

The Olympian

Published January 7th, 2007

Some workers say 'no thanks' to company insurance

By ADAM WILSON

As the cost of health insurance has increased - by 78 percent in six years, according to one group - the number of workers who turn down health insurance offered by their employers also appears to be rising.

"A lot of employers, and me included, that can offer insurance typically offer to pay 50 percent of the premium. And there are a lot of employees that don't want to foot the bill for the rest of the premium," said Marc Feigen, owner of Bagel Brothers in Olympia.

Those workers are one target of Democratic state leaders who want to make significant changes in the state's health care system during the legislative session that starts Monday.

"There are citizens who can afford health care who don't buy it," said Senate Majority Leader Lisa Brown, D-Spokane. "We need to talk about what our individual and family responsibilities are with respect to health care."

There is mounting interest among legislators to cover the uninsured, in part because they often seek emergency care at hospitals, which is expensive and eventually subsidized by taxpayers and those with insurance. The number of Washington workers who turn down health insurance is unclear, according to the Office of the Insurance Commissioner.

Nationally, the Kaiser Commission on Medicaid and the Uninsured reported that 13 percent of low-income workers don't take available health insurance, compared with 4 percent of higher-income workers.

The commission also reported that the average employer contribution to a family insurance plan has risen about 77 percent since 2000, from \$4,819 a year then to \$8,508 last year.

The employee's share increased by 83 percent in that period, from \$1,619 a year to \$2,973. Together, the increase was 78 percent.

"I think what's in the background of this is what the premiums are at. I can remember when with Blue Cross or whatever the premiums were \$35 a month," said Feigen.

He added that the employees who refuse his insurance plan are not typically doing it because they don't want health coverage.

"Other than those who think they are invincible, I've heard employees say they're trying to get on Basic Health because it's more affordable," he said. "They may not get as much coverage, and they may not be able to choose their own doctor, but they feel they have health insurance and they're OK."

Basic Health is a state-run insurance plan for people who don't make much money, but who are not poor enough to qualify for Medicaid.

About 117,000 people in the state use Basic Health.

An estimated 595,000 more have no health insurance. That includes people such as Heather Penny.

Penny, an Olympia mother of three, said she is going through a divorce. Her husband is paying about \$400 a month to provide insurance for the children, but Penny said she has none after being occasionally covered.

"I'm definitely concerned, but after so many years of struggling with no insurance or poor insurance, you adjust," she said. "I was thinking about how would my life be different if I had quality insurance, and I think it would be very different. With minor complaints, I basically look it up and see what I can do with supplements and herbs and things, and otherwise ignore it."

Gov. Chris Gregoire convened a state commission to look at the sweep of health care issues. Its report is expected by the end of the month. A co-chair of the commission has suggested that it will set a goal of covering every child in the state with health insurance by 2010, and every adult by 2012.

While the state waits for a final report, suggestions from top Democrats - who control the House, Senate, and Governor's Mansion - have indicated that more individual responsibility, employer contributions and Basic Health will all be part of the proposed solution.

Gregoire said she does not want to continue last year's political battle to force large employers such as Wal-Mart to provide health insurance to their workers.

"There are parents who are above 300 percent of poverty who can afford to provide health care for their children and do not. They should. That's what I mean about individual responsibility," the governor said.

"There are employers today that send their employees over to the Basic Health Plan. They shouldn't. That's not right. And there are places where the state can do a much better job."

The same day last week, Gregoire announced that she was in talks with the federal government over a partnership to bring in federal money to cover an additional 450,000 people through Basic Health.

Rep. Eileen Cody, the West Seattle Democrat who leads the House Health Care Committee, suggests creating a "connector" between businesses and employees.

The idea is borrowed from Massachusetts. The state is the first in the nation to require its residents to have health insurance.

Part of the law requiring the insurance was creation of the Commonwealth Connector, an agency that contracts with various health insurance carriers to provide plans to people below 300 percent of the federal poverty level.

A similar connector in Washington might allow small businesses to pay in and provide cheaper insurance to workers, Cody said. She noted that state employees choose their insurance from a similar system now.

But consensus among the business community about its role in health insurance will be critical to major improvements, she added. "If they want it to be

employer-based, fine. They can work to change the system. If they don't want to deal with it anymore, then say it," Cody said.

Cody said she does not want a system that continues to let some businesses choose not to provide any health coverage, leaving those that do pay for insurance at a competitive disadvantage.

But Feigen, owner of Bagel Brothers, said his faith is still with the free market - a position also held by Republican leaders in the Legislature.

"What I do oppose is government telling businesses, you have to provide this. To me, mandates in general are bad news. But at the same time, I don't know what the answer is," Feigen said.