

**WOMEN'S
POLICY
GROUP**

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High Deductible Health Policies Shift the Unpredictable Cost of Healthcare to Families

Georgia families already pay plenty for health care.

Many cannot afford to pay more. A family with a high deductible health policy (HDHP) along with a health savings account will shoulder a *minimum* \$2,200 deductible in addition to any amount due as premiums and co-insurance before coverage ever kicks in.

Essential preventive health care services need to be covered from the “first dollar” or pre-deductible.

Some of the most essential screening and preventive health measures like immunizations, mammograms, colonoscopies, prostate exams and well-child visits are not covered by many high deductible plans until a person has spent thousands toward the deductible. Research shows that people are much more likely to take responsibility for their own preventive health care when services are covered pre-deductible.

These plans provide nothing more than the *illusion of coverage for Georgia’s 1.7 million uninsured individuals.*

Legislation currently pending in both the Senate and House will more likely result in currently insured Georgians having *less* coverage, and will jeopardize the health of workers across the state. In fact, studies have shown that only 20% of HDHP enrollees were uninsured prior to enrollment.

Consumers need transparency and information to make responsible health care decisions. Under pending legislation, people may only see their deductible amount and maximum out-of-pocket limit. They may not be told about increased copayment amounts for going to see an out-of-network doctor, the types of expenses that do or do not count against their deductible limit, or the types of services that may not be covered—such as preventive care. Language ensuring that consumers understand their exposure is essential, especially when our state government takes an active role in promoting these insurance plans to them.

Employers need to make substantial contributions to their employees’ health plans in order to receive tax credits. Current bills do not stipulate minimum employer contributions to employee health savings accounts in order to receive tax credits. Employers are thus encouraged to either make meager contributions into employees’ health plans or switch employees from more comprehensive plans into high deductible policies to save money. Employers who *do* wish to provide their employees with health insurance will find the \$250 tax credit accounts for only about 2.6% of the \$9,666 average premium. Instead of siphoning those *already* insured towards less coverage, public policy should encourage only previously uninsured individuals or employers who *begin* extending coverage with tax credits.

Health plans need to do more to help out those who actually need it—the sick. Young, healthy people who can afford to buy high deductible policies, receive tax credits, and pay low premiums are less than half Georgia’s uninsured. As those people leave group insurance pools for individual policies, those who require more comprehensive coverage—people with health problems—would be left paying even higher premiums than they do now. More sick people would be left uninsured, contributing to worse health indices and more state health spending for sick patients who can’t afford coverage.

Tax preferences should directly benefit consumers, rather than provide tax breaks to insurance companies. Covering the uninsured is about helping families who struggle for coverage. Under HB 977 only 3% of the overall savings going to individual consumers, and 30% going to small businesses. The real winners are insurance companies, who reap an astonishing 67% of tax savings.

Sources:

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