



## For Immediate Release

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### **Blues' Six-Month Extension on adultBasic Funding a Delay Tactic, Not a Solution**

HARRISBURG, PA (July 29, 2010) - Pennsylvania's adultBasic health insurance program remains in jeopardy, despite promises from the state's four Blue Cross/Blue Shield companies to continue funding the program through June 2011.

In 2005, the Blues agreed to contribute a portion of their surpluses toward adultBasic, which provides basic health care to uninsured adults earning up to 200% of the poverty level. That agreement expires in December.

While sitting on billions of dollars in surpluses, the Blues now say they will continue contributions for only six months beyond the December expiration. This arrangement is unacceptable. It will require a freeze on new enrollees, reducing adultBasic enrollment from about 46,000 in June to 37,000 a year later.

"A six-month extension may meet the timeline for politicians, but it does nothing to relieve the anxiety of people who rely on adultBasic for their health care," said Antoinette Kraus, an organizer with the Pennsylvania Health Access Network (PHAN). "Meanwhile, adultBasic's 400,000-person waiting list will only grow larger."

On Wednesday, the Pennsylvania Budget and Policy Center (PBPC) and PHAN [released a report](#) urging the Blues to continue contributions toward adultBasic until 2014 when the U.S. health reform law is fully implemented. It also calls on the General Assembly to enact legislation that would establish in law the Community Health Reinvestment (CHR) Agreement, under which the Blues have been contributing to adultBasic.

Despite contributing to the CHR agreement over the past five years, the Blues have remained profitable. From 2003 to 2009, the four companies' cumulative surpluses went from \$3 billion to \$5.6 billion, an increase of 61.4%. These surpluses have grown two-and-a-half times faster than Pennsylvania wages since 2002, despite the impact of the recession and the Blues' contributions to fund adultBasic.

While the Blues tout the six-month extension as a solution, it only delays the larger funding crisis confronting adultBasic, said Sharon Ward, Director of the PBPC.

"The challenge remains the same – in December or next June," Ward said. "We need to preserve adultBasic as a bridge to health reform or tens of thousands of Pennsylvanians will lose their health coverage."

*The Pennsylvania Budget and Policy Center is a non-partisan policy research project that provides independent, credible analysis on state tax, budget and related policy matters, with attention to the impact of current or proposed policies on working families. To learn more, go to [www.pennbpc.org](http://www.pennbpc.org).*

*The Pennsylvania Health Access Network (PHAN) is a coalition of 50 groups from across the Commonwealth working to improve access to quality health care through the expansion of health insurance coverage. To learn more, go to [www.pahealthaccess.org](http://www.pahealthaccess.org).*