur

**What principles did HCA use to make this decision?** Our guiding principles were to:

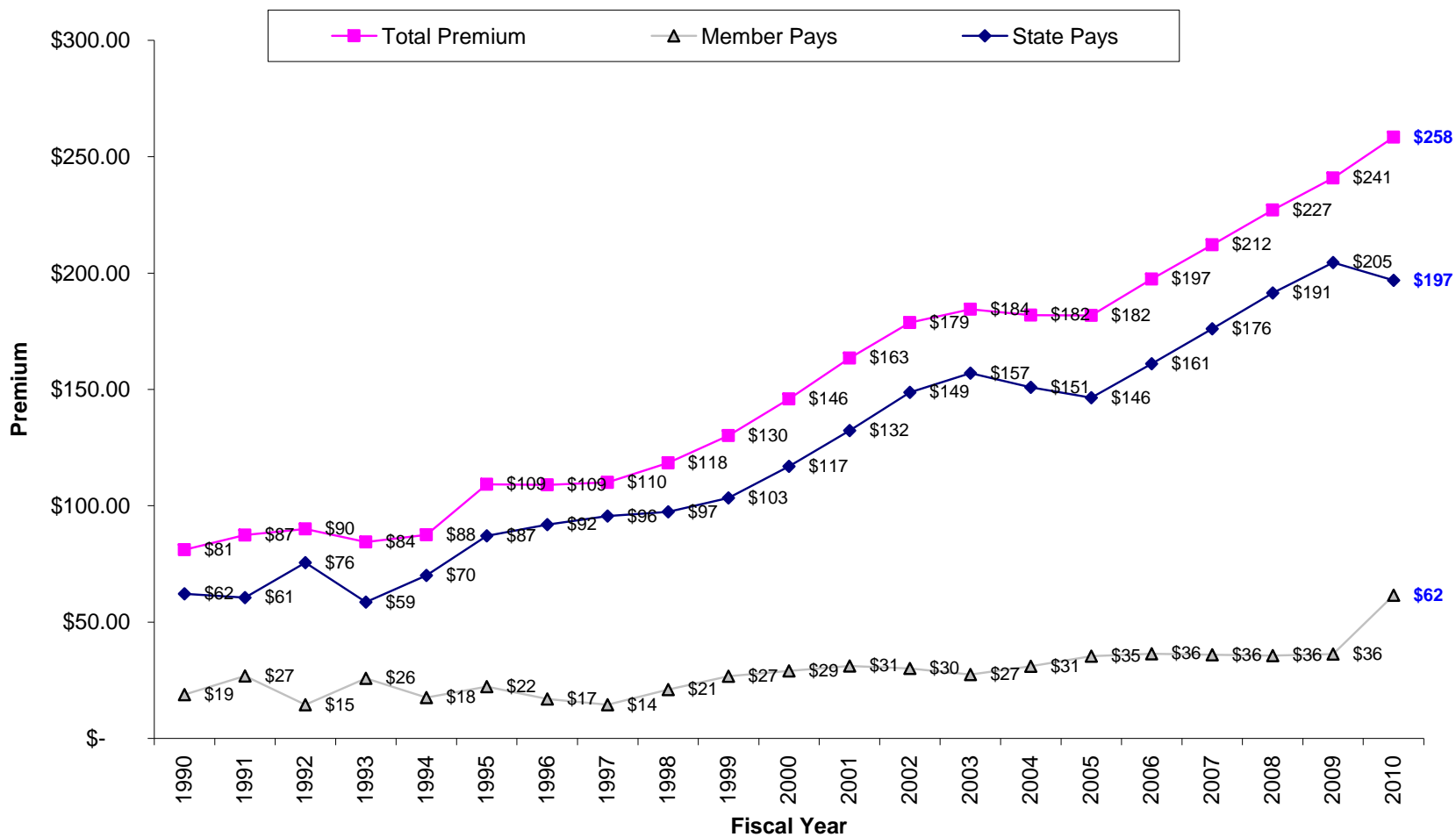
- Protect the most vulnerable members of the Basic Health population
- Disenroll those who have other coverage or can afford to find other coverage
- Maintain the viability of the program
- Make policy decisions that are thoughtful, impartial and humane
- Ensure our decisions were legal
- Preserve the original intent of program to provide necessary health services to those lacking coverage

