Insure Tennessee: The Basics

What is Insure Tennessee?
It is Governor Bill Haslam’s plan, designed on conservative principles, to provide health coverage to uninsured Tennesseans. These are people caught in the “Coverage Gap”. They cannot qualify for TennCare and don’t make enough to get Obamacare. It is a conservative alternative to expanding Medicaid, which Governor Haslam has refused to do.

Who would Insure Tennessee help?
Insure Tennessee will cover over 200,000 uninsured Tennesseans, most of whom are working. A typical person in this group works in a low wage job – sometimes more than one job – but cannot afford insurance. They are most commonly in the following occupations:

- Hospitality industry – hotel housekeepers, restaurant servers, and kitchen staff.
- Construction
- Cleaning and maintenance
- Health care aides

It will also cover some people who cannot work presently because of illness or disability, but who would be able to return to work if they could afford to get the treatment needed to be healthy again. Others are older and cannot work full but aren’t yet old enough to get Medicare.

Insure Tennessee will give them all access to preventive care and relieve them of the constant fear of being bankrupted by medical debts from even a single illness or injury.

How will this affect military veterans?
Insure Tennessee would cover 24,000 Veterans who can’t get insurance through the VA or TennCare, as well as 10,000 of their dependents.

What are the income limits to qualify?
Someone must have household income below 138% of the Federal Poverty Level:
- $16,105 for a single person
- $21,707 for a couple
- $27,310 for a family of three
- $32,310 for a family of four

To put these limits in perspective, the minimum wage for full time work = $15,590/yr, so it would cover a single person, or a family of four with both parents, working at minimum wage.

How will Insure Tennessee work?
If a participant works at a job that offers insurance, Insure Tennessee will offer him a voucher to pay part of his share of the premium and cost-sharing. This is called the Volunteer Plan.

If the person does not have access to insurance at work, or if he believes his employer’s plan is not best for his family, he can enroll in the Healthy Incentives Plan. He will receive his care through a private HMO and will have to pay co-payments. If his income is above poverty, he
will also have to pay premiums. Each person has a Healthy Incentives for Tennesseans (HIT) account. By engaging in healthy behaviors (for example, smoking cessation), he can qualify for credits to his HIT account, which he can apply to the cost of his co-payments and premiums.

**How is Insure Tennessee paid for?**
Governor Haslam has negotiated a deal with the federal Centers for Medicare and Medicaid Services (CMS) that will enable the state to use federal funds that are set aside for Tennessee’s use, but which are currently going to other states. Instead of expanding Medicaid, the money will be used for Insure Tennessee. These funds will cover all of the cost for the first 1 ½ years, then decline over several years to 90% of the cost, where they will remain. The state must pay the balance, but Tennessee hospitals have agreed to pick up the state’s share.

Under the Governor’s proposal, Insure Tennessee will not cost the state another dime, and it will keep Tennesseans’ federal tax dollars in the state.

**How can we be sure Insure Tennessee won’t end up costing the state?**
Insure Tennessee is a two year pilot program that will have to be re-evaluated at the end of two years to decide if it should continue. But it will end before that if it ever costs the state any money. That is because Insure Tennessee includes a “firewall” between the program and the state budget. If at any time the federal funds and hospitals’ contribution are insufficient to cover the costs of the program, Insure Tennessee will automatically terminate.

**How is Insure Tennessee different from a Medicaid Expansion?**
- Unlike Medicaid expansion, Insure Tennessee is cost-neutral to state, with federal funds and hospital contributions covering the entire cost.
- All participants must meet personal responsibility requirements.
- There are incentives for healthy behaviors and responsible decisions.
- Insure Tennessee has a major role for employer sponsored insurance.

Those who would have preferred a Medicaid expansion are disappointed, but Insure Tennessee offers the best hope of covering the many uninsured Tennesseans in the Coverage Gap.

**How does Insure Tennessee affect jobs and the economy?**
All taxpayers will benefit from Insure Tennessee. It will keep over $1 billion in federal tax dollars at home, where they belong! The University of Tennessee Center for Business and Economic Research estimates that it will generate 15,000 jobs statewide. By putting money into local economies, Insure Tennessee will produce more state and local government revenues.

**I’m already insured. How will Insure Tennessee affect my health care?**
Insure Tennessee will provide over $ 1 billion annually in federal funding for the health care infrastructure on which we all rely. Those dollars are especially important to hospitals, which face cuts in their Medicare and Medicaid payments and were depending on expanded coverage to make up those losses. Rural areas are particularly vulnerable. Of Tennessee’s 120 hospitals, four have already closed, and another 50 are at financial risk. Loss of rural health services means delays in access to lifesaving care, and increased difficulty recruiting new industries.