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Legislature should step in to preserve Basic Health program

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Will Washington's Basic Health program survive the next few years? People across the state are pondering this question following the state's controversial decision last week to dramatically increase monthly premiums for enrollees.

Basic Health is a pillar of our state's health care system. It provides health insurance to approximately 100,000 Washingtonians who make less than \$36,600 a year for a family of three or \$21,600 for an individual. All enrollees pay monthly premiums based on their income, as well as office co-pays and deductibles. People on Basic Health are doing the responsible thing by purchasing insurance to keep them healthy and cover their health care costs.

When the state Legislature passed the final budget in April, the Health Care Authority was handed an unenviable task: cut Basic Health costs by 43 percent (around \$250 million). The agency weighed many possibilities for achieving these reductions, including canceling coverage for those on the program for more than two years, removing those who joined most recently or forcing people out of the program through a lottery.

All of the options amounted to using a hatchet to cut people off the program. For example, some people in the middle of life-saving cancer treatment would have received notice that their coverage was being canceled.

In the end, HCA's tough decision to raise premiums gives enrollees more control than they would have had under other options. But this is not a happy ending for at least two reasons.

First, these people are already struggling to get by on very low incomes. The current monthly premium competes with essential needs like food and shelter. Doubling the premium expense for the poorest families will force many enrollees to drop coverage.

Second, such sharp premium increases pose a risk to the financial stability of the entire Basic Health program. Dramatic premium increases will force enrollees to weigh how much they need their coverage. Years of experience and research tell us that when confronted with large increases in premiums, those who are healthiest will be most likely to drop their coverage, while those with chronic and expensive medical problems will be more likely to remain in the program.

As healthy people leave Basic Health and people with costly conditions remain, the overall cost of the entire Basic Health program will increase and soon become unsustainable. Termed "adverse selection," this undermines the program's ability to balance the costs of high medical expenses with low medical expenses. Without significant help from the Legislature next session, Basic Health may not be there for any of us in a few short years.

The Basic Health program is critical for our state. It provides the only health care coverage option for many individuals whose employers don't offer health benefits and who cannot afford the private market. Even as Basic Health slots are cut, about 300 people per day are signing up for the waiting list. More than 30,000 of our friends, neighbors and relatives are now on the waiting list but have little hope of getting coverage.

HCA's decision to raise premiums alleviates the need for forced disenrollment in the short term. But a sustainable solution is necessary to keep Basic Health viable and available for those who need it. National health care reform will not come soon enough to help the 875,000 Washingtonians who are estimated to be without health insurance by the end of this year. Many of these people need care today, not years from now.

Basic Health once stood as a pillar of our state's commitment to hard-working, low-income families, and served as a model for health care reform and proof that even those with little means are willing to pay their fair share. Today, that commitment and the program's future are in question.

The state Legislature must take decisive action during the 2010 session to preserve this vital program.

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