adultBasic℠

Health Insurance For Adult Pennsylvanians

Commonwealth of Pennsylvania Edward G. Rendell, Governor Joel Ario, Acting Insurance Commissioner

ANNUAL REPORT TO THE STATE LEGISLATURE
CALENDAR YEAR 2007

Annual adultBasic Report - 2007

The Pennsylvania Insurance Department (Department) is committed to providing access to basic health insurance to adult Pennsylvanians, ages 19 through 64, who are otherwise uninsured. The adult health insurance product offered is adultBasic, a program that was established through the Health Investment Insurance Act (Act 77 of 2001). This Act is an initiative that uses proceeds from the state's tobacco settlement and invests them in the health of Pennsylvania consumers. The program is also funded by payments made pursuant to the Community Health Reinvestment Agreement which was entered into on February 2, 2005, by Pennsylvania's four Blue Cross and Blue Shield plans. Administration of the program is funded through the General Fund.

During calendar year 2007, adultBasic was available to eligible adults with net family income no greater than 200% of federal poverty guidelines. No federal financial participation was received toward the cost of this coverage. Average enrollment in calendar year 2006 was 50,271. Average enrollment in calendar year 2007 was 48,486 individuals, reflecting a 3.55 percent decrease from the prior year. As of December 2007, 95,649 persons were on the waiting list for insurance coverage. Thus far, over the life of the program, offers of enrollment have been made to over 229,372 persons on the waiting list. In calendar year 2007, we were able to make offers to 35,134 individuals.

Calendar year 2007 afforded the Department with many opportunities to work with advocates, other state agencies, insurers, community partners, and other stakeholders to make health insurance available and improve the health status of Pennsylvania's uninsured adults. Examples of the joint efforts made to improve the lives of adultBasic applicants include:

- Improved the information and referral practices used to inform adultBasic applicants about alternative sources of services or coverage while on the waiting list.
- Improved the Commonwealth of Pennsylvania Access to Social Services (COMPASS) system to more easily access features on the site and to increase applications and renewals performed via COMPASS. Post-eligibility screening was implemented to ensure that every individual who applies via COMPASS for a non-health care benefit is automatically screened for health care and has a streamlined opportunity to apply for health care benefits.
- Developed plans for a 2008 implementation of automated referrals between the Department of Public Welfare and the Pennsylvania Insurance Department for adults and children who apply for healthcare coverage and are referred to the other agency for services. Automation of the referral process will eliminate errors or omissions associated with a manual process, decrease time involved with the referral, and protect the consumer from unnecessary lapses in coverage when transferring from one government program to another.
- Informed adultBasic enrollees about low-cost or free prescription services available through a variety of pharmaceutical manufacturers' assistance programs by connecting them with services provided by the Department of Aging's PA Patient Assistance Program Clearinghouse.

- Implemented Healthcare Effectiveness Data and Information Set (HEDIS) measures which include preferred provider organizations and health maintenance organizations to facilitate uniform statewide comparisons.
- Retained an external review organization to assist in development of performance measures based on HEDIS rates and to develop pay-for-performance standards.
- Began the 2007 health insurance study to produce a comprehensive description of Pennsylvania's uninsured population, to identify who in Pennsylvania does not have access to health insurance coverage, and to describe the barriers to accessing health insurance.
- Continued to work with the Governor's Office of Health Care Reform to explore options for reducing the number of uninsured adults across the Commonwealth through the Cover All Pennsylvanians initiative of Governor Rendell's Prescription for Pennsylvania.

The Department is proud to provide this annual report on the status of adultBasic in calendar year 2007, and we look forward to continuing our efforts to make health insurance available to the uninsured across the Commonwealth.

