

**BASIC HEALTH
PLAN STUDY –
PART 2
BRIEFING REPORT
06-9**

REPORT DIGEST



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STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT
AND REVIEW COMMITTEE

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Background

In 1987, the Legislature established the Basic Health Plan (BHP) with the intent of making basic health care services available for low-income residents of Washington State. In 2005, the BHP provided state-subsidized health care coverage to an average of 101,869 Washington residents each month. For the 2005-07 Biennium, the Legislature has appropriated approximately \$500 million toward BHP benefits and \$16 million for BHP administrative costs.

This Joint Legislative Audit and Review Committee (JLARC) study is the second part of a two-part review of the Health Care Authority's (HCA) Basic Health Plan. This study examines the characteristics of BHP enrollees and their use of health care services. Part 1 of the BHP review examined the extent to which the BHP's policies and procedures promote or discourage the provision of appropriate, high-quality, cost-effective care for enrollees (JLARC Report 06-1).

Study Objectives

The 2005-07 Operating Budget directed JLARC to answer six specific questions. Following are those study questions along with brief answers to each question. The full report includes more information related to these and other questions about Basic Health Plan enrollees.

How long are individuals enrolled in the BHP?

Thirty-three percent of individuals enrolled in the Basic Health Plan have been enrolled one year or less. (See Chapter 2.)

What circumstances led individuals to enroll in the BHP?

Fifty-five percent of enrollees were uninsured before enrolling in the Basic Health Plan. Of those who were insured, the two most common reasons for switching to the Basic Health Plan were that the cost of individuals' insurance was too high (30 percent) or they lost or changed jobs (21 percent). (See Chapter 3.)

How did BHP enrollees obtain health care before enrolling in the BHP?

Forty-five percent of respondents were insured before enrolling in the Basic Health Plan. Of those who were insured, 46 percent were insured through an employer or union plan. (See Chapter 3.)

What kind of health care coverage do other members of enrollees' households have?

Just over 30 percent of enrollees have at least one household member who is also on the Basic Health Plan, and just under 20 percent have at least one household member on a Department of Social and Health Services program, such as Healthy Options. (See Chapter 4.)

What are the service utilization patterns of BHP enrollees?

Eighty-six percent of enrollees reported visiting the doctor in the last year. Twenty-three percent reported visiting the emergency room. (See Chapters 6 and 7.)

What is the employment status of BHP enrollees? By whom are BHP enrollees employed?

Sixty-one percent of enrollees are employed, and, of those, nearly half (48 percent) are employed full-time. Over three-quarters of employed enrollees are either employed in the private sector or are self-employed. (See Chapter 5.)

Committee Addendum

The Joint Legislative Audit and Review Committee believes that the information provided in this report is a critical tool for the Legislature's deliberations on the Basic Health Plan and the role that it plays in the statewide health care system. Accordingly, the Health Care Authority should develop and maintain sources of information on the Basic Health Plan relating to the following:

- Basic demographics and enrollment status of enrollees, including total lifetime length of enrollment for each enrollee;
- Enrollees' prior health coverage and reasons for enrolling;
- Enrollees' employment status;
- Health coverage of other members of enrollees' households;
- Enrollees' use of health care services; and
- Enrollees' satisfaction with the program.

In developing plans for future data and management systems, the Committee recommends that the Health Care Authority specifically address these areas and identify any accompanying costs and implementation challenges to developing and maintaining these sources of information. The Health Care Authority should report to the Committee by July 2007 on the plans and status of maintaining this information.

