

CT Health Care Reform Advisory Board

Minutes of January 29, 2010 Meeting

Members Present: Deputy Commissioner Cristine Vogel (Chair), Department of Public Health (DPH); Commissioner Robert Galvin, M.D., DPH; Cathy Bartell, MHA; Robert Dakers, Office of Policy and Management (OPM); Commissioner Thomas Sullivan, State Insurance Department (SID); Carole Noujaim (by phone); Mark Schaefer, Department of Social Services (DSS); Rick Willard, Leadership Council of the National Federation of Independent Businesses.

Member Absent: Mark Bertolini, Aetna; Christopher Dadlez, Saint Francis Hospital and Medical Center; James Cox-Chapman, M.D., ProHealth Physicians, MSO, Inc.; Lenny Winkler, LPN; Tom Woodruff, Office of the State Comptroller.

Others Present: Christopher Hartley, Saint Francis Hospital and Medical Center; Paul Lombardo, SID; Alexandra Thomas, Aetna

Review and Approval of Minutes

Deputy Commissioner Cristine Vogel called the meeting to order at 9:15 AM.

Deputy Commissioner Vogel decided to defer the approval of the minutes of the January 26, 2010 Advisory Board meeting, with the intent of revising the circulated draft to reflect more detail of the meeting discussion.

Discussion of Draft Guiding Principles

Led by Deputy Commissioner Vogel, Advisory Board members discussed the draft guiding principles. The guiding principles were submitted by the Board members, organized by topic, and defined as broad, high level principles that can guide consideration and implementation of health care reform. Items submitted by Board members that fell into the category of a recommendation (targeted, measurable and action oriented), rather than a guiding principle, are being held until the time that the Board considers the development of specific recommendations. Although the federal health care reform is stalled, the two federal bills are still in play and the principles may be useful to help Connecticut influence the final federal health care reform legislation.

Deputy Commissioner Vogel explained that although Mark Bertolini and Christopher Dadlez were unable to participate in the meeting, they will cast their votes for the Guiding Principles by phone later in the day.

Below are the draft Guiding Principles presented to the Advisory Board for discussion along with the changes that were suggested and approved at the meeting. Following a discussion on whether to vote on each Guiding Principle or to vote by acclamation on each block of Guiding Principles, Advisory Group members agreed to vote on each item.

COST CONTAINMENT

1. Develop a clearer understanding of the multiple underlying factors that produce higher health care costs.

Discussion: No changes to #1.

2. (edited) Support and undertake efforts to test and analyze interventions such as comparative effectiveness research, prevention programs, more coordinated care and other approaches to determine the actual effectiveness of investments in these interventions in controlling costs and improving outcomes prior to their implementation. Current literature suggests focusing on tobacco, food, inactivity and stress.

Deleted: 2. Support the important comparative effectiveness research, prevention programs, more coordinated care and other approaches that are considered and carefully analyze the costs and benefits of specific interventions, rather than broad generalizations.

Discussion: The group chose the edited version of #2. Bob Dakers added “investments in” and Cathy Bartell added the last sentence.

3. Support health care system changes that begin to move away from the current fee for service payment system that values volume over quality. Alternative models in this regard include the development of “accountable care organizations”, bundling of payments, global capitation and pay for performance. Consider pilot or demonstration projects in these areas.

Deleted: some

Discussion: Mark Schaefer suggested the edits to #3.

4. Support approaches to malpractice tort reform that lowers the costs which may contribute to the practice of defensive medicine, with the intent to lower costs while protecting the right to access the legal system.

Deleted:

Discussion: The edits to #4 were a result of comments by Rick Willard, Deputy Commissioner Vogel and Commissioner Sullivan.

Deleted: of malpractice insurance and malpractice awards while protecting individual access to the legal system to address malpractice claims. (too specific and needs to be more general?)

5. (new) Support the development of a central data repository to collect key data that will monitor and analyze costs associated with health care utilization and claims to identify the drivers of cost.

Deleted: This data should be collected from all payers, at the procedural level, in collaboration with other data repositories that exist within the state (i.e., Susinet, state agencies, etc.) and be appropriately funded.