**Background on Basic Health** Basic Health began as a pilot project in 1989, designed to provide state-subsidized health care to Washington residents who made too much to qualify for Medicaid, but did not received health benefits from their employer – essentially, the working poor. The program went statewide in 1993, and since that time has provided access to affordable health insurance to low-income Washington residents. This program is not found in most other states. At any given time since mid 1996 we covered around 100,000 Washington residents, sometimes as many as 130,000, depending on the amount budgeted for the program.

### Average Monthly Member vs. State Premium Share

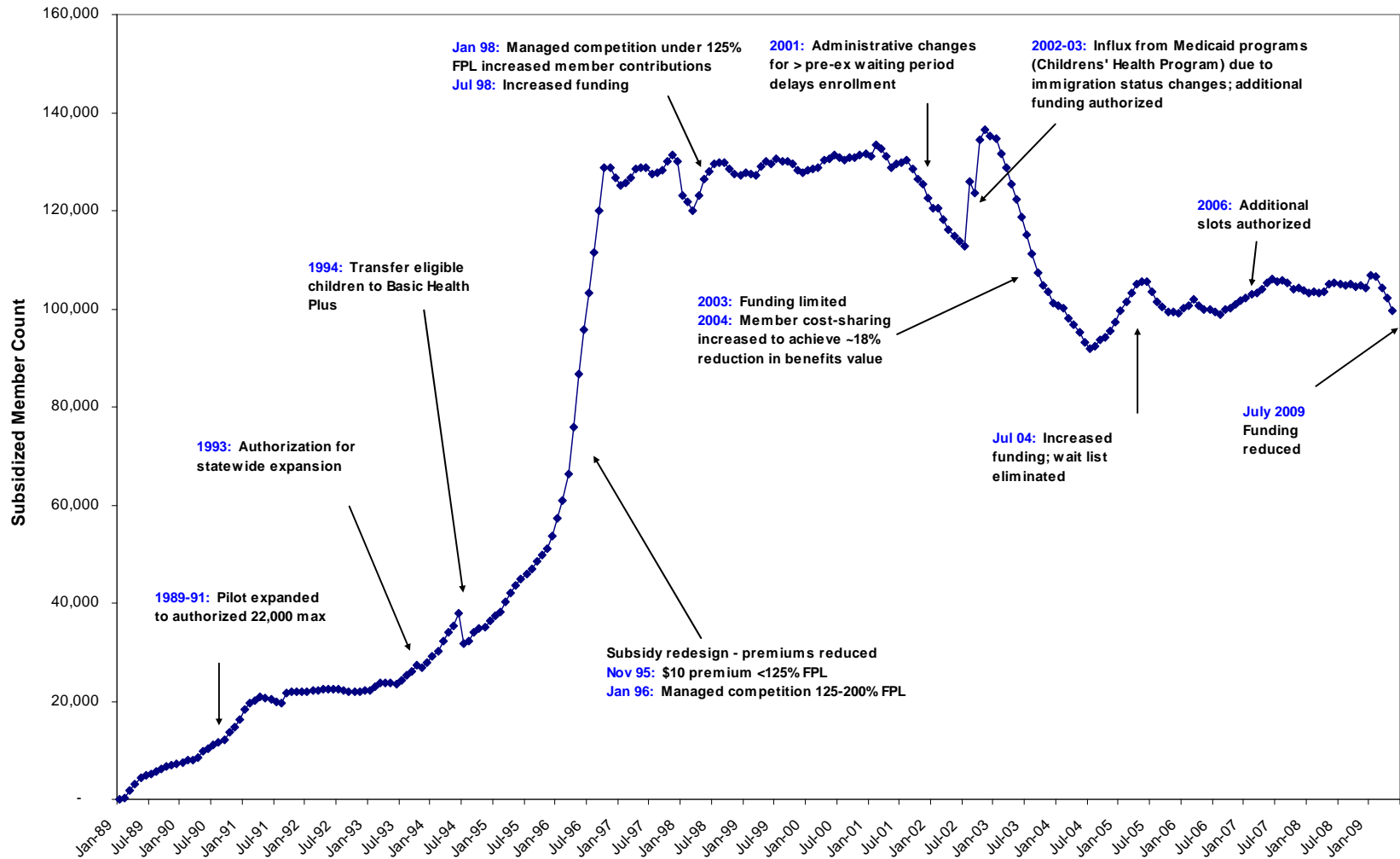


### Basic Health Average Monthly Premium\*



\*These figures represent the average enrollments and costs per fiscal year. Individual rates vary depending on health plan selected, subscriber age, and income adjusted for family size.

### Basic Health Enrollment, 1989-Current



**Income Distribution of Basic Health Subsidized Members by Age Rating for May 2009**

Gross Family Income (% of FPL) Income Band	Child Rated *	Adult Rated *				Total	Income Distribution
	A Age 0 - 22	B Age 0 - 39	C Age 40 - 54	D Age 55 - 64	E Age 65 +		
A Up to 65% FPL	2,625	16,122	10,123	6,366	1,363	<b>36,599</b>	36.8%
B 65% - 99%	2,044	8,424	6,208	3,260	88	<b>20,024</b>	20.1%
C 100% - 124%	1,647	6,402	5,313	2,525	53	<b>15,940</b>	16.0%
