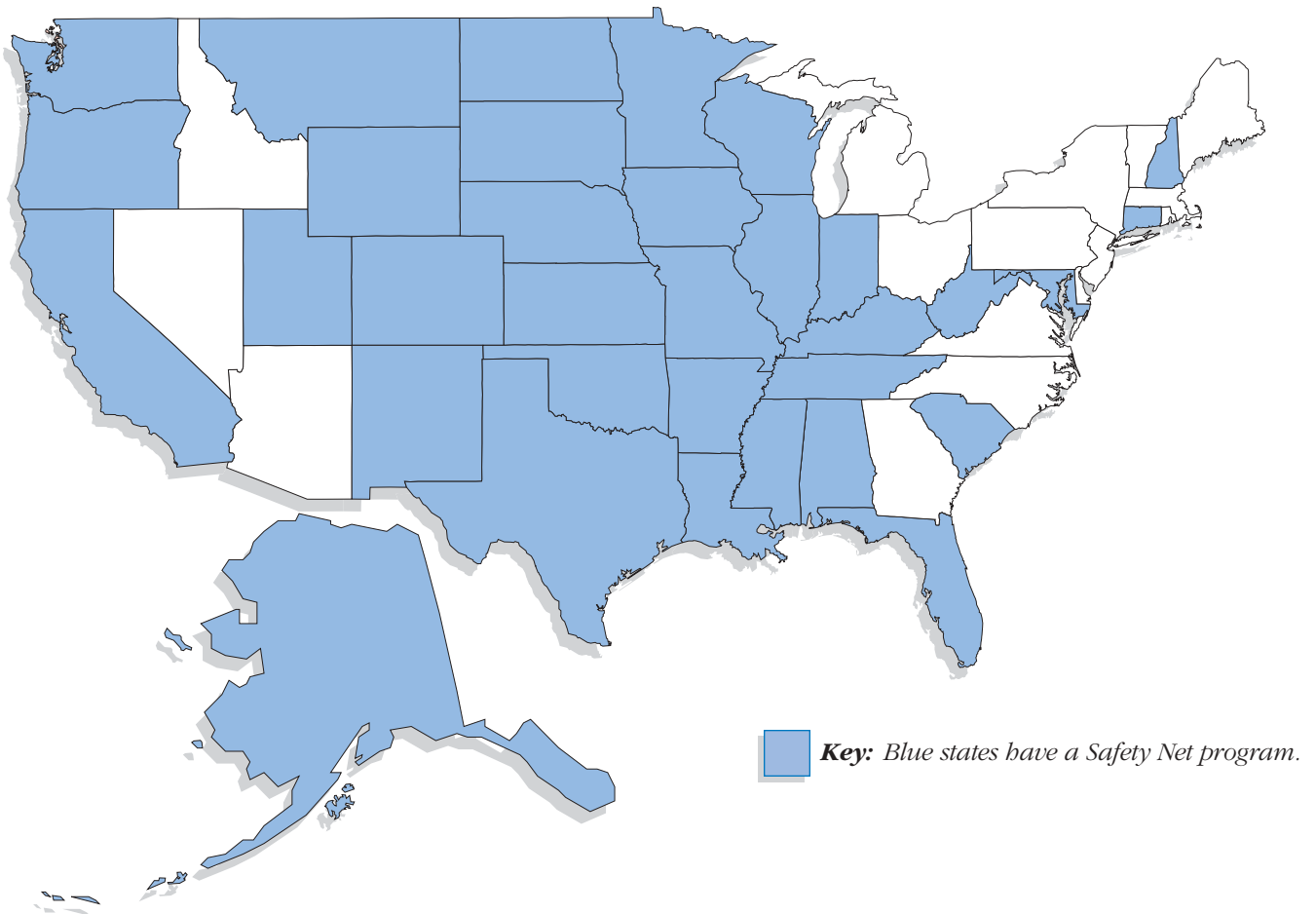


S. 2283: Gregg-Baucus

Health Insurance Safety Nets

Provide Guaranteed Coverage For *ALL* Americans



How does YOUR state take care of working sick people?

- In 2002, Congress appropriated \$100 million for Safety Net programs for 2003 and 2004.
 - \$20 million in seed money for new Safety Net programs in the 20 states and the District of Columbia.
 - \$80 million to strengthen and improve existing Safety Net programs.
- **S. 2283:**
 - Provides \$15 million for new high risk pools in 2004 and 2005.
 - Provides \$75 million each year for five years (2005 to 2009) for all Safety Nets.
 - Each state's share is based on the number of enrollees in each state's Safety Net plan and the number of uninsured individuals in each state.

Q: What is a “Safety Net?”

A: Health Insurance Safety Nets, sometimes known as high risk pools, are state-created insurance programs. They are designed to serve a small, but very important segment of the population who can't qualify for health insurance.

Q: Who gets health insurance in the program?

A: People who work for a company where health insurance isn't offered are eligible. These individuals are waitresses, temporary workers, and other employees in small firms who can't qualify for coverage.

Q: How many people were in a Safety Net plan last year? How many are eligible nationwide?

A: Last year 172,000 people were covered in Safety Net plans nationwide, and they used over \$1 billion in health care. In the United States, 1 percent of the uninsured population can't qualify for health insurance.

Q: Will my premium be unreasonably high?

A: No. Individuals covered under a Safety Net plan are guaranteed price protection. The premiums are capped at a certain percentage, depending on the state. They are typically just 25 percent more than current market rates.

Q: What kind of coverage is available?

A: Individuals who have coverage in a Health Insurance Safety Net plan have health insurance choices. Depending on the state plan, they can choose major medical plans that provide comprehensive coverage with varying deductibles and copayments, a PPO option, or an HMO. A recent study by the Health Insurance Safety Net Coalition found those benefits available to enrollees in the Health Insurance Safety Net are comparable to the F.E.H.B.P Blue Cross Plan.

Q: How are Safety Nets funded?

A: Safety nets are funded by two sources.

- The enrollee pays a premium for their health insurance.
- Additional Revenue: Since the premiums do not cover the actual health care costs, most states assess the insurance companies based on each company's marketshare. A few states, such as California and Utah, use other sources.

Q: Are Safety Nets a permanent means of insurance coverage?

A: Health Insurance Safety Nets provide temporary coverage until individuals are covered elsewhere. The average length of coverage is 30 months, as Safety Nets fill in gaps in coverage.

Q: What is the alternative method of insuring these individuals?

A: A few states, such as New Jersey, have passed guaranteed issue in the individual market to increase access to health insurance. This has increased the overall cost of health insurance, reduced health plan choices, and forced healthy people to drop their health insurance.

www.SafetyNets.org