

A man in a dark suit stands with his back to the camera, hands on his hips, looking out over a vast, rolling landscape of tall grass under a blue sky. The scene is bathed in a deep blue light, creating a contemplative and forward-looking atmosphere.

# Unfinished Business:

Completing Health Care  
Reform in Illinois

September 2011

United Power

FOR ACTION AND JUSTICE

**United Power for Action and Justice** (UPAJ) is an independent, non-partisan, organization of 40 churches, synagogues, mosques, civic, neighborhood, health, and ethnic institutions from across Cook County. These institutions of civil society have joined together to fight for social justice and the common good on issues of shared concern. United Power is an affiliate of the Industrial Areas Foundation (IAF), the oldest and largest network of community organizations in the country.

United Power began to address the specific health care needs of people without health insurance in the 1990s. The campaign had a three-pronged strategy: Expand coverage, increase enrollment, and expand services for people without health insurance. As a result of these efforts:

- The State of Illinois created the Family Care health insurance program which gradually expanded to cover over 400,000 Illinois residents.
- Our Gilead Center enrolled over 100,000 consumers into State health insurance programs.
- With our ally PACT (Public Action for Change Today), we won the right of young adults to stay on their parents' health insurance up to the age of 26.
- New state funds were secured to supplement federal funds to expand community health centers.

UPAJ won additional health care victories with the expansion of breast and cervical cancer screening and treatment. In addition, UPAJ has been a staunch ally of the immigrant and refugee community in protecting All Kids coverage for undocumented children.

Collectively, these health advances made Illinois a national leader in expanding coverage to the uninsured. They set the stage for the next major opportunity to improve the health care system in Illinois, the federal Affordable Care Act.

## The State of Health Care Reform in Illinois

The federal health care reform law (known as the Patient Protection and Affordable Care Act (PPACA)) was passed by Congress and signed into law by President Obama in March 2010. This landmark legislation is being implemented in phases through 2014.

The PPACA is a huge act with many moving parts. It prohibits much of the discrimination that prevents consumers from accessing quality health insurance. No longer will pre-existing conditions prevent people from accessing insurance. Annual coverage limits and lifetime caps are eliminated, and, across the nation, young adults can remain on their parents' plans up age 26.

PPACA provides federal money, oversight and sets some requirements, but the central feature of this legislation is the autonomy granted to each state to establish health insurance exchanges. The PPACA can only make good on the promise of access to affordable, quality health care for all Illinois residents if Illinois legislators vote to make it happen.

Too few Illinois residents and their legislators are aware of the stakes involved with this effort. If Illinois fails to create a strong, effective health insurance exchange, hundreds of thousands of individuals and small businesses will lose out. It is critically important that we complete health care reform in Illinois because the current health care market place is not working.

## Problems with Illinois Health Insurance Market Place

For years, United Power has heard stories from its members about problems they were encountering with their health insurance. To get a better sense of the extent and nature of these problems, a survey was developed and distributed to our members — both online and in paper form.

In all, 640 people from 21 separate organizations completed the survey. *(A copy of the survey can be downloaded from the UPAJ web site at [www.united-power.org](http://www.united-power.org).)* Survey data were collected from May through August of 2011.

### Who completed the report?

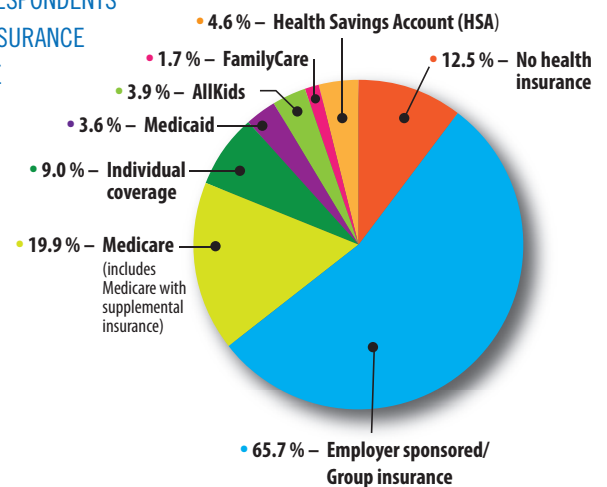
- Most are families with children (40%) followed by singles (30%) and couples (30%).
- The vast majority (65.7%) has health insurance through their employers. Twenty percent have insurance through Medicare and 12.5% lack any health insurance.

