



**BlueCross BlueShield  
Association**

An Association of Independent  
Blue Cross and Blue Shield Plans

# News Release

Blue Cross and Blue Shield  
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1310 G Street, N.W.  
Washington, D.C. 20005  
[www.BCBSA.com](http://www.BCBSA.com)

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Contact:

Jackie Fishman

202.626.8644

[jackie.fishman@bcbsa.com](mailto:jackie.fishman@bcbsa.com)

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## **Broadening Healthcare Coverage And Enhancing Affordability Lead States' Legislative Agendas**

*Blue Cross and Blue Shield Association's annual "State of the States" report  
highlights key healthcare and insurance legislation in the states*

**WASHINGTON** – During 2007, state lawmakers explored strategies to expand access to coverage. These activities included efforts to increase public program eligibility and assist low-income populations purchase private insurance, according to the Blue Cross and Blue Shield Association's (BCBSA's) *State Legislative Health Care and Insurance Issues* report, released today.

At a briefing in Washington, D.C., Susan Laudicina, BCBSA director for state research and policy, gave an overview of the report and discussed how state legislators addressed key health issues during 2007 and what the key legislative trends in 2008 are likely to be.

"Healthcare spending represented nearly one-third of total state expenditures last fiscal year. Deteriorating state fiscal conditions in 2008 will only compound the difficulties facing supporters of healthcare reform," said Laudicina. "The challenge for state lawmakers is how to avoid cutting existing programs like Medicaid and the State Children's Health Insurance Program (SCHIP), while also finding new ways to cover the uninsured and contain costs."

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**Expanding Access to Care**

While coverage expansion was a main theme in the states during 2007, broad proposals to require individuals to purchase health coverage or create employer “play or pay” mandates did not pass. A dozen states introduced bills requiring individuals to purchase state-approved health benefit plans; and 13 states introduced some type of employer “play or pay” proposal. These measures failed because of their controversial nature and the difficulty of finding adequate funding sources.

**State Children’s Health Insurance Program**

Lawmakers enacted legislation to provide coverage to uninsured children. Connecticut and New York became the first states to expand eligibility in SCHIP to children in families with incomes up to 400% of the federal poverty level (FPL). Seven other states raised eligibility in the program to 300% of the FPL.

However, the Department of Health and Human Services (HHS) issued rules in August 2007 that effectively capped SCHIP eligibility at 250% of the FPL. In response, some states modified their waiver requests to comply with the federal ceiling.

**Employer/Individual Premium Subsidy Programs**

Ten states created or expanded programs to subsidize private insurance coverage for low-income workers and/or children, some of whom may also be eligible for Medicaid or SCHIP. Many of these states will use public funds to help subsidize the premium cost of private employer health plans for public program eligibles.

**Insurance Market Reforms**

Another 2007 trend focused on health promotion. Several new laws allow insurers to offer premium rebates or other incentives for subscribers to join wellness programs. This action is necessary because older insurance laws have non-discrimination language that act to prohibit such rebates.

**Transparency of Quality and Cost Data**

Ten states approved bills to promote greater provider transparency. For instance, to promote safety and quality, hospitals in nine states were required to disclose medical adverse events and hospital-acquired infection rates.

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A few states required providers to disclose certain pricing data to assist consumers to make informed choices. In Texas, both hospitals and physicians must provide charge estimates and disclose when a non-network provider delivers care in an in-network facility.

### **Priorities for State Legislation in 2008**

Based on the legislative debates of 2007, the report predicts the following initiatives are likely in 2008:

- Lawmakers will respond to the findings and recommendations on health reform made by the dozen study commissions that were created in 2007.
- A number of states will debate the merits of personal responsibility for obtaining healthcare coverage.
- Several states will revisit proposals to compel employers to offer or contribute to the cost of their workers' insurance premiums.
- More legislators will consider the creation of employer premium subsidy programs to assist lower income employees and individuals purchase private insurance.

The annual report compiles state legislative information from a BCBSA survey of the 39 independent Blue Cross and Blue Shield companies. The report includes reference tables and graphs that summarize state legislation in major issue areas on a state-by-state basis.

The Blue Cross and Blue Shield Association is a national federation of 39 independent, community-based and locally operated Blue Cross and Blue Shield companies that collectively provide healthcare coverage for more than 99 million individuals – nearly one-in-three of all Americans. For more information on the Blue Cross and Blue Shield Association and its member companies, please visit [www.BCBS.com](http://www.BCBS.com).

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