Number of Eligible Adults Purchasing Coverage

During the reporting period of January through December 2007, the numbers of persons enrolled in adultBasic and purchasing adultBasic at the state-negotiated rate while on the waiting list were as follows:

Month	**Enrolled**	**Purchasing Coverage at State-Negotiated Rate While on Waiting List**
January 2007	52,310	1,593
February 2007	50,856	1,722
March 2007	49,841	1,740
April 2007	48,598	1,886
May 2007	47,715	2,059
June 2007	46,663	2,218
July 2007	45,413	2,211
August 2007	44,584	2,461
September 2007	43,710	2,573
October 2007	48,904	2,376
November 2007	52,181	2,388
December 2007	51,056	2,478

Geographic Distribution

Please refer to Attachment 1 (adultBasic Enrollment by County) for a county-by-county enumeration of enrollment for the reporting period.

Waiting List

Because of the extraordinary public response to adultBasic and the fact that maximum enrollment supportable with available funding had been achieved, a statewide waiting list was implemented in March 2003. Persons on the waiting list are served on a "first-come, first-served" basis as funding becomes available.

As of December 2007, 95,649 persons were on the waiting list. Please refer to Attachment 2 (adultBasic Waitlist by County) for a county-by-county enumeration of waitlist activity during the reporting period.

Only applicants who have met all of the eligibility requirements are placed on the waiting list. Such persons are notified in writing of their placement on the list. In that notification, they are also advised of their option to purchase adultBasic at the cost negotiated by the Department and of potential sources of low-cost healthcare services available in the applicant's area that could be utilized until an offer for coverage with adultBasic is available. As of December 2007, 2,478 individuals on the waiting list were purchasing the program at the rates negotiated by the Department.

Thus far, over the life of the program, offers of enrollment have been made to 229,372 persons on the waiting list. During the period January 2007 through December 2007, the Department was able to offer enrollment to 35,134 persons who had been on the waiting list. Approximately 30 percent of those offered coverage took up the offer and became enrolled.

The offers of enrollment from the waiting list were made possible because of monthly attrition from the program and analysis of current enrollment versus available funding. The sources of funding are the Community Health Reinvestment (CHR) Agreement and the Tobacco Settlement Agreement. In the 2007 calendar year, those two sources of funding permitted $156.3 million to be spent on adultBasic benefits.

Commonly Asked Question Concerning the adultBasic Waitlist

1. How does the program office decide when to make an offer to individuals on the waitlist?

   Over the course of a fiscal year, enrollment in adultBasic gradually declines due to attrition. On a regular basis, enrollment trends are analyzed relative to available funding. If the analysis indicates that sufficient funds are available, an offer is made to a portion of the people on the waitlist to ensure we cover as many people as possible.

2. How do you determine how many people on the waitlist receive offers?

   Various size offers are analyzed considering expected take-up, historical attrition, and the projected financial effect on the remainder of the current fiscal year as well the succeeding fiscal year. Based on the analysis, a recommendation is made concerning the number of people to remove from the list and offer coverage.

3. Why do you make offers to more people than can be enrolled on the available funds?

   Historical evidence suggests that among those who receive offers, only a portion will actually respond to the opportunity and become enrolled in adultBasic. In addition, while new people are enrolling into the program, other people are dropping out of the program. Both of these factors influence the net number of people enrolled in the program.

4. How long does a person have to respond to an offer?

   In general, a person must respond within 37 days of the offer. If a person fails to respond, his or her name does not remain on the list. If the individual is still interested in adultBasic, the person must reapply and go to the end of the list. As with any policy, there are exceptions that are handled on a case-by-case basis.

5. How long is a person on the waitlist before they receive an offer?

   This has varied over the years. The range of time on the waitlist has ranged from 3 months to 25 months with an average of 16 months.

6. What was the biggest offer to date?

   The largest adultBasic offer occurred at the end of August 2007, involving 35,134 people.