### What have their experiences been?

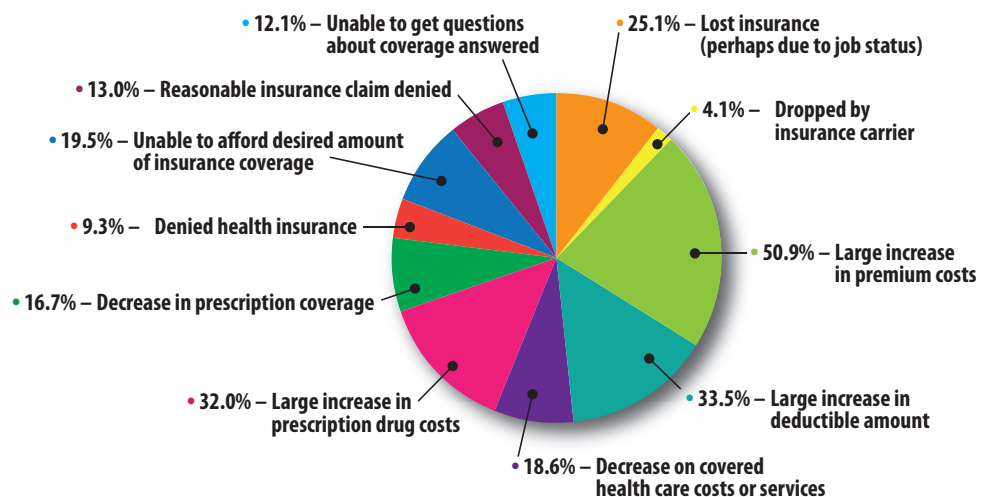
United Power asked, “Have you or your family encountered the following problems with health insurance in the last five years?” 72% reported at least one problem with their health insurance. *Of those reporting problems:*

- Over half (50.9%) said they had experienced large increases in premium costs.
- Over a third (33.5%) said they had seen a large increase in their deductible amount.
- Nearly a third (32%) reported large increases in prescription drug costs.
- One in four (25.1%) said they had lost insurance coverage completely.
- Other frequently reported problems included not being able to afford the desired amount of insurance coverage (19.5%), experiencing a decrease in covered health care costs or services (18.6%), and having a decrease in their prescription coverage (16.7%).

**SURVEY RESPONDENTS  
HEALTH INSURANCE  
COVERAGE**



**PERSONAL PROBLEMS  
WITH HEALTH INSURANCE  
COVERAGE**



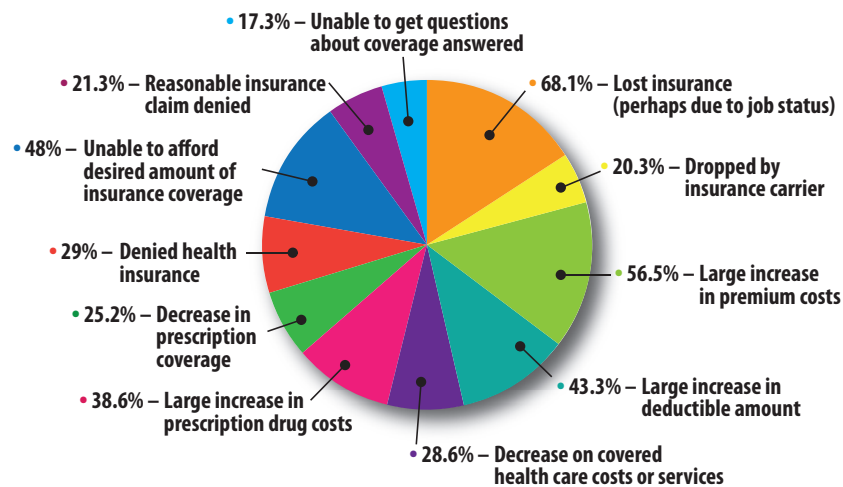
**When asked if they know someone who had experienced any of the health insurance problems, the single biggest problem cited was loss of health insurance.**

