

Summer 2006



Health Insurance

BULLETIN

Senator Stewart J. Greenleaf

HEALTH INSURANCE: THE ROAD TO A SOLUTION – EXPANDING ACCESS AND AFFORDABILITY

Dear Friends:

Improving access and affordability of health care coverage to individuals and small business employers in Pennsylvania must be a top priority for the General Assembly. **Federal census data indicates that 1.4 million Pennsylvanian's were uninsured between 2003 and 2004.** More than 45 million Americans lacked health insurance in 2004 which was up from 41 million in 2001.

The rise in the number of adults who are uninsured can be attributed to a drop in employer-sponsored health coverage. In Pennsylvania, the percentage of employers offering health

insurance benefits dropped from 70% to 66.5% between 2000 and 2003. Double-digit rate hikes in health insurance premiums and fewer health plan choices have forced some small employers to no longer provide health coverage. This is a concern given the fact that 98% of all Pennsylvania businesses employ fewer than 100



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workers and that these businesses account for 52% of all of the jobs in this Commonwealth.

To help address the problem of uninsured adults in PA, the legislature in 2002 created, with a portion of federal tobacco settlement monies, a health insurance plan called **adultBasic**, to cover the basic health care needs of adults between the ages of 19 and 64 who lack insurance and meet a certain income. *However, despite the fact that the program is currently providing benefits to more than 40,000 adults, more resources need to be allocated or transferred to this valuable program given that more than **70,000 Pennsylvanians are on a waiting list to obtain coverage via adultBasic (1-800-462-2742)**.* Currently, about 1,600 individuals on the waiting list are purchasing adultBasic coverage at the state's cost. Purchase of the coverage while on the waiting list does not affect one's standing on the list.

In terms of health coverage for children (18 and below), Pennsylvania has been a national leader in making sure free or subsidized health care is available for low-income children through the



Children Health Insurance Program (CHIP).

Established in 1992, *CHIP is now serving approximately 140,000 children.*

However, there is nearly an equal number of children (134,000) who are still without health coverage in the state and I support efforts to expand health insurance to all children, regardless of income and ensure that the program is promoted and publicized (1-800-986-KIDS).

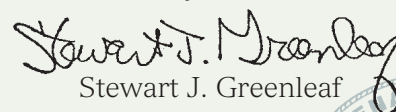
In addition to these wonderful programs, I believe we need to do more to help make health coverage more accessible and affordable for all Pennsylvanians. I have sponsored a package of

ills in the Senate to accomplish this goal. **SB 83** would *expand the adultBasic program by allowing uninsured individuals and small employers (2 to 50 employees) to buy into adultBasic coverage at the state's cost, with employers receiving business tax credits for participating.* My second bill, **SB 84**, would *provide eligible small businesses and uninsured individuals with a range of 10 basic health insurance plans – some with exceptions of some of the state mandated benefits – for the purpose of making insurance more affordable.* Finally, **SB 85** allows small employers to form health insurance purchasing cooperatives to buy coverage at the lower rates available to large employers and provide incentives for employers to continue to provide health insurance.



Being an advocate for greater consumer control over medical expenses, I have co-sponsored a measure, **SB300**, which exempts contributions to a **Health Savings Account (HSA)** from the state income tax. An HSA combines a high-deductible plan with a savings account to pay for routine medical expenses. I also believe *state government should do as much as possible to encourage all employers to provide health benefits for their employees through "incentives" (i.e., tax credits), while carefully evaluating any form of "penalties" for businesses who fail to provide employee health benefits.* We should also promote competition in the health insurance industry by encouraging other insurance companies to write insurance policies in Pennsylvania.

Sincerely,


Stewart J. Greenleaf



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