Discussion: Commissioner Sullivan clarified that the intent of #5 was to indicate the need for a single source data repository. Alexandra Thomas noted that data should be collected from all sectors of the health care delivery system. Christopher Hartley cautioned against unfunded mandates. The last sentence was deleted to keep #5 general.

Cathy Bartell suggested an additional guiding principle: "Consider methods for lowering the administrative costs of insurance." Commissioner Sullivan asked why they were looking at administrative costs separately. Rick Willard noted that the group agreed not to add new guiding principles at the point. Deputy Commissioner Vogel agreed not to add this as a guiding principle and make a note that this area needs to be explored in the future.

ACTION: All advisory Board members present voted unanimously to approve Guiding Principles #1 through #5 with the suggested changes.

REFORM OF THE INSURANCE MARKET

6. The impact of proposed rating rules to the individual and small group markets are an area of concern and must remain as two separate markets in order to ~~carefully~~ assess the impact of federal reforms.

Deleted: carefully

Discussion: Robert Dakers, Alexandra Thomas, and Commissioner Sullivan discussed the need to clearly understand the impact of federal rules before the individual and small group markets are merged. The group agreed to use the first #6 and to delete the word "carefully", since it was redundant.

Deleted: 6. (edited) The impact of proposed rating rules to the individual and small group markets are an area of concern and proposals should preserve distinct rating rules for both markets in order to carefully assess the impact of federal reforms.

7. Focus must remain on the small employer market (<50 employees) as this segment has the lowest coverage offer rate and insurance reforms (in and out of the Exchange) should apply to individuals and groups <50, consistent with proposed federal law, to keep these employers in the insured market.

Deleted: prior to 2016

Discussion: Alexandra Thomas asked that the word "offer" be added to clarify meaning. Robert Dakers requested that the date be removed because it was too specific. Alexandra Thomas and Mark Schaefer agreed that without the date, clarification was necessary and to add "consistent with federal law."

8. Careful consideration must be given regarding the fiscal impact to the state for Connecticut's existing and proposed state mandates that go beyond the federal "essential benefits" package.

Discussion: No changes to #8.

9. Encourage the implementation of wellness discounts by applying to be a federally funded pilot state.

Discussion: No changes to #9.

10. Encourage a review of federal laws and regulations such as ERISA, which hinder state efforts to reform.

Deleted: Encourage the development of broad standards rather than prescriptive rules whenever possible. This will maximize state flexibility to implement reforms in a manner that is responsive to local and regional market conditions.

Discussion: After discussion on whether #10 was more of a recommendation than guiding principle by Deputy Commissioner Vogel, Commissioner Galvin and Commissioner Sullivan, there was agreement to remove the last two sentences.

ACTION: All advisory Board members present voted unanimously to approve Guiding Principles #6 through #10 with the suggested changes.

Individual mandate

11. Support that if there is going to be a healthy market with guaranteed issue and the elimination of pre-existing condition exclusions there must be a strong individual mandate with appropriate income sensitive subsidies that can be enforced in order for the coverage to be affordable. Creating more insured will reduce the potential for anti-selection. In addition, allowing individuals to only enroll and dis-enroll on an annual basis will reduce anti-selection.

Discussion: Rick Willard stated that he believes that it is unconstitutional to mandate insurance. The group agreed to keep the first #11.

Deleted: 11. (edited) Support proposals that provide a strong individual mandate with appropriate income sensitive subsidies that can be enforced in order for the coverage to be affordable. Creating more insured will reduce the potential for anti-selection. In addition, allowing individuals to only enroll and dis-enroll on an annual basis will reduce anti-selection and is an appropriate limitation given the elimination of pre-existing condition exclusions.¶

Purchasing exchange

12. An 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: No changes to #12.

13. 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.

Discussion: No changes to #13.

14. (edited) Since states have consumer protections in place (solvency standards, rate review, fraud prevention, patient/consumer protection), that should not be preempted by federal reform, it is strongly supported that the regulation and oversight of plans offered both inside and outside of the “Exchanges” discussed in both Federal bills be regulated by the states. This would ensure a level playing field in and out of the “Exchange.”

Discussion: Robert Dakers suggested clarifying #14 with a reference to plans offered both inside and outside of the exchange.

ACTION: All advisory Board members present voted to approve Guiding Principles #11 through #14 with the suggested changes, with the exception of Rick Willard, who opposed #11.

