

BUDGET BRIEF



Health care: Bridging our way to 2014

Our strategy: Protect the infrastructure, bridge to federal reform

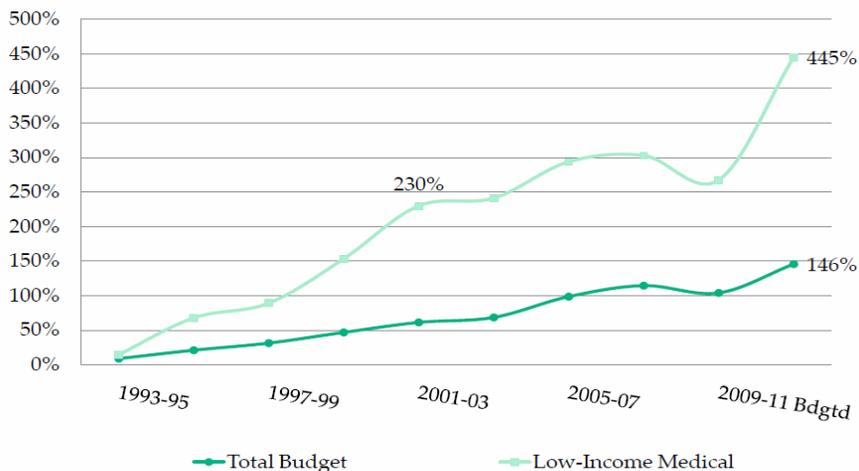
The recession has left many people out of work and their families uninsured. Our challenge in the face of today’s economic downturn is to ensure we aren’t cutting services today that result in much higher costs in the future.

Fortunately, many of the medical services we pay for today will soon be covered by federal reform efforts. If we can preserve basic health care services for our children and lowest-income citizens and protect the infrastructure already in place to provide those services, we’ll be in a prime position to leverage new federal dollars.

It pays to provide

Our state’s low-income medical programs covers more than one in five Washingtonians:

- One of every two children – 46 percent
- One of every two pregnant women – 48 percent
- One of every nine seniors – 11 percent
- One of every eleven “other” adults – 8 percent



Washington is a national leader in health care

We were one of the first states to set a goal to cover all kids. Our Apple Health program insures 600,000 children, almost half the children in Washington, so they have access to a doctor when they’re sick or hurt.

Our Basic Health program provides coverage for 45,000 low-income workers and has a waiting list of more than 130,000. It served as a model for national health care reform efforts.

Our state is one of the most efficient at providing health care services to seniors under the federal Medicare program. Unfortunately this is a bittersweet honor. Our lower costs result in lower funding support from the federal government making it difficult to find doctors willing to serve Medicare patients, especially in rural areas.

TODAY . . .



1 in 8 resident is 65 years or older

BY 2030 . . .



1 in 5 will be 65 or older

It’s also a growing area of our budget with health-care related costs for low-income residents growing three times faster than our state budget and a growing number of seniors in need of more expensive care.

Why do we invest in the health of our residents? Because it actually saves us money. Emergency care for the 815,000 uninsured people in Washington results in enormous costs passed to everyone in the form of higher premiums and higher charges by providers.

One emergency room visit results in a bill for \$5,155.
One year of Basic Health coverage costs the state \$1,500.

