

CT Health Care Reform Advisory Board

Business & Exchange Subcommittee

Summary of March 31, 2010 Meeting

Members Present: Andy Markowski for Rick Willard (Chair), Leadership Council of the National Federation of Independent Businesses; Deputy Commissioner Cristine Vogel, Department of Public Health (DPH); Sue Peters, Aetna; Robert Dakers, Office of Policy and Management (OPM); Deputy Commissioner Amy Lazzaro, CT Insurance Department (CID); Paul Lombardo, CID.

The meeting began at 2:10 pm.

Deputy Commissioner Cristine Vogel explained that the topic of health insurance exchange will be moved to the full Advisory Board for discussion on Tuesday, April 6th. At that meeting, the federal requirements for exchanges will be summarized and the Advisory Board's Guiding Principles will be reviewed. Development of an exchange will be a large aspect of reform at the State level and it will be up to state government to develop.

Sue Peters noted that how the exchange is developed will have an impact on businesses and that it is important to make the exchange consumer friendly.

Deputy Commissioner Vogel explained that she is working to get data to segment the business market further to do all the break downs that exist in the federal law. Paul Lombardo pointed out that the new law looks at small groups of 1-5 employees and this includes self-employed or sole proprietor. This means that an individual who is self-employed may have a choice of buying insurance in the group or individual market. Anytime that there is a choice there will be anti-selection.

Deputy Commissioner Vogel said that she will work with the assistance of the Department of Economic and Community Development to understand the overall impact of the new law on employers (hospitals, insurers, medical device manufacturers, pharmaceutical companies and the State). By the next subcommittee meeting there will be more information on employers in Connecticut.

Sue Peters suggested that they start with a focus on gathering questions from businesses and bring in employers of various sizes to talk about questions, concerns and possible impacts. Paul Lombardo suggested that the first step should be to decide what the subcommittee wants to know, define possible choices and then get feedback. He also noted that in terms of health care benefits, as the economy improves the need for businesses to compete for employees will change.

Deputy Commissioner Vogel suggested that CBIA be invited to speak about their experience as an insurance exchange and their perspective on the new law.

Sue Peters brought up the issue of establishing open enrollment requirements in the exchange and whether that was allowable in order to mitigate people jumping in and out of health plans. It was noted that it would make sense to have open enrollment the same for individuals and employers and that exceptions would need to be in place for life events (i.e. loss of insurance or a job). Sue Peters also asked whether the exchange will have rate setting authority. If it does and there is a premium shortfall, who has to pay for that shortfall? If no insurance carriers want to participate, then the State will have to provide a government run plan.

To gather information on the impact of health reform on employers and businesses, it was agreed to gather already completed studies. Suggestions included MEPS (Medical Expenditure Panel Survey) data on average employer (OHCA will provide), information from the research foundation of the Leadership Council of the National Federation of Independent Businesses, Kaiser Family Foundation and the National Association of Insurance Commissioners (NIAC).

In terms of process, the group will review and analyze the data they collect and will consider findings as credible that are consistent across the various sources.

It was noted that although health care reform is now law, much of the detail will need to be defined in federal regulations. It will take time to define the various aspects of reform in regulation and to allow public and state questions.

Next steps:

- Start gathering reports on the impact of businesses, including information that the group has already looked at and new analyses and synthesize this information.
- Identify what decisions the State needs to make when setting up the exchange
- Get feedback from business community

Next meeting: the week of April 12th, to be determined.

The meeting was adjourned at 3:20 pm.