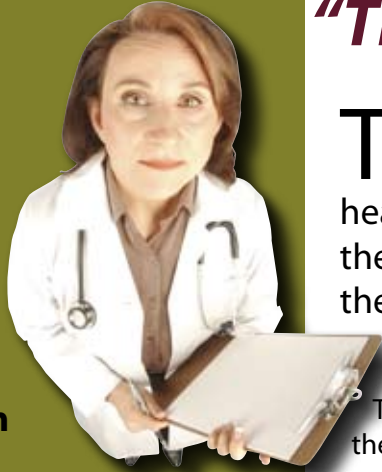


# Access to Healthcare

## *“The Status Quo is Not Sustainable”*



### **Blue Ribbon Commission**

In 2007, our neighbors in Colorado established a Blue Ribbon Commission for Health Care Reform, a diverse group of individuals with various types of expertise, to consider how to improve access to health care in their state. Like Wyoming, about a fifth of Colorado's population is uninsured. The Blue Ribbon Commission noted:

*“That contributes to higher costs for all of us. The cost of health care is escalating rapidly. That contributes to growing numbers of Coloradans without insurance. All Coloradans pay for the uninsured, as premiums rise still more to cover the cost of care provided to those who cannot pay. The cycle feeds on itself, and in the absence of action will only worsen over time. **The status quo is not sustainable.**”*

The #1 economic worry for many Wyomingites is: What if I get sick? Nearly a fifth of the state's population does not have health insurance, and many of the insured wonder how long they can afford premiums, co-pays, and charges not covered by their policies.

Polling shows that many Americans fear that health care reform will force them to pay for someone else's health care—but they already are. Those with insurance pay a “hidden tax;” Families USA estimates that \$934 of the average \$12,000 annual family insurance premium in Colorado is the cost of care provided to those without insurance. As the Blue Ribbon Commission asked, “Wouldn't it make more sense to invest that money in making sure that everyone has affordable health coverage so they can get the care they need, when they need it?”

Because data show that Americans pay more for health care than residents of other industrialized countries and yet have poorer health outcomes, the Blue Ribbon Commission's recommendations focused on reducing costs while improving care. The recommendations included mandatory coverage with sliding-scale subsidies for low-income workers, increasing reimbursements for providers who see Medicaid patients, and combining Medicaid and SCHIP (state children's health insurance programs, like Wyoming's KidCare CHIP). Another recommendation focused on promoting competition and consumer choice by providing information to the public on insurer and provider price and quality.

While some consumers are put off by the concept of mandatory coverage, it is the most obvious solution to controlling the massive cost-shifting and cost increases associated with caring for the uninsured. Hospitals and providers have to cover expenses, and they will get the money by continuing to shift costs from the uninsured to the insured if there is no other option.

Another approach to reducing the number of uninsured is to increase competition in the insurance marketplace, a difficult proposition with Wyoming's small population. First, competition works only if the consumers have access to comparable data about price, policy provisions, and medical claims losses of each insurer. Wyoming would need to re-regulate insurers doing business in the state (the industry was de-regulated in the mid-1980s) to require insurers to produce this data.

Second, insurers must be required to offer affordable coverage to people with pre-existing conditions. Otherwise, they will continue to do what they are doing now: cherry-pick the healthy population and leave employers (particularly public employers) with employees with health problems, further driving up costs and making existing insurance unaffordable. It is this vicious cycle that led the Blue Ribbon Commission to conclude that “the status quo is unsustainable.”

Source: *Recommendations for Health Reform in Colorado*, Blue Ribbon Commission for Health Care Reform, January 2008, [www.colorado.gov/208commission](http://www.colorado.gov/208commission)



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# Building Blocks To Health Care



The Commonwealth Fund has proposed a “building block” plan for achieving health insurance for all, utilizing existing private and public group health insurance. The plan’s authors estimate their approach would insure nearly 92% of Americans who are now uninsured.

By utilizing existing employer-sponsored insurance and Medicare, the Building Blocks framework would allow many insured people to continue as they are, but create more options for small businesses and individuals. A new national “insurance connector” would offer a Medicare-like option, along with competing private plans. The authors estimate community-rated premiums would run about \$260/month for individuals and \$700/month for families in 2008 prices.

Building Blocks would be partially financed with a “pay or play” mandate requiring employers to offer coverage (with employers responsible for at least 75% of the premium for a plan meeting minimum standards) or remit a payroll tax of 7%. Medicaid and the State Children’s Health Insurance Program (SCHIP, or KidCare in Wyoming) would be expanded to include low-income adults (currently, Medicaid covers only disabled adults and pregnant women). Tax credits would be provided to keep premiums from exceeding 5% of income for lower-income households or 10% of income for higher-income households.

Building Blocks is estimated to cost \$15 billion nationally—and while that sounds like a lot of money, it’s less than 1% of current national health spending—or, in another context, about six weeks’ worth of what the U.S. is currently spending on the Iraq war.

Source: “Building Blocks for Reform: Achieving Universal Coverage with Private and Public Group Health Insurance,” Cathy Schoen, Karen Davis, Sara R. Collins (The Commonwealth Fund), *Health Affairs*, May/June 2008

Source: *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, updated July 14, 2008, Amy Belasco, Specialist in U.S. Defense Policy and Budget, Foreign Affairs, Defense, and Trade Division, Congressional Research Service, <http://www.fas.org/sgp/crs/natsec/RL33110.pdf>