Bridging to 2014

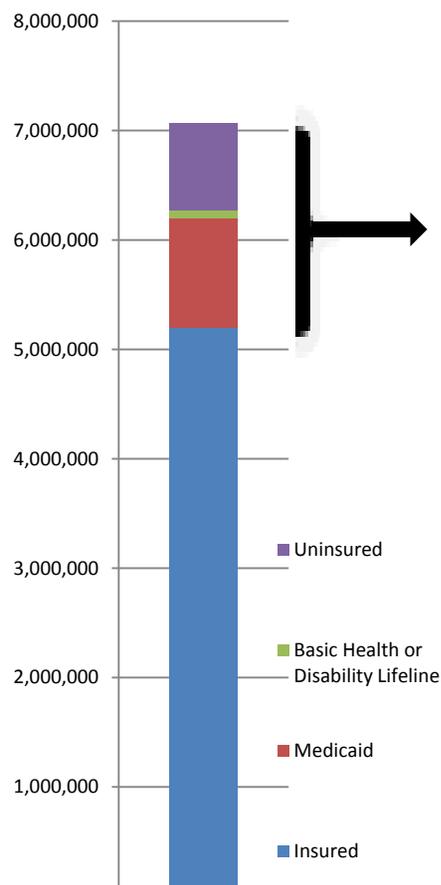
Currently, Washington subsidizes health care coverage for about 1.5 million adults and 600,000 children.

Washington had been using state funding to support the Basic Health Plan and Disability Lifeline medical programs for over 20 years until January 1, 2011, when the federal government granted us a waiver allowed by the federal health care reform legislation. That waiver provides 50 percent federal matching funds for these two programs from January 1, 2011 through December 31, 2013. When the federal Affordable Care Act is implemented in 2014, an even greater share of our health care costs will be covered by the new federal program.

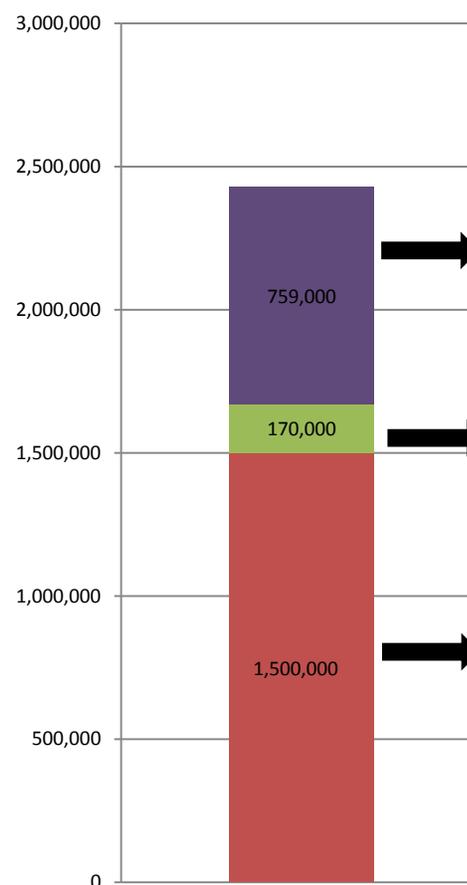
Basic Health is our state-subsidized health insurance for the working poor. Currently 45,000 people are covered by Basic Health and pay on a sliding scale. Another 130,000 are on the waiting list.

Disability Lifeline medical, mental health and substance abuse services are provided to about 24,000 people with disabilities or health conditions that prevent them from working but don't qualify them for social security disability. It has been proven to reduce inpatient hospitalization, and reduce homelessness and arrests among disability lifeline clients.

Medicaid is a program for low-income people funded with both state and federal dollars. About 1 million people in Washington receive Medicaid. Recent budget cuts have meant coverage for some children, hearing, podiatry, and most dental services for adults are no longer covered.



Where we are today



Where we're heading: 2014

Beginning January 1, 2014: **Most uninsured residents will become eligible for Medicaid or Basic Health. The remaining will be able to purchase affordable health insurance through a state-run health care exchange.** Federal funding for a sliding scale structure will cover people with incomes up to 400 percent the federal poverty level. We passed HB 1740 this session to set up a governance structure and public-private board to oversee creation of the Exchange.

Our Basic Health program can receive 100% federal funding for those with income from 134 to 200 percent federal poverty level.

Medicaid coverage will be expanded to people with income up to 133 percent of federal poverty level at 100% federal funding for the first two years, ramping down to 90% federal funding in 2019 and beyond.