

## Background Paper 1

### The Washington Health Security Trust

#### What is the WHST?

The Washington Health Security Trust [WHST] was introduced into the state legislature as SB 5609/HB 1096 in January, 2011.

All Washington residents are offered a Standard Benefits Plan, as set by a Public Advisory Board, and not set by insurance companies.

- FREE CHOICE of private or public health professionals,
- Guaranteed, quality coverage for ALL medically necessary conditions,
- A SINGLE Health Security Trust handles the financing and payments to all providers,
- You and your health professional determine your treatment, NOT your insurance company.

#### Some of the weaknesses of the 2010 PPACA

The Patient Protection and Affordable Care Act [PPACA] of 2010 now prohibits refusal of coverage for pre-existing conditions, or rescission, and it now allows coverage for dependents under 26, but fewer each year are able to afford the rapidly-increasing premiums.

- Those who already have coverage are getting better coverage, but at higher premiums each and every year, since there were no cost controls.
- There is nothing to prevent employers decreasing benefits and increasing cost sharing in an effort to reduce premiums, or try to drop coverage to employees by various means - such as hiring more part-time employees or 'contract' employees without benefits.
- Individuals and small businesses now without coverage can access Exchanges in 2014 which will offer rates and benefits for private insurance plans commensurate with how much one can pay: Bronze, Silver, Gold or Platinum plans. And, the Exchanges will add yet another layer of administrative costs with little value added.
- Insurance Commissioners in each of the 50 states have been charged with defining and enforcing many of the PPACA regulations on private insurance companies. The quality of enforcement will vary considerably, as states try to monitor industry practices.
- PPACA set the Medical Loss Ratio [administrative charges, advertising, profits, etc. vs. real medical costs] for private insurers at 80-85% of premiums. Exchanges may not even offer this protection. [Medicare, in contrast only charges about 4%.]
- As the Great Recession continues, state budgets are bleeding and Washington is preparing to dismantle its Basic Health Program, its Applecare for Kids, and to reduce matching funds for other federal income-based programs.

#### During conversations with our elected officials

- Ask our elected state officials to co-sponsor the WHST in 2011 to keep the promise of a truly universal and sustainable alternative 'on the table'.