Illinois Needs Health Insurance Reform

Health insurance reform will reduce the deficit by $138 billion\(^1\) over the next 10 years, and Illinois families will see reductions in premium costs of up to $3,000 a year. Currently, 1.8 million Illinoisans do not have health insurance, and if nothing is done, this will increase to 2.3 million by 2019.\(^2\) Health insurance reform will allow the uninsured to get coverage and help the 612,000 Illinois residents who currently purchase individual insurance to buy an affordable health plan.\(^3\) Health insurance reform will help Illinois families, seniors, small businesses, and the state.

**Illinois Families**

*The 12.9 million residents of Illinois will benefit from reform\(^4\)*

- **Insurance protection.** Insurance companies will no longer be able to place lifetime limits on benefits or arbitrarily drop your coverage. Reform will extend affordable coverage to Illinoisans who cannot get insurance today. For example, 8 percent of Illinoisans have diabetes\(^5\), and 28 percent have high blood pressure.\(^6\) These conditions now could be used to deny health insurance coverage.\(^7\)
- **Ensures free preventive services.** Reform will ensure that people can receive free preventive services through their health plans.
- **Tax credits.** One million Illinoisans could qualify for premium tax credits to help them purchase health coverage.\(^8\)
- **Flexibility.** Reform will provide Illinoisans with a wide variety of choices and ensure they always have coverage, whether they change jobs, lose a job, move or get sick.

**Illinois Seniors**

*Illinois’s 1.8 million Medicare beneficiaries\(^9\) will benefit from reform*

- **AARP supports health care reform.** Older Illinoisans face skyrocketing premiums and prescription drug costs, and reform will ease their struggles.\(^10\)
- **Limits Medicare’s overpayments to private plans.** All Medicare beneficiaries pay the price of excessive overpayments through higher premiums – even the 91 percent of seniors in Illinois who are not enrolled in a Medicare Advantage plan.\(^11\)
- **Reduces prescription drug spending.** Roughly 314,000 Medicare beneficiaries in Illinois hit the “doughnut hole,” or gap in Medicare Part D drug coverage that costs an average of $4,080 per year. Reform will provide a 50 percent discount for brand-name drugs in this coverage gap.\(^12\)

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• **Covers free preventive services.** Currently, seniors in Medicare must pay part of the cost of many preventive services. For a $700 colonoscopy, a senior must pay $163 of the bill.\(^{13}\) Under reform, a senior will nothing for that colonoscopy or any other recommended preventive service.\(^{14}\)

**Illinois Small Businesses**

• **Expands coverage.** Small businesses make up 75 percent of Illinois businesses, but only 41 percent of them offered health coverage benefits to their employees in 2008. In Illinois, 144,000 small employers could be helped by a proposed small-business tax credit that makes premiums more affordable. And these small businesses would be exempt from any employer responsibility provisions in health reform legislation.\(^{15}\)

• **Reduces cost.** Illinois’s small-business owners and self-employed spent $6.7 billion in health care premiums in 2008,\(^{16}\) and if nothing is done, that will rise to almost $16 billion by 2018.\(^{17}\)

**The State of Illinois**

*State budgets will be relieved from rising health care costs as reform*

• **Reduces uncompensated care.** Currently, providers in Illinois lose $2.2 billion in uncompensated care each year. Under reform, uncompensated care would begin to fall immediately as more uninsured people gain coverage.\(^{18}\)

• **Curbs state employee premiums.** Coverage would be expanded to the uninsured, lowering uncompensated care costs that get shifted to the state employees’ premiums.

**The Bottom Line for Illinois**

• **Reform will end the “hidden tax.”** The $2.2 billion in Illinois uncompensated care often gets passed along to the public in the form of a “hidden tax”. Reform will eliminate this burden on people who already have insurance.\(^{19}\)

• **Provides premium tax credits.** Without reform, individuals and families in Illinois have to make out-of-pocket payments to cover premiums, deductibles, and co-payments, from $14.7 billion today and up to $23.8 billion in 2019.\(^{20}\)

• **Invests in the health primary care.** Health insurance reform will expand and improve programs to increase the number of health care providers especially in rural and other underserved areas.\(^{21}\)

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\(^{13}\) Centers for Medicare and Medicaid Services.


