

PENNSYLVANIA BASIC CARE

Current Adult Basic enrollment: 55,226 (as of April 2008)

Waiting List: 95,649 (As of December 2007)

Current Cost to enrollees:

1-100% of Poverty: Free

100-150%: \$30 per person per month for Adult Basic. Goes to \$39 per person per month year one for PABC

150- 200%: \$40 per person per month for Adult Basic. Goes to \$50 per person per month year one for PABC

Federal Poverty Guidelines:

2007 HHS Poverty Guidelines

Persons in Family or Household	48 Contiguous States and D.C.	200% of Poverty
1	\$10,210	\$20,420
2	13,690	27,380
3	17,170	34,340
4	20,650	41,300
5	24,130	48,260
6	27,610	55,220
7	31,090	62,180
8	34,570	69,140
For each additional person, add	3,480	

SOURCE: *Federal Register*, Vol. 72, No. 15, January 24, 2007, pp. 3147–3148

PABC PARTICULARS

	TOTAL # OF ENROLLEES	TOTAL COST (000)	AVG. MONTHLY COST PER ENROLLEE	AVG. MONTHLY COST EXCLUDING PABC ADMINISTRATION (INSURANCE PREMIUM)	% INCREASE IN INSURANCE PREMIUM VERSUS PREVIOUS YEAR	ENROLLEE COST IN \$ (000)	AVG. PER CAPITA COST TO ENROLLEE (Monthly Cost)	% INCREASE VERSUS PREVIOUS YEAR	ENROLLEE SHARE OF COST
2008-09	142,683*	\$501,033	\$292.63	\$265.87		\$86,620	\$607 (\$51)		17.3%
2009-10	214,745	796,652	309.15	302.50	+ 13.8%	199,942	931 (78)	+ 53.4%	25.1%
2010-11	267,403	982,580	306.21	300.92	(-3.3%)	263,556	986 (82)	+ 5.9%	26.8%
2011-12	270,296	1,035,263	319.18	313.67	+ 4.2%	278,031	1,029 (86)	+ 4.4%	26.9%
2012-13	272,589	1,100,189	336.34	330.87	+ 5.5%	296,137	1,086 (91)	+ 5.5%	26.9%
2013-14	274,879	1,161,227	352.04	346.49	+ 4.7%	313,292	1,140 (95)	+ 5.0%	27.0%
2014-15	277,169	1,215,724	365.52	359.90	+ 3.9%	328,972	1,187 (99)	+ 4.1%	27.0%
2015-16	279,452	1,265,878	377.49	371.80	+ 3.3%	343,676	1230 (102)	+ 3.6%	27.1%
2016-17	281,733	1,315,586	389.13	383.41	+3.1%	358,426	1272 (106)	+ 3.4%	27.2%
2017-18	284,010	1,367,387	401.21	395.39	+ 3.1%	373,765	1316 (110)	+ 3.5%	27.3%

* Includes 55,226 people currently enrolled in Adult Basic as of April 2008

- Projected year-one enrollment appears to represent current enrollees in Adult Basic + waiting list. Anticipated monthly cost per enrollee is \$292.63, of which \$265.87 represents the anticipated cost of insurance (after PABC Administrative costs are backed out)
- Projected enrollment increase year two is approximately 72,000. Insurance premiums are projected at \$302.50 (+13.8% versus the previous year). Enrollee average monthly premium increases by 53% to \$78 per month. The percent of total program cost to the enrollees increases from 17.3% in year one to 25.1% in year two.
- Projected enrollment in year three increases by approximately 53,000 versus year two. According to the PABC spread sheet, insurance premiums are projected to drop slightly per capita in year three versus year two. Average enrollee premium goes up by 5.9% to \$82 per month.
- After year three projected enrollment in PABC increases by an average of only 2,300 per year with anticipated insurance premiums increasing by 3.1 to 5.5% per year (4% per year on average, but only slightly more than 3% in years 8-10). Enrollee premiums continue to increase each year by approximately \$4 per month versus the previous year.

<http://www.rxforpa.com/assets/pdfs/ABCFinance/programcosts.pdf>

Governor Rendell's office makes it clear (<http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/05-05-2008/0004806599&EDATEFirefoxHTML\Shell\Open\Command>) that PABC is not a mandate, and thus is unlikely to encounter cost overruns that other states have encountered. In other words, when the funds run out enrollment is cut off. This raises one major question. Since enrollment levels off after the third year, what happens if the projected costs are conservative? In such a circumstance it would appear that the only options available would be to seek the additional funds to continue covering existing enrollees or to drop some enrollees from PABC in order to bring the plan in at the original budget.

Is it really reasonable to assume that Pennsylvania can provide privately-administered health insurance for less than \$266 per person per month in 2008-09? Is it reasonable to assume that premium increases in the 9 succeeding years can be held to roughly 4% per year? These projections seem very much out of line with costs other states, most specifically Massachusetts, have encountered.