

Health Care: Multi-Share Insurance Program

Position Statement approved by One Voice: April 13, 2007

Issue/Concern: Texas has the highest rate of uninsured residents in the United States (25%), with Harris County's rate even higher at 30%. Current federal and state policy focuses more on cost containment than on expanding public coverage programs. With state budget cuts in public programs, the rising costs of private health insurance, and declines in employer-sponsored coverage, this problem will continue to worsen. Increases in the number of uninsured people will continue to strain local safety nets and healthcare systems, and consume a growing share of local tax dollars.

Although there are currently programs in place to assist the lowest income Texans with their healthcare needs, little attention has been given to the working poor. Communities across the country have begun to explore innovative programs to address the healthcare needs of those who work but do not have employer-based health insurance. Multi-share programs offer affordable insurance or coverage programs through partnerships with private insurers, the costs of which are shared between an employer, employee and local assistance (philanthropy, government, or other funder) for low to moderate income working individuals.

Specific Policy Recommendation(s):

- ★ Establish a mechanism authorizing the State to create local and/or statewide multi-share programs. Benefit plan designs must take into account the needs of local communities and provide options for catastrophic coverage and basic preventive healthcare plans, so that participants can choose the type of coverage that best meets their particular needs.

How does this issue/recommendation relate to prevention and early intervention or maximizing federal funds for health and human services? Investing in multi-share health insurance programs will allow participants to address health care needs in a timely manner which, in many cases, prevents serious illness and more expensive care. Healthy workers are more productive and help to build a strong economy.

Supporting Facts/Research/Resources:

- ★ In Texas, only 36% of those earning between 100-199% of Federal Poverty Level (FPL) have employer based insurance, compared to 76% of those at 200% or above the FPL.²
- ★ According to the Texas Department of Insurance, of those employers who currently offer insurance, 18% are very likely to discontinue coverage within the next five years and 24% report they are somewhat likely to do so because of the high and rising costs of insurance.
- ★ 62% of small employers who do not provide insurance for their employees reported they could afford \$150 or less per month for employee health insurance premiums.³
- ★ Multi-share programs allow for the pooling of risk and thus lowering of premiums.
- ★ The average annual premium in Texas for a small employer plan was \$2,621 compared to the Harris County Healthcare Alliance multi-share plan, which is estimated to cost \$1800 for the average annual premium, \$150 per month.⁴
- ★ The multi-share approach is recommended and supported by the Texas Health Institute, Code Red, and the Texas Medical Association.

Laurie Glaze, Chair
Adoptation
Avondale House
Bering Omega Community Services
Care for Elders
Career and Recovery Resources, Inc.
Catholic Charities of the Archdiocese of Galveston-Houston
ChildBuilders
CHILDREN AT RISK
Christ the Good Shepherd Catholic Church
Coalition for Behavioral Health Services
Collaborative for Children
Communities In Schools
DePelchin Children's Center
Family Services of Greater Houston
Fort Bend Regional Council on Substance Abuse, Inc.
Gateway to Care
Good Neighbor Healthcare Center
Gulf Coast CHIP Coalition
Harris County Healthcare Alliance
Healthcare for the Homeless-Houston
Houston Area Association for the Education of Young Children
Houston Food Bank
IntraCare Hospitals
Jewish Family Service
Justice for Children
Legacy Community Health Services, Inc.
Memorial Hermann Healthcare System
Mental Health Association of Greater Houston
NAMI Metropolitan Houston
Neighborhood Centers, Inc.
Northwest Assistance Ministries
San Jose Clinic
SEARCH
South County Community Clinic, DBA The Community Clinic
Spaulding for Children
Target Hunger
Texas Children's Hospital
The Arc of Greater Houston
The Center for Success and Independence
The Arrow Project
The Network of Behavioral Health Providers
United Way of Greater Houston
Wesley Community Center
YMCA of Greater Houston

Health Care: Multi-Share Insurance Program

Position Statement approved by One Voice: April 13, 2007 (cont.)

Legislative Outcome: SB 10 contained language that permitted the creation of multi-share programs in Texas. However, sufficient funds were not appropriated in the budget to actually implement programs in Harris County.

Texas State Data Center, December 2006

² Kaiser Family Foundation / statehealthfacts.org

³ Texas Department of Insurance, Houston Small Employer Focus Group Summary Report, p. 4, access March 2007, <http://www.tdi.state.tx.us/reports/life/documents/spg3FocusGroups.pdf>

⁴ Texas Department of Insurance, Working Together for a Healthy Texas: September 2006 Interim Report, p. 22, access March 2007, <http://www.tdi.state.tx.us/reports/life/documents/spgint061.pdf>

Contact: Karen Love at 713-368-3285 or karen_love@hctx.net