

CT Health Care Reform Advisory Board

Business & Exchange Subcommittee

Minutes of January 13, 2010 Meeting

Members Present: 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); Paul Lombardo, State Insurance Department.

The meeting began at 8:00 am.

Development of the Interim Report

Deputy Commissioner Cristine Vogel shared a handout providing data on the numbers of employers and employees by business size and availability of employer sponsored insurance. This data will be used to inform the Interim Report under development. It was noted that there is a need for data on the number of employees working for firms that do not offer employer sponsored insurance.

For each Guiding Principle in the report, there will be a description of the issue. Once the Interim Report is released, the work to address these principles will require data and analyses and cost estimates.

Guiding principles

Sue Peters provided suggested Guiding Principles for discussion. Those principles that are approved by this subcommittee will be reviewed by the entire Advisory Board at the January 26, 2010 meeting.

Individual Coverage Mandate

Recommendation #1: The State should enforce an effective individual mandate so that everyone (young/healthy and older/sicker individuals) participates in the health care system. The State could pursue initiatives that bolster mandate requirements, if authorized (current bills are silent as to state enforcement).

Discussion: The recommendation was approved with the following additions:

- There needs to be a strong mandate to keep the validity of the risk pool and minimize the potential for anti-selection.
- Include the need for an annual open enrollment period for plans within the Exchange that allows for hardship rules.
- Ensure that there is a sufficient choice of plans and avoid too large a choice.

Rating

Recommendation #2: *Individual and small group markets should remain separate to avoid market disruptions and to protect against the small group subsidizing rates for the newly insured in the individual market.*

Discussion: The recommendation was modified to say that the potential impact of federal health care reform on the individual and small group market is an area of concern and should be watched carefully. It is too early to act.

Group Size

Recommendation #3: *Insurance reforms (in and out of the Exchange) should apply to individuals and groups <50 prior to 2016, to target the employer segment that has the lowest coverage offer rate and to keep employers in the insured market.*

Discussion: The recommendation was approved.

Exchange Model

Recommendation #4: *The Exchange should take the form of a competitive model to facilitate consumer choice, competition and cost-efficiency, by providing sufficient consumer-friendly information; allowing participation of plans that meet the Exchange criteria; allowing sale of coverage outside of the Exchange; and not duplicating existing regulatory functions.*

Discussion: The recommendation was approved. In addition, an additional recommendation under the Exchange Model addressing governance was suggested and approved.

Additional Recommendation: An Exchange should have a governance board that includes all stakeholders, does not duplicate existing government functions and has some flexibility in the context of well defined objectives. The main purpose of the governance board should be implementing federal Exchange requirements.

Benefit Design

Recommendation #5: *Connecticut should not layer additional benefits on to the federally qualified health benefit plans, as the plans may have sufficient benefits and the state is responsible for funding subsidies for the additional state mandates; after the benefit designs are establish federally, a study should be performed on the sufficiency of the plans' benefits.*

Discussion: The group agreed that this recommendation should be revised to address the need to first analyze this issue. Deputy Commissioner Vogel asked Paul Lombardo to draft some substitute language.

- The State Insurance Department recently released a report analyzing seven proposed health insurance mandates: <http://www.ct.gov/cid/cwp/view.asp?Q=447304&A=1254>

Recommendation #6: *Connecticut should implement wellness discounts by applying to be a federally funded pilot state.*

Discussion: The recommendation was approved.

Next meetings:

Business & Exchange Subcommittee

Tuesday, January 26, 2010, 8:30 – 10:00 am
Agenda: Insurance Exchange

CT Health Care Reform Advisory Board

Tuesday, January 26, 2010, 10:00 – 12:00 am (rescheduled from January 21)

The meeting was adjourned at 9:10 am.