D 125% - 139%	777	3,233	2,819	1,200	17	<b>8,046</b>	8.1%
E 140% - 154%	702	2,786	2,419	975	10	<b>6,892</b>	6.9%
F 155% - 169%	558	1,962	2,033	820	5	<b>5,378</b>	5.4%
G 170% - 184%	402	1,425	1,569	685	6	<b>4,087</b>	4.1%
H 185% - 200%	261	878	961	420	5	<b>2,525</b>	2.5%
I 201% -250% (FP)		22	31	10		<b>63</b>	0.06%
J 251% -300% (FP)		5	19	7		<b>31</b>	0.03%
<b>Total</b>	<b>9,016</b>	<b>41,259</b>	<b>31,495</b>	<b>16,268</b>	<b>1,547</b>	<b>99,585</b>	<b>100.0%</b>

(1) Basic Health Subsidized excludes Home Care Worker Subscribers, S-Medical, BH Plus, HCTC. Includes Foster Parents (FP) above 200% FPL

\* "Child Rated" reflects dependents age 0 - 22 including student and disabled dependents.

"Adult Rated" reflects ALL subscribers and spouses regardless of age and disabled dependents over age 22.

**Basic Health Subsidized  
May 2009**

<b>County</b>	<b>Total</b>
Adams	1,536
Asotin	172
Benton	2,245
Chelan	1,172
Clallam	1,325
Clark	6,291
Columbia	73
Cowlitz	1,418
Douglas	623
Ferry	157
Franklin	1,692
Garfield	45
Grant	2,349
Grays Harbor	1,546
Island	861
Jefferson	726
King	23,544
Kitsap	2,201
Kittitas	484
Klickitat	395
Lewis	1,163
Lincoln	177
Mason	700
Okanogan	818
Pacific	397
Pend Oreille	336
Pierce	7,529
San Juan	508
Skagit	2,350
Skamania	129
Snohomish	7,066
Spokane	7,480
Stevens	1,109
Thurston	3,443
Wahkiakum	108
Walla Walla	1,506
Whatcom	3,536
Whitman	517
Yakima	11,858
<b>Total</b>	<b>99,585</b>

# Basic Health Timeline

2009

