CT Health Care Reform Advisory Board

Minutes of May 20, 2010 Meeting

Members Present: Deputy Commissioner Cristine Vogel (Chair), Department of Public Health (DPH); Cathy Bartell, MHA; Mark Bertolini, Aetna; James Cox-Chapman, MD, ProHealth Physicians, MSO, Inc.; Christopher Dadlez, Saint Francis Hospital and Medical Center; Robert Dakers, Office of Policy and Management (OPM); Paul Lombardo, State Insurance Department (SID); Commissioner Michael Starkowski, Department of Social Services (DSS); Rick Willard, Leadership Council of the National Federation of Independent Businesses; Tom Woodruff, Office of the State Comptroller.

Members Present via Telephone: Carole Noujaim.

Members Absent: Commissioner Robert Galvin, M.D., M.P.H., M.B.A.; Lenny Winkler, LPN.

Review and Approval of Minutes

Deputy Commissioner Cristine Vogel called the meeting to order at 9:00 am.

A motion was made to accept the minutes of the April 6, 2010. The motion was seconded and passed unanimously by the Advisory Board members.

Discussion of Timeline for Recommendations

Deputy Commissioner Vogel reviewed the schedule of meetings and deadlines.

- May 27th - Health Care Reform Advisory Committee meeting to discuss proposed recommendations from the Health Care System Reform Subcommittee and Board members.
- June 17th - Review and vote on the draft final report with proposed recommendations.
- June 23rd – Send draft final report for final review and comments.
- June 30th - Final report sent to the Governor and Legislature. This is not a hard deadline, but advisable in light of the fact that health care reform is moving at a fast pace and there are a number of groups that will benefit from these recommendations in the short term.

Deputy Commissioner Vogel provided an overview of the Governor's Health Care Reform Cabinet, which has representation from eleven state agencies. The Cabinet will report monthly to the Governor on the progress in the state implementing health care reform. An overview of the Sustinet Board was also provided. Sustinet will be delivering a report on May 30th regarding the impact of the federal health care reform on this effort. Deputy Commissioner Vogel will distribute the report to Advisory Board members when it becomes available. Overall, Deputy

Commissioner Vogel noted that she did not see any overlap regarding the work of the Advisory Board, the Cabinet and the Sustinet Board.

Recommendations - Health Insurance Exchange

Below are the draft recommendations from the Business and Exchange subcommittee. Edits made by the Advisory Board are tracked and comments are included under each recommendation. New language is indicated with capital letters.

(1) The exchange should offer one-stop shopping that promotes consumer choice and empowers them with:

- Clear information comparing plans and offering plan specifics;
- Real-time decision support tools THAT INCLUDE WEB LINKAGES TO THE PARTICIPATING PLANS;
- Eligibility determinations for subsidies, Medicaid, SCHIP or other programs;
- Estimations of premiums once subsidies are applied; and
- Easy enrollment in or purchase of coverage.

Discussion:

- Cathy Bartell: There is a huge gap between the plan someone purchases and how the benefits play out with claims. Consumers must be able to compare plans in terms of what will be covered specifically.
- Mark Bertolini: Depending on where you are in the state, there are structurally different circumstances on how claims are billed and it is not possible to compare plans given the structure of provider systems.
- Bob Dakers: The exchange should provide real time decision supports that would hopefully cover those types of systems.
- Commissioner Starkowski: Suggested adding language to recommendation regarding having the exchange provide web linkages to plans.

~~**(2) The exchange should leave regulation/enforcement to the state insurance commissioner** and:~~

- ~~Does not set up its own regulatory framework – this would add an unnecessary and costly bureaucratic layer and could create solvency or other problems for consumers;~~
- ~~Maintains the appropriate balance between coverage levels and premium affordability;~~
- ~~Assures plan solvency and a level playing field by ensuring that every plan in the exchange is regulated equally, subject to the same statutory and regulatory standards.~~

Discussion:

- Paul Lombardo: Reiterated that the Patient Protection and Accountable Care Act (PPACA) gives state insurance departments regulatory authority over the exchanges, including enforcement of PPACA and state laws.
- Since this recommendation is already required under the PPACA, the group agreed to delete the recommendation and include information in the report narrative on the role of CID in regulating the exchange.

~~(3) The exchange should allow individuals to maintain their current coverage, if so desired,~~ ~~and maximizes choice, consistent with federal law.~~

Discussion:

- Mark Bertolini: This recommendation is redundant. There is lack of clarity regarding the definition of 'grandfathered' plans and the clause in the PPACA has had unintended consequences that have frozen the market. The National Association of Insurance Commissioners (NAIC) may recommend that this clause in the PPACA be striked.
- Rick Willard: This issue requires clarification by the federal government, NAIC and insurance commissioner so the market can get back to business.
- The group agreed to delete this recommendation and include this issue in a section of the final report addressing outstanding issues.

