

Insurance Department: adultBasic Health Insurance Program

Editor's note: Coverage under the adultBasic insurance program ended as of February 28, 2011, due to lack of funding. The primer that follows explains the program from July 2002 through February 2011.

The adultBasic program provided state-funded low-cost health insurance coverage for low-income working adults on a “first-come, first-served” basis. The Insurance Department, through contracts with insurance companies throughout the state, offered basic health care benefits. The basic benefit plan covered: 1) preventive care, 2) physician services, 3) diagnosis and treatment of illness or injury, 4) inpatient hospitalization (limited), 5) outpatient hospital services, and 6) emergency accident and emergency medical care.

Adults ages 19-64 with household income levels below 200% of the federal poverty level guidelines (FPIG) may have been eligible for coverage if they were not otherwise covered by health insurance and did not qualify for Medicaid. Enrollees were required to contribute toward the cost of health insurance through a monthly premium contribution and pay any applicable co-payments.

Due to limited funding sources and high demand, a waiting list has been necessary. Over the life of the program, the waiting list had reached well over 350,000 individuals at certain times. Adults on the waiting list could choose to purchase coverage at-cost until an offer for enrollment was made. Historically, monthly enrollment averaged 45,000 individuals, since the program began in July 2002.

Under the Tobacco Settlement Act of 2001, funding was made available for the adultBasic program. Under the act, thirty percent of available monies received under the Master Settlement Agreement are available for health investment insurance. This includes the adultBasic program and the Medical Assistance for Workers with Disabilities (MAWD) program. Because MAWD is an entitlement program (meaning those who qualify are entitled to coverage under current law and/or regulation), available funds are used for that program first. The remaining funds were then used for the adultBasic program.

Beginning in 2005/06, the Commonwealth was able to supplement Tobacco Settlement Funds for adultBasic with Community Health Reinvestment (CHR) funds. This funding stream was the result of the CHR Agreement with the four major Blue Cross and Blue Shield Plans serving Pennsylvania. Under the agreement, the Blue Plans pledged an ongoing commitment of funds over six years (calendar years 2005-2010). Contributions under this agreement expired on December 31, 2010.

Please note that annually, since FY 2005/06, the Commonwealth has redirected a portion of the monies under the Tobacco Settlement Act designated for health investment insurance to the General Fund in order to close gaps between available revenues and expenditures. This redirection of funds was offset by CHR monies in order to maintain an average monthly enrollment between 40,000-50,000 individuals. Again, the CHR funding agreement expired in December 2010.