Almost two-thirds (61.8%) of those surveyed know someone who has lost health insurance.

*Other frequently cited problems experienced by people they know were:*

- Large increases in premium costs (56.5%)
- Inability to afford the desired amount of insurance (48%)
- Large increases in deductible amounts (43.3%)

**KNOW SOMEONE WHO EXPERIENCED PROBLEMS WITH HEALTH INSURANCE COVERAGE**



## Worth Noting

It's worth noting that 37% of those responding did not report any health insurance problems. For them, the health care marketplace is working reasonably well.

**But for two out of three people surveyed, the current Illinois marketplace is broken.**

### Consider the following comments from the survey:

- “My wife has many pre-existing conditions. We are grateful that our health care has been accessible through my employment. The costs have been rising. We are concerned about the future.”
- “When I lost my union job I lost my insurance coverage. Shortly after that, I could not afford COBRA. I now have no insurance.”
- “The cost for everything has increased. I have been unable to pay all my medical bills which have now been placed in collections.”
- “The drastic increase in health care prices in Illinois is detrimental to family income and makes work more overwhelming.”
- “My premiums have risen from \$181.81/mo. to \$710.73/months over an 11-year period, making for a very tight budget.”
- “My sister has lost her insurance because she can no longer afford it.”
- “Just finding a job, and that will even offer health coverage, let alone help cover some of the cost...well, this is a battle now. So securing employment is hard enough to focus on. Maintaining one's health, when you find it hard to afford to eat is even harder.”
- “We pay some bills out of pocket and don't even submit them to insurance because we are afraid that if we do, our premiums will be increased a lot.”
- “I've been avoiding everything except emergency health care to prevent large medical debts.”
- “My family (2 adults and 2 children) went without health insurance until my 2nd child's birth. We simply could not afford private insurance with insane deductibles.”
- “I am homeless and uninsured.”
- “I was happy with my insurance — until I lost my job.”
- “Health Insurance is an insulting process. Forms and policy variables are way too complex, making it difficult to comparison shop. It is capricious — what is denied by one company is no problem with another.”
- “My husband and I did not have preventive health care appointments for six years due to high deductibles.”

*And the personal stories go on and on.*



## Completing Health Care Reform in Illinois

By the end of the year, Illinois must pass legislation to create a Health Benefits Exchange. If done properly, an Illinois Health Benefits Exchange will play a crucial role in expanding access to insurance and controlling cost.

Exchanges are a market-friendly approach and have been implemented in states like Utah and Massachusetts. Their approach is not unlike “Travelocity” or “Orbitz” and includes an easy to navigate website that allows apples-to-apples comparisons of private insurance plans. Once up and running, individuals and small businesses will find their health insurance options expanded and improved.

Creating a strong, consumer friendly health benefits exchange in a state like Illinois will be no easy task. The health insurance lobby is very strong and many legislators are responsive to their pleas not to disrupt the existing system. This system works to their advantage: Illinois insurance companies are making record profits. Blue Cross Blue Shield made \$1.1 billion in profit last year, doubling their 2009 results (Source: *Crain's Chicago Business*, June 20, 2011).

It is up to organized citizens to press for the kind of exchange that will give individuals and small businesses access to the health insurance plans they need – and deserve.

### For More Information Contact

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