

## CT Health Care Reform Advisory Board

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### Minutes of February 16, 2010 Meeting

**Members Present:** Deputy Commissioner Cristine Vogel (Chair), Department of Public Health (DPH); James Cox-Chapman, M.D., ProHealth Physicians, MSO, Inc.; Christopher Dadlez, Saint Francis Hospital and Medical Center; Commissioner Thomas Sullivan, State Insurance Department (SID); Alexandra Thomas, Aetna; Rick Willard, Leadership Council of the National Federation of Independent Businesses; Tom Woodruff, Office of the State Comptroller.

**Members Absent:** Cathy Bartell, MHA; Robert Dakers, Office of Policy and Management (OPM); Commissioner Robert Galvin, M.D., M.P.H., M.B.A.; Carole Noujaim; Mark Schaefer, Department of Social Services (DSS); Lenny Winkler, LPN

**Guest:** Robert Graboyes, MSHA, PhD., Senior Healthcare Advisory, National Federation of Independent Business.

#### Review and Approval of Minutes

Deputy Commissioner Cristine Vogel called the meeting to order at 1:10 PM.

A motion was made to accept the minutes of the January 26, 2009 Advisory Board meeting with the following edits:

- On page 1, under “Discussion of Draft Guiding Principles,” at the beginning of the second paragraph insert the following: “Board members engaged in a very detailed discussion of the draft guiding principles, resulting in extensive editing, reordering, additions and deletions. Although the interchange between members is not represented in this summary, the meeting was recorded on Connecticut Television Network and can be accessed in their archives at <http://www.ctn.state.ct.us> .”

The motion was seconded and passed unanimously by the Advisory Board members.

Another motion was made to accept the minutes of the January 29, 2009 Advisory Board meeting with the following edits:

- On page 1, at the end of the last paragraph after the word “phone,” replace the rest of the sentence with: “or by facsimile by the end of the day.”

The motion was seconded and passed unanimously by the Advisory Board members.

## **Presentation – Small Business Perspective on Health Care Reform**

Rick Willard introduced Dr. Robert Graboyes, Senior Healthcare Advisor, National Federation of Independent Business (Federation), who presented an overview of the small business perspective on health care reform. Points covered by Dr. Graboyes include:

- The current federal health care reform bills passed by the House and the Senate do not appear to be going anywhere. It is not clear what will happen next, but reconciliation seems to be the only track that is possible.
- The Federation does not support either bill and therefore could not support a merged bill.
- The two bills are deficient due to lack of effective cost controls, quality of care is not adequately addressed, does not change how providers are reimbursed, and does not address malpractice reform.
- The bills are so complex that the effects, both intended and unintended, can only be guessed at.
- The impact on small businesses is a concern due to “job killing mandates” that disproportionately affect low-income workers (lower wages and fewer jobs); administrative burdens; limited choices of health care insurance; perverse market incentives; and a last minute amendment to the Senate bill making an exception to the provision requiring employers with 50 or more workers to provide them with coverage that requires construction companies with just five or more employees and a payroll of \$250,000 to provide coverage.
- Small businesses need health care reform. Most problems that exist in the health care insurance market impact small businesses and their employees.
- One reform idea is insurance vouchers – the employer gives a fixed amount of money (defined contribution) to each employee to purchase their own health care insurance, taking the employers out of the insurance business.
- With regard to health insurance exchanges, the Massachusetts model has too much regulation and the Utah provides a better model.
- The Sustinet Plan in Connecticut has good intentions but is likely to have unintended consequences.
- What we have now is unsustainable. His experience with economic development in Africa has shown that things don’t slowly grind down, rather you wake up one morning and everything has collapsed.

Dr. Cox-Chapman inquired about new incentives for physicians. Dr. Graboyes said that is not directly a small business issue.

Alexandra Thomas asked whether there was a health care model addressing malpractice reform. Dr. Graboyes mentioned specialized drug courts, ideas to cap non-economic damages and noted that although malpractice reform may put sanity in the doctor/ patient relationship, it will not save a lot of money (only about one percent).

Commissioner Sullivan asked if we could do one single thing, what should that thing be. Dr. Graboyes suggested a defined contribution program and getting small businesses out of the business of health insurance.

Rick Willard asked about the individual mandate. Dr. Graboyes explained that providing access to insurance is a three legged stool: guaranteed issue, public subsidies, and an individual mandate. All three pieces must be in place. Two alternatives to an individual mandate are an earned right to guaranteed issue only if the person has kept his insurance up to date and an opt-out provision.

### **Discussion on Access and Cost Containment**

Deputy Commissioner Vogel thanked the Board members for all their work to get the Interim Report out on deadline. The Governor has indicated that the Advisory Board should continue its work. At this point, as we wait for action at the federal level, it would be productive to continue to address the House and Senate bills. With regard to the Rapid Response Team, instead of establishing a new panel, Deputy Commissioner Vogel suggested that the Advisory Board serve this function and “panel members” ad hoc to the Board if and when necessary. She will also be convening a group of state agencies to assess the potential impact of federal health care reform on state programs and is working with Commissioner McDonald of the Department of Economic and Community Development to address the issues that may impact employers of all sizes in CT including tax implications, changes to insurance rating rules, etc. .

Deputy Commissioner Vogel suggested:

- Moving to monthly meetings of the full group.
- Moving the work of the Advisory Board to the three subcommittees: Business and Exchange, Cost Containment, and Impact of Federal Legislation. This may require inviting individuals outside of the Advisory Board to participate.
- Charging the subcommittees with producing one or more impact papers by June 2010.
- Using the monthly Advisory Board meetings to report on the findings of the subcommittees.
- Expanding the Cost Containment Committee to include access and quality of care. Dr. Cox-Chapman suggested renaming the group “Health Care System Reform Subcommittee” to reflect this broader charge. This is the only subcommittee that has not yet appointed a chair.
- Looking to the Guiding Principles in the Interim Report to structure the work of the subcommittees.

Deputy Commissioner Vogel will get back to the Advisory Board with a proposed scope and work plan for the three subcommittees. Staff will provide administrative support, including distributing materials in advance of meetings and posting meeting times and locations.

### **Other Business**

For a future meeting, Dr. Cox-Chapman suggested a presenter that could address issues related to Medicare who can report on the findings of the Dartmouth Atlas of Healthcare Project (<http://www.dartmouthatlas.org>).

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**Next meeting – March 17, 2010 –from 9:00 – 11:00 am in LOB Room 1B**

The March 4, 2010 meeting is cancelled.

The meeting was adjourned at 2:40 PM.