



Representing Ohio's Leading Health Insurance Agents

Ohio's Efforts to Reduce the Number of Uninsured

Approximately 1.3 million Ohioans (which represents about 11.4% of Ohio's population) are uninsured. This is considerably less than the U.S. average which is 16% uninsured. The good news is that in excess of 88% of Ohioans currently have insurance as follows: 60% employer; 4% individual market; 12% Medicare; and 12% Medicaid. OAHU supports building on the strengths of our current health insurance marketplace by providing opportunities for uninsured Ohioans to buy into the private market or to be insured through existing government programs.

Strickland Administration State Coverage Initiative (SCI)

The Strickland Administration has assembled the SCI Team and Advisory Committee with the goal of providing health insurance to 500,000 uninsured Ohioans by 2011 and to help small employers provide affordable health insurance to their employees. Through numerous meetings with government officials and stakeholders the SCI Team actuary has modeled numerous ways to insure more Ohioans. Several of the scenarios have included an "Exchange" or "Connector" similar to what the State of Massachusetts is implementing; a few scenarios model reinsurance and one model is a minimum basic offering with mandated employer coverage. These various scenarios are projected to cost anywhere from a few hundred million dollars up to \$2 Billion in the first year.

H.B. 456 (Representative Raussen)

H.B. 456 is Representative Raussen's effort to reduce the number of uninsured. Over the past several months and continuing into the future, the House Health Care Access & Affordability Committee is hearing testimony on specific provisions in the bill. The major components of the legislation focusing on the uninsured include:

1. **I-Ohio Reinsurance Program** – This program would provide health insurance to high risk individuals who are uninsurable in Ohio's individual market. It would be funded by 40% of the premiums currently assessed insurers. A basic & standard policy including coverage for chronic care would be required to be offered by all insurers. Eligibility requirements are that an individual cannot be employed by an employer that offers health insurance and has an annual income of less than \$90,000. In addition, the individual must meet at least one of the following criteria: (1) uninsured for six months, (2) have been denied health insurance coverage, (3) the individual's most recent health benefit plan premium exceeds 125% of the average market premium price as determined by the Superintendent of Insurance. Reinsurance would pay 85% of the total claims cost between \$15,000 and \$50,000.

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2. **Health Insurance Credit Program** – This program would provide a subsidy in the amount \$4,000 for a couple and \$2,500 for an individual who are uninsured for six months and have incomes between 90-100% FPL (from 7/09 - 6/11) and 90-125% FPL (after 6/11); and for individuals between 65–100% FPL (from 7/09 – 7/11) and 65- 125% (after 6/11). It would be funded by 50% of the premiums currently assessed insurers.

3. **State Tax Credit** – This program would provide an annual tax credit of up to \$1,000 for amounts paid for medical care insurance or long-term care insurance up to \$1,000. The taxpayer may not be eligible for employer-subsidized coverage or Medicare to qualify for the credit.

OAHU's Position on Reducing the Number of Uninsured

- > **Sustainability** – Any program that is developed must be economically sustainable through a permanent funding stream.
- > **Stabilize the individual market** – A first step to stabilizing Ohio's individual market is to develop a mechanism to provide affordable health insurance to those individuals currently uninsurable in the individual market. A high-risk pool or a reinsurance pool targeted at high risk individuals would stabilize Ohio's individual market and eliminate the need to merge Ohio's current individual and small group markets. (Merging the individual and small group markets would likely significantly increase small employers' premiums).
- > **Use of subsidies** - Any premium subsidies should be available to purchase either employer coverage or individual coverage. A subsidy in the small employer market will go further because the employer typically pays a portion of the premium.
- > **Build Upon Ohio's Competitive Health Insurance Market** - It is widely known by experts throughout the country that Ohio has one of the most competitive health insurance markets. Any program to reduce the number of uninsured should build upon Ohio's competitive market as opposed to the limited choice approach the Massachusetts "Connector" has taken.