Insurers Participating in the Program

The Department issued a Request for Proposal (RFP) on October 15, 2004, inviting proposals for the purpose of awarding new three-year contracts. Proposals were reviewed and contracts were awarded, effective July 1, 2005, to the following insurers:

Highmark
Blue Cross of Northeastern Pennsylvania (coverage provided by First Priority Health)
Independence Blue Cross (coverage provided by Keystone Health Plan East)
Unison Health Plan of Pennsylvania, Inc. (formerly Three Rivers Children's Health Plan, Inc.) (coverage provided by Unison aB)

Scope of Services Being Provided

Services provided are those directed by Section 1303(f)(2) of Act 2001-77 and include:

- Inpatient Hospital Care (including maternity care)
- Short Procedure Unit Care
- Emergency Room Care
- Primary Care
- Specialist Care
- Surgery

- Obstetrics
- Laboratory/Pathology Tests
- X-Rays
- Routine Mammograms
- Rehabilitative Care (in lieu of inpatient hospital care)
- Emergency Ambulance Service
- Diabetic Supplies and Injections
- Routine Gynecological Care

No changes to the benefit package have been made during this reporting period. However, under the terms of the current contracts, new focus has been placed on: disease management (particularly for asthma, cardiac care, and diabetes); linkages with sources of low-cost healthcare services available in the applicant's area (especially for those persons on the waiting list); and improved customer service. As part of the RFP, the Department encouraged pilot programs to link adultBasic to small employers and/or improved access to other sources of public healthcare service and coverage (e.g., Federally Qualified Health Centers, Rural Health Centers, etc.).

Level of Outreach

No funding was made available to the Department to conduct marketing for adultBasic during this reporting period (e.g., television or radio advertising).

The Department continues to work with community service partners to share information about adultBasic and to encourage the filing of applications. Doing so may result in placement on the waiting list, but it also offers the opportunity to enroll in the program "at full cost" for so long as the person is on the waiting list and may also result in a referral to another source of healthcare coverage or service (e.g., Medicaid, Federally Qualified Health Centers, etc.).

Cost of Coverage

The average statewide rate per enrollee per month under the terms of the new contract is approximately $307.92. Of that amount, each enrollee has paid $33.50 per month and the resulting cost to the Commonwealth has been an average of $274.42 per enrollee. These average amounts may vary from month to month depending on the distribution of enrollees among the four health insurance contractors.

Amount of Enrollee Contribution

In accordance with Section 1303 (b)(2) of the Statute, each eligible adult had been responsible for paying $30 per month for coverage. However, a modest adjustment to the premium was implemented in March 2005 as a result of cumulative increases in the Consumer Price Index (CPI) since the implementation of the program (as per section 1303(b)(2)). The premium in 2005 was $32.00 per person per month. The 2006 annual assessment indicated that the cumulative impacts of the CPI were significant enough to warrant an increase by $1.50, thereby increasing the monthly premium for adultBasic enrollees from $32 to $33.50 per month. That change took effect in March 2006. That small increase in the premium made available approximately

$64,800 per month for the program and enabled increased enrollment of approximately 242 additional persons each month. The 2007 annual assessment indicated no increase in the premium was warranted.

Under the contracts in effect during the reporting period, enrollees were required to pay co-payments for certain services:

Primary Care Provider Visit	$ 5.00
Specialist Visit	$10.00
Emergency Room Visit	$25.00 (waived if patient admitted)

There are no other co-payments for adultBasic enrollees.