MEDICAID-RELATED REFORMS

15. (edited) Closely monitor the federal reform legislation and the related regulations and guidelines as they pertain to Medicaid, make efforts to ensure the impact on the State and its health care providers is favorable, and prepare to undertake any implementation responsibilities related to change in these programs.

Discussion: The groups chose the second #15. Mark Schaefer suggested adding a reference to the Medicaid program for clarification.

Deleted: 15. The State of Connecticut should closely monitor the federal reform legislation and the related regulations and guidelines in order to ensure that the provisions with respect to the Medicaid and Medicare are equitable in terms of their impact on the State and its health care providers, as well as to prepare the State to undertake any implementation responsibilities it will have with respect to the changes in these programs.

16. Support efforts to mitigate the cost shift to private insurers that is a result of Medicaid reimbursement levels.

Discussion: Christopher Hartley, Mark Schaefer, Commissioner Galvin and Deputy Commissioner Vogel discussed the issue of cost shift and the Medicaid program and the importance of adequately funding the system. Mark Schaefer stated that it was not clear that Medicaid rates would heighten the cost crisis and that this unquestionably represented an unfunded mandate to the state. Deputy Commissioner Vogel suggested a rewrite of #16 to replace both versions.

Deleted: delete[16. Lower the cost shift to private insurers of the Medicaid shortfall by maximizing federal matching payments to the Medicaid program by adjusting the Medicaid rates to the true hospital cost for the delivery of care and building in an annual market rate adjustment to Medicaid rates based upon the annual Medicare market basket increase.]

Deleted: ¶

Deleted: (edited) Prior to the implementation of the Medicaid changes, the state should review the rates paid under Medicaid to determine if they are sufficient to support provider access as the number of Medicaid recipients will increase.

17. (edited) Support the inclusion of low income single adults in the Medicaid program at the earliest feasible moment through the new federal reform legislation.

Deleted: 17. Support inclusion of State Administered General Assistance (SAGA) program patients in the Medicaid program at the earliest feasible moment either through the new federal reform legislation or through a federal waiver to the existing Connecticut Medicaid program.

Deleted: ¶

Deleted: either

Deleted: or through a federal waiver to the existing Connecticut Medicaid program

Discussion: Mark Schaefer explained that the intent of #17 was not only to address the SAGA program but to address low-income adults more broadly. A discussion followed with comments from Rick Willard, Christopher Hartley and Mark Schaefer. The group agreed to use the second #17 and delete the reference to a federal Medicaid waiver.

18. Review and consider each proposal that maximizes the state's ability to impose cost sharing. Proposals must take into consideration the impact on providers as well as the enrollees and any potential for disruption of services for the enrollees.

Discussion: No changes to #18.

19. (edited) Support initiatives to improve the opportunities for the provision of Long Term Care services within the community. These include any pilots, demonstrations or financial incentives to states to reduce reliance on institutional settings for the receipt of long term services.

Discussion: No changes to #19.

20. (edited) Support initiatives that allow states to test system changes that will have a positive impact on the quality of care.

Discussion: No changes to #20.

(add new) Consider pilot or demonstration projects to evaluate alternative payment methodologies, service delivery reforms, and collaborative purchasing arrangements such as with Medicare and commercial payers.

Discussion: No changes to #21.

21. Request that the Department of Defense increase reimbursement to civilian providers that provide services to active military personnel. Support enhanced coordination between the Veteran's Administration system and Medicaid to identify the appropriate payer of health care services.

Deleted: hospitals

Discussion: Cathy Bartell suggested replacing the word "hospitals" with "providers."

ACTION: All advisory Board members present voted to approve Guiding Principles #15 through #21, with the suggested changes, including a new principle. Paul Lombardo (voting for Commissioner Sullivan), voted for #16 with the qualification that there be no unfunded mandates.

MEDICARE-RELATED REFORMS

Discussion: Members agreed to delete #22 and #23.

Delete Principles #22 and# 23 and substitute the following Principle #22 – Support efforts to mitigate the cost shift to private insurers of the Medicare short fall by working with our congressional delegation and CMS to assure that CMS funding for services recognizes the true provider cost for delivering care in CT.

