



Adequate Health Care Task Force

April, 2006

A Plan for Illinois' Working Uninsured

- Issue is Multi-Faceted
 - We need to address the working uninsured.
 - BCBSIL's goal: reduce uninsured population through targeted programs/products.
 - Government needs to properly fund current programs.
- Private Market Innovation
 - Affordable, high-quality products.
 - Specialized products.
- Current Government Safety Net
 - Medicaid and extensions (Kid Care/All Kids/Family Care).
 - Medicare and expansions (Senior Care/Circuit Breaker).
 - State high-risk pools (i.e., ICHIP).



Analyzing the Uninsured Population

- Not a Homogenous Group
 - 16 percent of people in Illinois are uninsured (1.74 million):
 - 36 percent of uninsured can afford health insurance but choose not to purchase.
 - 30 percent of uninsured are already eligible for government programs but have not accessed them.
 - 34 percent of uninsured have difficulty purchasing commercial coverage.
- The working uninsured:
 - 80 percent of all uninsured come from working families.
 - 58 percent of working uninsured are employed by small firms (less than 100 employees).



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What Blue Cross is Doing Today

- BCBSIL Offers Affordable Policies
 - For individuals, many of our products start at less than \$100 per month:
 - Affordable product line—as low as \$70 per month.
 - Temporary insurance—as low as \$60 per month.
 - Children's policies—as low as \$58 per month.
 - In the past year, we have enrolled nearly 30,000 people who were previously uninsured through individual products.
 - For small groups, we have several options:
 - BlueAdvantage Entrepreneur (BAE) for groups 2-50.
 - BlueEdge Health Savings Accounts.
 - BlueChoice Select



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What Blue Cross is Doing Today

- BCBSIL Offers Expertise and Community Assistance
 - Administrator of government programs
 - ICHIP, Medicare Part D, etc.
- Community outreach
 - “Caring for Our Community” program
 - Blue Cross CareVan
 - Corporate Giving Program



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Legislative Proposal

New Legislation

- BCBSIL intends to introduce new legislation in the legislative session.
 - Help the working uninsured by assisting small employer groups.
 - Why focus on working uninsured?
 - Largest segment of the uninsured population.
 - 80 percent of Illinois uninsured comes from working families.
 - 58 percent of working uninsured are employed by small firms (less than 100 employees).

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Legislative Proposal



Guiding Principles

- Reduce uncompensated care for providers by bringing new money into health care system.
- Keep the program simple:
 - Minimize administrative costs for employers, providers and carriers.
 - Allow the free market to reach equilibrium:
 - Do not regulate provider compensation, rates, etc.

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Legislative Proposal—The Details



Employer Mandate

- All employers who meet eligibility requirements **must offer** health insurance to their employees.
- Employers aren't required to contribute.

Eligibility

- Small employers with 2-50 employees are eligible, provided they have not offered health insurance in the past 12 months.

Means Testing

- Employer's average wage can't exceed 75 percent of the state's average annual wage.

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Legislative Proposal—The Details

- **Participation Requirements**

Health Insurance Carrier

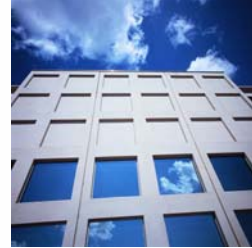
- Propose that all health insurance carriers in the State of Illinois participate in the offering.

Employer Group

- Guaranteed issue for all eligible employer groups and for all employees (and their dependents).
- Industry standard participation requirements.

- **Program Funding**

- Employers and employees will fund coverage--like private insurance.
- Employers must offer coverage, but aren't required to contribute.
- State will create tax incentives for employers to help fund program.



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Legislative Proposal — The Details

- **Program Benefits**

- Standard benefits determined by legislature, in consultation with carriers, to ensure affordability.
- Include first dollar and preventive coverage.
- Multiple options—from low cost to more comprehensive.
- State should review impact of mandates:
 - Keep those related to preventive care.
 - Create exceptions for most costly.



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Legislative Proposal — The Impact

Potential Impact

- Based on our estimates, more than 500,000 people will have an opportunity to secure health insurance as a result of this proposal.



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Legislative Proposal--Summary

Conclusion

- 16 percent of people in Illinois are uninsured.
- That means 84 percent are already insured.
- The private sector must work with the State Government to reduce the number of uninsured in Illinois.
- We don't need to overhaul the entire system; we just need to fix the parts that aren't working.
- This proposal is a big step in that direction.

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