adultBasic Enrollment by County
January - December 2007

COUNTY	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
ADAMS	238	222	220	220	206	194	191	185	181	209	248	237
ALLEGHENY	5,453	5,339	5,209	5,110	5,066	4,987	4,812	4,696	4,604	4,935	5,312	5,212
ARMSTRONG	517	507	497	487	481	476	453	443	435	479	501	498
BEAVER	878	863	849	831	826	805	793	792	769	818	881	880
BEDFORD	533	530	514	508	500	488	483	476	475	522	557	541
BERKS	821	787	784	765	736	692	688	665	654	746	815	788
BLAIR	769	762	749	731	727	715	699	683	667	702	736	729
BRADFORD	368	356	351	338	330	324	315	301	293	383	386	380
BUCKS	1,793	1,741	1,674	1,611	1,581	1,553	1,504	1,492	1,455	1,673	1,781	1,748
BUTLER	1,022	989	973	949	931	909	892	869	849	919	993	975
CAMBRIA	1,325	1,287	1,271	1,247	1,228	1,208	1,170	1,140	1,129	1,173	1,219	1,185
CAMERON	46	45	42	42	39	38	38	38	38	43	43	39
CARBON	370	362	354	344	337	327	319	304	297	383	382	370
CENTRE	415	406	398	397	384	379	371	364	357	375	398	395
CHESTER	945	917	882	845	846	818	803	788	772	871	965	945
CLARION	255	252	250	249	244	240	233	232	227	244	255	255
CLEARFIELD	715	699	694	678	674	655	635	625	618	668	700	701
CLINTON	198	190	185	181	177	173	169	169	164	194	191	187
COLUMBIA	214	214	205	206	201	199	192	190	189	206	235	228
CRAWFORD	523	508	497	490	475	472	465	444	438	483	521	518
CUMBERLAND	450	431	421	409	389	376	372	364	352	407	452	441
DAUPHIN	446	440	429	420	402	393	396	384	379	423	472	447
DELAWARE	2,122	2,029	1,990	1,917	1,879	1,848	1,786	1,768	1,738	1,946	2,082	2,053
ELK	254	251	241	237	235	232	227	225	219	227	231	230
ERIE	1,811	1,776	1,756	1,727	1,705	1,671	1,626	1,586	1,559	1,643	1,791	1,759
FAYETTE	1,184	1,174	1,148	1,119	1,099	1,081	1,058	1,023	1,005	1,078	1,153	1,145
FOREST	47	46	46	44	43	44	42	41	40	42	48	48
FRANKLIN	330	314	311	298	288	275	273	268	261	294	306	301
FULTON	63	58	63	61	59	60	57	60	57	66	66	62
GREENE	293	283	272	264	257	252	240	235	235	246	247	247
HUNTINGDON	275	267	260	259	256	250	249	243	237	251	260	252
INDIANA	646	636	623	607	600	580	564	554	540	577	604	589
JEFFERSON	362	363	361	350	336	334	324	316	303	330	349	344

adultBasic Enrollment by County
January - December 2007

COUNTY	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
JUNIATA	114	113	111	105	101	102	102	102	100	111	118	115
LACKAWANNA	784	764	737	712	707	690	673	657	645	801	810	794
LANCASTER	936	916	909	877	845	825	814	795	780	900	1,002	968
LAWRENCE	638	621	608	602	593	581	552	545	534	585	620	609
LEBANON	235	225	222	216	211	212	210	203	200	233	247	243
LEHIGH	857	835	834	803	785	759	762	746	731	834	906	876
LUZERNE	1,250	1,216	1,189	1,162	1,142	1,101	1,065	1,042	1,028	1,263	1,281	1,230
LYCOMING	349	340	332	324	321	310	305	298	292	346	351	341
MCKEAN	274	272	265	261	250	249	242	237	236	248	268	261
MERCER	685	674	646	631	623	601	588	580	561	580	605	592
MIFFLIN	223	212	209	207	200	201	195	194	194	211	241	229
MONROE	759	733	725	698	682	666	644	633	617	812	810	784
MONTGOMERY	2,417	2,345	2,322	2,262	2,220	2,182	2,107	2,081	2,056	2,340	2,500	2,456
MONTOUR	30	29	29	24	24	26	26	28	28	26	31	33
NORTHAMPTON	594	583	579	561	544	526	511	495	489	562	593	558
NORTHUMBERLAND	423	416	411	412	405	394	382	384	376	417	448	434
PERRY	153	144	144	142	137	134	134	128	122	137	145	141
PHILADELPHIA	7,881	7,538	7,355	7,088	6,928	6,768	6,527	6,460	6,322	7,303	7,928	7,770
PIKE	323	309	305	299	296	290	283	276	275	341	348	344
POTTER	167	165	163	161	159	156	147	149	145	154	162	163
SCHUYLKILL	487	476	454	446	444	435	428	421	425	466	505	490
SNYDER	114	111	105	108	102	100	98	99	101	107	126	128
SOMERSET	773	756	741	736	724	705	695	690	667	714	747	725
SULLIVAN	44	43	43	43	44	44	44	44	44	48	45	42
SUSQUEHANNA	297	292	286	276	275	267	268	266	258	328	343	337
TIOGA	373	365	354	348	339	333	320	317	305	362	364	348
UNION	115	114	111	106	99	100	100	97	91	102	102	94
VENANGO	415	415	404	389	385	376	373	364	355	387	414	415
WARREN	270	251	252	244	247	241	243	236	231	248	266	265
WASHINGTON	1,039	1,018	1,007	1,002	993	964	934	916	876	961	1,009	982
WAYNE	306	300	294	286	284	276	269	266	258	340	341	328
WESTMORELAND	2,365	2,305	2,271	2,241	2,206	2,171	2,118	2,087	2,057	2,205	2,386	2,334
WYOMING	151	150	144	141	141	132	129	121	116	145	142	137
YORK	788	766	761	744	722	698	686	664	659	731	797	761
TOTALS	52,310	50,856	49,841	48,598	47,715	46,663	45,413	44,584	43,710	48,904	52,181	51,056

