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“Basic Health” Can Increase Health Coverage and Economic Security for Thousands of Oregon Families

Some 10,000 low-income Oregonians would gain health insurance and tens of thousands more would see sharply reduced health insurance costs should the state enact a “Basic Health Program.” That’s according to a state-commissioned study released today, which also showed that Oregon can structure the program in such a way as to cost little or even to generate a small surplus.

The [study](#) arrives as health advocates are urging lawmakers to create a Basic Health Program, an option under the Affordable Care Act. The advocates see Basic Health as a good way to improve health insurance coverage among low-income adults who make too much to qualify for the Oregon Health Plan, but too little to easily afford commercial insurance. The study estimates that 17 percent of this group remains uninsured, despite recent gains from health reform.

“Basic Health is a bargain,” said Janet Bauer, policy analyst with the Oregon Center for Public Policy, who reviewed the study. “At little to no cost to the state, Oregon can improve the health coverage and economic security of tens of thousands of vulnerable Oregon families.”

The Affordable Care Act gives states the option of enacting a Basic Health Program to help adults who make between 138 and 200 percent of the federal poverty line. In the case of a single parent raising two children, the parent would qualify for Basic Health if family income were between about \$27,000 and \$40,000 per year.

Assuming they do not get health insurance from an employer, these low-income adults currently can use federal tax credits to help purchase insurance through Oregon’s health insurance marketplace. The study found that even with those subsidies, the average member of this group has a health care bill of about \$1,600 per year, including premiums and out-of-pocket expenses.

Those costs could shrink or disappear altogether with a Basic Health Program, the study showed. The study, conducted by the Wakely Consulting Group and the Urban Institute, modeled several scenarios based on different pricing structures.

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“Not having to spend \$1,600 per year in health insurance bills is significant for a family surviving on a very tight budget,” said Bauer. “That amount could cover a month’s rent, a down-payment on a car or after-school care for a child.”

These savings would accrue to about 56,000 low-income Oregonians currently with commercial insurance, according to the study.

The report also found that about 10,000 previously uninsured Oregonians could gain coverage. Among those eligible for Basic Health, the share without health insurance could fall from 17 percent to as low as 6 percent.

The scenario most affordable for the state would be to operate Basic Health through the Oregon Health Plan. One option studied is to charge a modest fee to beneficiaries on the upper end of the income eligibility range. That option would leave the program in the black in terms of the state budget.

Health advocates welcomed the study, saying that it provides the legislature a path for structuring an Oregon Basic Health Program that helps many low-income families without incurring significant costs to the state.

“Basic Health would move us closer to the ultimate goal of making sure all Oregonians have affordable, quality health insurance, while providing families greater economic security,” said the Rev. Joseph Santos-Lyons, executive director of the Asian Pacific American Network of Oregon (APANO) and leader in the Inclusion, Affordability and Innovation Coalition, which supports consideration of a Basic Health Program in Oregon.

“When you add the fact that it can be structured in a way that costs the state very little money if any, Basic Health comes out as the kind of win-win policy that lawmakers should embrace.”