Deleted: (delete)

Deleted: 22. Support Medicare program changes that maximize federal matching funds (too general?)

Deleted: (delete?)23. Support changes to the Medicare program that repeals statewide neutrality for the Rural Floor (too specific?).

Deleted: Lower

Discussion: A rewording of the beginning of the new #22 was made to make it less directive. Paul Lombardo suggested that the second half of the last sentence be deleted.

Deleted: hospital

Deleted: and provides an annual increase for CT hospitals at least equal to or greater than the national average increase

Discussion: Commission Galvin offered that the new #22 and #24 were basically the same. Cathy Bartell maintained that #22 and #24 should remain separate. Members agreed to delete #24.

Deleted: 24. Oppose changes to the Medicare program that does not adjust payments for legitimate regional cost variation.

25. Participate in pilot programs that evaluate paying a bundled payment for multiple service levels to improve the coordination, quality and efficiency of such services and improve outcomes for Medicare recipients.

Deleted: ¶

Discussion: Clarifying language was added to the end of #25.

26. Support the improvement of care coordination for individuals eligible for both Medicare and Medicaid to more effectively integrate the benefits, improve quality and access and identify possible fraudulent charges.

Deleted: the “dual eligibles” (Medicare and Medicaid)

Deleted: and

Discussion: The principle was broadened from “dual eligibles” to “individuals eligible for both Medicare and Medicaid.” Rick Willard suggested adding language about identifying fraud and abuse.

ACTION: All advisory Board members present voted to approve Guiding Principles #22 through #26 with the suggested changes, with the exception of Mark Schaefer, who opposed #22.

IMPROVE QUALITY OF CARE AND SYSTEM PERFORMANCE

27. Support tuition payments, tax incentives, training program expansions that promote increases in the number of primary care providers available to manage the care of Connecticut residents, particularly those with chronic medical conditions.

Discussion: No changes to #27.

Discussion: The group removed #28 on the basis that it is redundant.

29. (new) Encourage innovations in health workforce training, recruitment and retention to increase the supply of health care workers.

Deleted: 28. Participate in pilot programs that evaluate paying a bundled payment for multiple service levels to improve the coordination, quality and efficiency of such services and improve outcomes.(redundant with #3?)

Deleted: ¶

Discussion: No changes to #29.

ACTION: All advisory Board members present voted unanimously to approve Guiding Principles #27 through #29 with the suggested changes.

GENERAL GUIDING PRINCIPLES

30. Improving health care is beyond having insurance and Connecticut must seriously address the issues that create a barrier to access including but not limited to: lack of primary care providers, facilities open after 5:00 pm, simplification of the administrative processes for providers and patients, and insurance affordability.

Discussion: No changes to #30.

31. Carefully review the impact that employer penalty mandates have on large employers and that the insurance reforms (i.e., rating rules) have on small employers.

Discussion: No changes to #31.

32. Support a process that allows a smooth transition for large and small employers as new federal mandates are adopted and implemented.

Discussion: No changes to #32.

33. Consumer education is necessary for the individual mandate and the purchasing exchange to be successful.

Discussion: No changes to #33.

34. Encourage the Board that is charged with statewide health information technology and information exchange to move forward aggressively so Connecticut can access federal stimulus funding; and to support a change in governance structure from a government agency to either a public or public/private entity.

Discussion: No changes to #34.

35. (edited) Support efforts in the area of transparency to ensure that all stakeholders have the necessary information to make informed decisions.

Discussion: No changes to #35.

ACTION: All advisory Board members present voted unanimously to approve Guiding Principles #30 through #35.

Deputy Commissioner Vogel indicated that later in the day, the full report with the approved Guiding Principles will be sent out for review and approval. Advisory Board members were requested to submit any comments on the final draft interim report by mid-morning on February 1, 2010, to allow submittal of the final report to the Governor and General Assembly that afternoon.

Next meeting – Thursday, February 4, 2010, 9:00 – 11:00 AM in LOB Room 1B

Future meetings (Legislative Office Building Room 1B):

Tuesday, February 16, 2010, 1:00 – 3:00 PM

Thursday, March 4, 2010, 9:00 – 11:00 AM

Wednesday, March 17, 2010, 9:00 – 11:00 AM

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The meeting was adjourned at 12:00 PM.