adultBasic ***Waitlist*** by County
January - December 2007

COUNTY	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
ADAMS	629	682	724	803	867	927	985	1,052	824	876	934	955
ALLEGHENY	6,433	6,836	7,226	7,687	8,088	8,441	8,870	9,234	6,469	6,816	7,252	7,601
ARMSTRONG	696	733	762	797	839	889	914	946	632	669	723	757
BEAVER	1,221	1,286	1,359	1,437	1,495	1,591	1,659	1,744	1,217	1,273	1,340	1,396
BEDFORD	546	577	614	663	688	735	765	794	554	578	621	646
BERKS	1,907	2,095	2,242	2,435	2,610	2,817	3,016	3,222	2,679	2,826	3,000	3,142
BLAIR	880	958	1,014	1,072	1,126	1,174	1,245	1,300	940	982	1,052	1,107
BRADFORD	626	661	675	717	759	805	852	878	560	580	620	664
BUCKS	2,646	2,839	3,030	3,223	3,369	3,694	3,891	4,037	2,911	3,033	3,273	3,442
BUTLER	1,239	1,308	1,408	1,515	1,580	1,699	1,783	1,852	1,306	1,377	1,476	1,540
CAMBRIA	1,037	1,112	1,178	1,288	1,363	1,432	1,522	1,598	1,146	1,214	1,305	1,351
CAMERON	47	49	50	58	60	66	69	72	44	44	47	51
CARBON	568	612	637	673	707	752	782	813	574	599	637	670
CENTRE	494	521	542	583	628	664	692	723	503	522	555	589
CHESTER	1,629	1,737	1,836	1,970	2,079	2,250	2,336	2,466	1,769	1,854	1,977	2,054
CLARION	238	256	267	279	297	317	338	353	244	252	275	292
CLEARFIELD	863	912	945	1,020	1,091	1,146	1,195	1,233	885	931	983	1,035
CLINTON	201	210	220	230	241	256	267	284	197	201	215	227
COLUMBIA	372	392	411	447	470	511	531	539	403	412	440	474
CRAWFORD	647	687	720	768	817	845	877	923	620	645	691	726
CUMBERLAND	1,225	1,352	1,434	1,531	1,652	1,770	1,848	1,955	1,652	1,739	1,885	1,997
DAUPHIN	1,479	1,610	1,686	1,823	1,957	2,100	2,229	2,332	1,909	1,976	2,110	2,206
DELAWARE	3,113	3,325	3,504	3,739	3,933	4,266	4,491	4,719	3,493	3,663	3,913	4,101
ELK	214	236	258	278	295	308	313	322	230	240	251	258
ERIE	2,009	2,151	2,291	2,436	2,584	2,730	2,874	2,994	2,135	2,262	2,416	2,559
FAYETTE	1,394	1,466	1,554	1,646	1,745	1,825	1,894	1,992	1,402	1,462	1,561	1,642
FOREST	48	50	51	49	52	55	60	62	40	41	42	44
FRANKLIN	560	606	636	675	712	760	808	861	667	707	753	799
FULTON	75	77	87	90	93	98	101	106	73	83	86	91
GREENE	243	253	272	287	315	331	352	369	258	271	291	310
HUNTINGDON	249	273	291	312	345	365	378	387	294	313	331	349
INDIANA	705	733	786	842	896	943	999	1,042	732	770	841	889
JEFFERSON	294	314	326	346	369	403	420	430	290	304	321	341

