

## Basic Health Plan

**Overview** – The Health Care Access Act of 1987 (ESSB 477) created the Basic Health Plan (BHP) as a government health insurance program targeted at non-elderly Washington residents with incomes below 200 percent of the federal poverty level (FPL, currently \$20,800 for a single person, \$28,000 for a couple, and \$42,400 for a family of four).

BHP began as a pilot demonstration program in 1988, open to 4,000 residents in King and Spokane counties. In 1993, the Legislature made the BHP a permanent statewide program. In May 2008, there were 105,075 individuals enrolled in BHP.

The BHP is administered by the Health Care Authority (HCA). HCA contracts with private health plans to provide subsidized (i.e. reduced-cost) managed care health coverage primarily to individuals or families with a household income below 200% FPL who do not qualify for Medicare or are institutionalized at time of enrollment. In 2007, legislation was enacted that allows foster parents earning up to 300 percent of the federal poverty level to also qualify for BHP and at reduced premium rates.

All participating health plans offer the same basic benefits in BHP, but monthly premiums, providers, and some details of coverage (such as which prescription drugs or preventive care are covered) vary. In designing the benefit plan, HCA is directed to cover “services that may be necessary for basic healthcare,” including physician and hospital services and prescription drugs. The law also allows the BHP, to the extent funds are available, to cover chemical dependency, mental health and organ transplants, as long as doing so does not increase the value of the plan by more than five percent. Additionally, the mental health parity law (2005 HB 1154) enacted in 2005 applies to the BHP.

Sliding-scale premiums are based on gross family income, family size, family member ages, and health plan chosen. Premiums can be paid in whole or in part by employers or financial sponsors. 2008 premiums range from \$17-\$277/month per individual. A majority of enrollees have incomes of no more than 125% FPL.

**Funding** –The Basic Health Plan is funded from the state's Health Services Account using a number of revenue sources, including tobacco and liquor taxes, insurance taxes, certain federal payments, and Tobacco Settlement payments. BHP is not an entitlement, and enrollment is subject to the level of funding provided in the operating budget. The 2007-09 operating budget funds enrollment of an average 105,500 per month for the remainder of 2008, rising to 109,500 by June 2009.

**Recent Legislation** – The 2007 Blue Ribbon Commission on Health Care Reform bill, SB 5930, included provisions to try to revitalize the non-subsidized BHP program that failed in the late 1990s due to escalating costs, including a 61 percent rate increase in 1999. Currently there are no insurers that offer a non-subsidized BHP plan to individuals who have incomes above 200% FPL. SB 5930 would require individuals applying for non-subsidized BHP to take the standardized health questionnaire that is required in the individual market. House Democrats supported this measure in hopes that insurers would once again offer a non-subsidized BHP option. To date there has been no interest in the plan.

**For more information on the Basic Health Plan go to: [www.basicealth.hca.wa.gov](http://www.basicealth.hca.wa.gov)**

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