

Blue Cross Blue Shield Association (BCBSA)

Tax credits to create affordable access to private health coverage

Organization Description: BCBSA is the licensing body and trade association for the independent, locally-operated Blue Cross and Blue Shield Plans. The Blue Cross and Blue Shield brands are the nation's oldest and largest group of health benefits companies and one of the most recognized brands in the health insurance industry. The BCBS plans serve more than 94 million people in all regions of the country.

Proposal Summary: BCBSA's policy positions are presented in a series of issue briefs on an array of health policy topics. BCBSA supports a three-pronged approach to implementing greater health insurance coverage in the future. BCBSA promotes greater cost transparency and improved monitoring of best practices to increase quality within the health care system. The Association encourages the adoption of personal health records and more expansive Health IT, along with greater use of consumer-driven health care, to curb rising health care costs. In addition to their own proposal, BCBS joined the Health Coverage Coalition for the Uninsured (HCCU)¹ to promote principles to reform the U.S. health care system.

- **Coverage:** BCBSA is advancing three options to help cover the uninsured in America. For higher-income individuals, BCBSA proposes to implement a broad-based educational campaign and incentives to highlight the health and financial risks of being uninsured. For individuals who are eligible but not enrolled in Medicaid or the State Children's Health Insurance Program (SCHIP), the federal and state governments should improve outreach activities, address barriers to enrollment and use Medicaid/SCHIP funds to offer premium subsidies for employer-sponsored coverage. To increase coverage for low-income individuals, the federal government should establish three types of tax credits to assist with the purchase of health insurance: (1) credits for small employers with low-wage workers; (2) credits for individuals with premiums that represent a relatively large percentage of their incomes; and (3) credits for the unemployed, modeled after the Trade Adjustment Assistance Act subsidies.

HCCU's proposal initially aims to remove barriers for children to enroll in established public programs. The plan would also give tax credits to families to help offset the cost of purchasing health insurance for all children. The second phase of the initiative concentrates on expanding Medicaid eligibility to cover all adults with incomes below the federal poverty level. For those with higher incomes, HCCU recommends establishing a refundable tax credit to help cover the cost of private insurance.

- **Health Information Technology (IT):** Expand personal health records as a stepping stone to a uniform nationwide system for health information exchange.
- **Quality:** Promote greater transparency around health care cost trends and best clinical practices. Use information about the efficacy of certain treatments and new medical technologies, as well as emerging trends in health care practice and delivery to determine best practices. Analyze benchmark data to conduct comparative effectiveness analyses to improve efficiency and quality in the health care system.

¹ The HCCU is comprised of sixteen national organizations that play leading roles in every aspect of federal health policy, including health plans, provider groups, advocacy organizations, a business alliance, and a pharmaceutical manufacturer.

- *Cost:* Use health IT and consumer-driven health care to make individuals more responsible for their health care and reduce the number of unnecessary medical procedures. HCCU would fund its proposal through the expansion of public programs and refundable tax credits for individuals.
- *Other:* In other advocacy efforts, BCBSA opposes the proposed legislation that would exempt health plans sponsored by business and professional associations, also known as association health plans, from state health insurance laws.

Proposal Date: 2005-2007

Sources: BCBSA Web site – BCBS Spotlight on Issues, <http://bcbshealthissues.com/issues/>; HCCU: Press Release, 2007, http://www.coalitionfortheuninsured.org/news/pressrelease_20070118.html.