adultBasic ***Waitlist*** by County
January - December 2007

COUNTY	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
JUNIATA	180	193	199	218	232	249	267	278	209	215	229	246
LACKAWANNA	1,049	1,100	1,160	1,236	1,347	1,431	1,494	1,559	1,094	1,124	1,199	1,269
LANCASTER	3,218	3,447	3,677	3,931	4,234	4,531	4,746	5,060	4,173	4,358	4,696	4,908
LAWRENCE	596	622	663	712	738	787	817	859	597	628	684	719
LEBANON	570	631	656	714	766	851	917	1,005	865	916	970	1,030
LEHIGH	2,143	2,339	2,497	2,677	2,910	3,145	3,332	3,527	2,878	3,023	3,218	3,410
LUZERNE	1,797	1,907	2,000	2,108	2,235	2,423	2,534	2,631	1,835	1,914	2,027	2,120
LYCOMING	464	485	507	542	590	625	671	708	507	519	547	574
MCKEAN	388	417	443	475	507	540	574	610	454	476	508	530
MERCER	785	832	868	937	983	1,025	1,068	1,124	771	813	864	909
MIFFLIN	446	475	492	530	552	580	603	624	469	490	521	541
MONROE	1,312	1,385	1,425	1,500	1,626	1,725	1,807	1,874	1,280	1,351	1,459	1,549
MONTGOMERY	2,742	2,911	3,080	3,273	3,406	3,647	3,850	4,067	2,842	3,019	3,242	3,399
MONTOUR	57	60	61	62	68	66	69	70	50	53	60	61
NORTHAMPTON	1,307	1,410	1,477	1,572	1,699	1,813	1,918	2,013	1,629	1,704	1,847	1,938
NORTHUMBERLAI	736	781	810	871	918	986	1,031	1,092	809	840	887	934
PERRY	261	290	312	334	364	383	407	434	369	390	414	440
PHILADELPHIA	11,744	12,424	13,055	13,767	14,452	15,431	16,155	16,888	11,660	12,136	12,969	13,523
PIKE	448	476	493	520	563	605	632	641	436	459	504	538
POTTER	139	152	163	192	216	229	239	250	200	199	208	228
SCHUYLKILL	766	814	867	950	1,010	1,077	1,137	1,198	904	949	1,014	1,070
SNYDER	184	196	204	225	250	267	279	306	240	253	273	305
SOMERSET	770	823	856	894	952	1,011	1,074	1,117	746	790	824	871
SULLIVAN	42	48	51	53	63	70	73	74	63	66	70	73
SUSQUEHANNA	418	442	467	480	523	557	575	605	414	434	466	494
TIOGA	513	550	570	600	649	694	728	764	545	564	595	634
UNION	126	134	142	153	161	184	195	206	146	150	159	167
VENANGO	449	480	500	529	557	584	604	630	426	463	497	536
WARREN	303	322	341	375	405	420	438	456	316	349	376	402
WASHINGTON	1,036	1,102	1,166	1,243	1,281	1,361	1,413	1,464	1,017	1,074	1,155	1,196
WAYNE	428	455	473	513	537	577	624	648	461	477	516	544
WESTMORELAND	2,431	2,577	2,713	2,876	3,027	3,229	3,380	3,543	2,507	2,645	2,799	2,926
WYOMING	224	236	248	260	286	317	327	341	251	263	281	296
YORK	1,857	1,997	2,089	2,304	2,465	2,692	2,850	3,057	2,463	2,602	2,802	2,964
TOTALS	74,456	79,422	83,761	89,345	94,694	101,077	106,184	111,357	81,278	85,221	91,097	95,649