

The Seattle Times

Tuesday, November 24, 2009 - Page updated at 10:02 AM

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Big demand, grim outlook for state Basic Health Plan

By **Kyung M. Song**

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Washington's popular — but financially pinched — Basic Health Plan now has the dubious distinction of having more people on the waiting list than are enrolled.

But the state's gaping \$2.6 billion budget deficit is threatening to strip taxpayer-subsidized coverage from even the 65,000 current members. And a possible rescue of Basic Health championed by Sen. Maria Cantwell of Washington in the Senate health-care bill won't kick in until 2014, too late to avert potential cuts.

On Monday, Cantwell appeared at a community health clinic in Seattle's Chinatown International District with advocates working to protect Basic Health. Cantwell, a Democrat, serves on the Senate Finance Committee, a key player in shaping the health-care legislation being hammered out in Congress.

The Basic Health Plan is among a host of programs facing cutbacks or even potential elimination as Gov. Chris Gregoire works to draft a state budget to plug the \$2.6 billion shortfall through July 2011.

Advocates fear that Basic Health, which provides steeply discounted health coverage for the working poor, may be particularly vulnerable because it's funded solely with state money and does not draw any matching federal dollars.

"We're planning for the worst," said Hiroshi Nakano, board chair of the nonprofit International Community Health Services (ICHS).

By law, ICHS and other federally qualified community clinics cannot turn away patients for lack of insurance. Nakano said more than 40 percent of ICHS' patients have coverage through Basic Health — the loss of which would hurt both the clinic and its patients. "Health care is the ultimate, 'Pay me now or pay me later,'" Nakano said.

Budget cuts earlier this year already have forced the state to bump tens of thousands of people off Basic Health's rolls. Members now pay an average of \$34 a month, with the state kicking in the remaining 85 percent of the premiums. Starting in January, members will have to pay an average of \$60 a month, or 25 percent of the total cost.

Despite the planned premium increase, Basic Health has 80,000 applicants on a waiting list, said Preston Cody, who oversees the program for the Washington State Health Care Authority. If Gregoire, a Democrat, were to propose scrapping the entire program, it would free up \$160 million during the rest of the biennial budget period.

Democrats, who control both the state House and Senate, are already talking about closing tax loopholes or raising certain taxes to help balance the budget. The Legislature convenes in January.

In Congress, Cantwell has inserted an amendment in the Senate bill that would allow Washington and other states to collect



Sen. Maria Cantwell



Gov. Chris Gregoire

federal dollars to provide health coverage to families earning between 133 percent and 200 percent of the poverty level (\$24,350 to \$36,620 a year for a three-person household). The measure was modeled after the Basic Health Plan and meant to enable states to purchase coverage from commercial health insurers.

Cantwell said Monday that she would favor raising the income eligibility for Basic Health-like plans to 300 percent of the poverty level. For higher-income people, both the Senate and the House health-care bills call for allowing them to buy coverage through a public plan sold directly by the government.

Cantwell, a former state legislator, noted that Basic Health for two decades enjoyed strong support from both Democrats and Republicans.

And she lamented that any national health-care overhaul won't provide an immediate fix for the state plan.

"No one ever touched the Basic Health Plan," Cantwell said. But thanks to the recession, "it's now on the chopping block."

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