

Washington State's Health Reform Proposals: A Human Rights Assessment

NoHLA Northwest Health Law Advocates, January 2009

SMALL EMPLOYER AND YOUNG ADULT PROPOSALS

The Small Employer and Young Adult (SEYA) proposals allow less comprehensive health plans to be offered to specific groups that currently have low rates of coverage: employees of small businesses, and young adults, 19 to 34 years of age. They do so by modifying state insurance regulations. Under SEYA, these special health plans would be allowed to exclude certain benefits that state law currently requires. Insurers would be allowed to adjust health plan premiums to reflect the health status and experience of members of each specific group, and would be allowed to pool the health risks of young adults separately from other enrollees. The proposals would promote the use of high deductible health plans in conjunction with health savings accounts.

Recognition of Right to Health Care for Everyone



The SEYA proposals do not recognize the right to health care for everyone.

Access



The SEYA proposals do not recognize healthcare as a public good, nor do they guarantee access for all. In fact, by proposing to sell pared-down insurance products to small employer groups and young adults, the proposals stipulate that those groups do not require access to comprehensive health care. The proposals deregulate the insurance market and thus reduce the accountability of insurance companies for providing access to appropriate care.

Affordability



The SEYA proposals do not make health care affordable for everyone. The proposals attempt to make health care affordable for small employer groups and young adults who currently cannot afford it; however, the high deductible plans and health savings accounts the SEYA proposals promote can actually result in unaffordable health care costs. They have been shown to benefit mainly the wealthy, and create additional cost barriers for those with greater health care needs.¹ By creating a separate pool for youth, and by encouraging high-deductible plans, these proposals incentivize young and healthy people to pull out of broader risk pools, potentially resulting in higher costs for those remaining in these risk pools.

Equity & Non-Discrimination



The SEYA proposals are not equitable because they offer less comprehensive health plans to small employer groups and young adults. They do not meet the goal of non-discrimination because they allow for inferior health plans targeting specific groups, based on age, health status, income and other factors. The SEYA proposals do not include regulations or incentives to assure that the private sector provides culturally appropriate services that meet patients' diverse needs.

¹ "National Survey of Enrollees in Consumer Directed Health Plans," p. 5-6, The Kaiser Family Foundation, November 2006 (available at: www.kff.org/kaiserpolls/upload/7594.pdf); "Consumer-Directed Health Plans, Early Enrollee Experiences with Health Savings Accounts and Eligible Health Plans, p. 5-6, 26-30, United States Government Accountability Office, August 2006 (available at: www.gao.gov/new.items/d06798.pdf); "Stop Bad Ideas: A Series Examining Proposals That Could Move Private Insurance in the Wrong Direction," p. 1, 3-4, Families USA (available at: www.familiesusa.org/assets/pdfs/medicare-privatization-dec.pdf).

KEY:

● clearly meets principles

◐ partially meets principles

○ fails to meet principles

Comprehensiveness

The SEYA proposals do not meet the goal of comprehensive health care as their main purpose is to offer less comprehensive health plans to small employer groups and young adults.

Availability

The SEYA proposals do not address the issue of availability. To the extent that they include no regulations or incentives for the private sector in this area, the goal of availability in all geographic areas and to all communities is unlikely to be met.

Quality

The SEYA proposals do not address the issue of quality. Since they effectively encourage policyholders to avoid the regular use of health care, policyholders are likely not to have a medical home.

Information and Transparency

The SEYA proposals do not address the issue of information and transparency.

Accountability

The SEYA proposals would allow insurance companies to offer health plans that do not provide benefits currently mandated by the state. Although the proposals require regulation and oversight of these plans by the State Office of the Insurance Commissioner, they also strip that Office of its regulatory power regarding benefit requirements and thus reduce accountability mechanisms.

Participation

The SEYA proposals do not address the issue of participation.

Public Health

The SEYA proposals do not address public health services or infrastructure.

Principles Related to Low-income Populations²

The SEYA proposals would not alter existing public programs.

² This is a combined rating for all the low-income principles. For a breakout of individual ratings, see “Quick Look” chart comparing Washington’s health reform proposals.