Fact Sheet:
Washington's Basic Health Plan (BHP)

Authored By: Jen Brown, August 21, 2001

Overview

The Basic Health Plan (BHP) provides health care coverage to families with incomes at or below 200% of the Federal Poverty Level, which is 58% of the Washington state median income.[1] Federal Poverty Levels are based on family size; for a family four, 200% FPL is $35,300 per year while the state median income is $61,059. Typically, BHP enrollees are low-income working families whose employers do not provide health insurance. The BHP is administered by the state’s Health Care Authority and services are provided through private health plans, including Community Health Plan of Washington, Group Health Cooperative, Regence, and Premera.[2] Benefit coverage includes hospitalization, provider visits, emergency services, and prescriptions.[3]

Who Pays

BHP provides a no-frills package of health care benefits for eligible Washington residents. The state pays a sliding-scale subsidy of the monthly premium. Participant premiums are based on age, income, family size, and health plan. For example, in Pierce County, a middle-aged couple in a four-person family with a household income of $2627 per month ($32,524 per year, 190% of the Federal Poverty Level) would pay monthly premiums ranging from $152.84 to $236.08 depending on their choice of health care provider.[4] Additional co-payments are required for most services received.

History

The BHP began in 1987 as a pilot project to provide health insurance to the working poor. The program was initiated with bipartisan legislative action. BHP was made a permanent statewide program in 1993 when the Washington State Legislature mandated the implementation of universal health coverage. When the universal coverage law was repealed two years later, the legislature recognized that many low-income workers did not receive health care insurance at their places of work and retained the BHP and set a statutory enrollment target of 200,000 people.[5] However, as a result of underfunding by the legislature, the state not only failed to meet this enrollment target but also increased co-payments and premium sharing for BHP participants and, in 2001, set a new enrollment cap at 125,000.

Current Status

Currently 130,000 people are covered by the BHP.[6] More than 400,000 Washingtonians eligible for BHP remain uninsured.[7]
Initiative 773: Expanding Access to BHP

I-773 proposes a $0.60 increase in the state cigarette tax as a funding source to expand health care coverage under the BHP. The majority of the revenues from the increased tax ($161 million in fiscal year 2003\[8\]) will be dedicated to the BHP to fund 50,000 additional slots in the BHP, bringing total enrollment to 175,000.\[9\]

Endnotes


[3] Ibid.


[8] Based on OFM estimates of taxable sales of cigarettes and other tobacco products, the new cigarette tax revenues are expected to generate $160 million in fiscal year 2003, $159 million in fiscal year 2004, and more than $155 million in fiscal years 2005-2007. Of these revenues, the majority will be allocated to increasing BHP enrollment; $117 million in fiscal year 2003, $117 million in fiscal year 2004, and more than $121 million in fiscal years 2005-2007. Estimates have been adjusted to address the elasticity of demand from decreases in consumption and increases in tax-avoidance purchases. The elasticity of demand is assumed to be (-)0.55. Office of Financial Management, Washington Economic and Revenue Forecast, March 2001.

[9] As worded in the text of I-773, "The health care authority may enroll up to fifty thousand additional persons in the basic health plan during the biennium beginning July 1, 2003, above the base level of one hundred twenty-five thousand enrollees."

Related Link(s)

- Health Care Policy

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