(4) The exchange should encourage plan competition, innovation, quality and cost control by:

- Promoting a variety of distribution methods, as provided in federal law, and allowing for broad plan participation in the exchange;
- Promoting the sale of coverage inside and outside of the exchange by supplementing the current market, thus enhancing consumer options;
- Implementing federal regulations related to quality improvement, adequate provider networks, and costs for plans offered throughout the exchange in a manner that improves quality and controls costs, but which do not impose requirements that are not proven methods of achieving these goals.

Discussion:

- Cathy Bartell: Will the exchange have a plan that it will sell? Deputy Commissioner Vogel responded that the exchange is a virtual marketplace and creates a level playing field for plan offerings. It does not sell its own plans.
- Cathy Bartell: There needs to be a way for providers to let a plan know that a policy holder has not met their obligations to the provider, such as not paying co-pays.
- Paul Lombardo: This is a compensation issue for the provider. Although this is a major issue, the exchange is not the appropriate entity to address this and CID is not able to take action on a plan member.
- James Cox-Chapman: In assuring transparency, the exchange will provide information about plans. However, people are looking for health care and not for plans. Will the exchange provide any information that will allow an individual to search for types of

providers or the best place to address certain health issues – providing transparency with regard to quality?

- Mark Bertolini: Plans are not allowed to define quality unless the information is documentable and scalable. This is an important issue that was not addressed in the PPACA.
- Bob Dakers: Much of what the exchange will do will be guided by federal law and regulations.
- Mark Bertolini: However, the exchange is required to address quality of plans and not providers. We should not stop with that and go further in providing consumers information on quality. There is a need to address this issue of quality in the narrative of the plan.
- Paul Lombardo: An entity cannot be required to participate in the exchange beyond reporting requirements under PPACA.
- Cathy Bartell: Medicare has the Physician Quality Reporting Initiative (PQRI). Under this program, physicians and specialists are eligible to earn a bonus on their Medicare payments. This may provide a vehicle to piggy back on.
- Deputy Commissioner Vogel: Individual behavior regarding choice of providers cannot be regulated. As we restructure the health care delivery system, health care providers may have more opportunities to promote their quality.
- The group agreed to add an additional recommendation regarding quality.

(NEW) THE EXCHANGE SHOULD CONSIDER WAYS TO PROVIDE INFORMATION ON PROVIDER AND HEALTH CARE QUALITY.

(5) The exchange should focus efforts on individuals and small groups (e.g., those with 50 or fewer employees, unless otherwise prohibited by federal law) because individuals and small employers with less than 50 employees are those most in need of additional access to insurance.

- Focus on small employers with 50 or fewer employees in the exchange until the deadline of moving to 100 or fewer employees in 2016;
- Any decision to include businesses with over 50 employees before 2016 or businesses with over 100 employees after 2017 should be made by the legislature and not delegated to the exchange and should only occur following a full assessment of the impact of this and other market changes under the federal health care reform law. (See #8)
- ASSURE PLAN SOLVENCY AND A LEVEL PLAYING FIELD BY ENSURING THAT EVERY PLAN IN THE EXCHANGE IS REGULATED EQUALLY, SUBJECT TO THE SAME STATUTORY AND REGULATORY STANDARDS.

Discussion:

- The group agreed with the need to allow time to see how the market is responding to health care reform before making recommendations on inclusion of larger businesses in the exchange.

- Mark Bertolini: Suggested that the issue of solvency should be addressed in the recommendation by moving the last bullet in Recommendation #2 under this recommendation.

(6) The exchange ~~should~~ SHALL study the impact of federal health care reforms on the State, its residents and stakeholders before layering on any additional requirements (see #8) because:

- Many of the new requirements do not exist in the State today, the details of which are still to be promulgated by HHS, and their effects will need to be measured;
- The need to balance coverage with premium affordability as well as the state issue that state has fiscal liability for adding on mandated benefits.

Discussion:

- Mark Bertolini: There are a lot of unintended consequences as a result of federal law. It is important to study the impact of these changes on the state. There are many subtle influences with big impacts on the market.
- Rick Willard: How do we get this kind of feedback and assure the information is reliable?
- Mark Bertolini: Aetna has a number of people looking at this issue and is sharing its findings with CID, NAIC, the Department of Health and Human Services and the White House. We would be happy to share it with the Advisory Board.
- There was agreement to strengthen the recommendation by exchanging the word 'should' with 'shall.'

(7) The exchange should be allowed, as provided in federal law, to contract with other State and private entities AS APPROPRIATE, to handle ~~certain~~ exchange functions such as:

- "Contract" with DSS to do determination work associated with eligibility for federal premium and cost sharing tax credits;
- Subcontract with entities, as is done by the Massachusetts Connector, to do work related to enrollment, premium billing and collection, etc, as well as potentially with one or more exchanges currently operated by business associations for small businesses to address this market.

Discussion:

- Cathy Bartell: Contracting with out-of-state entities should only be done as a last resort. Deputed Commissioner Vogel noted that there is a need to be cautious and not to limit Connecticut.
- Bob Dakers: Suggested adding "as appropriate" in the first sentence after "private entities."
- Commissioner Starkowski: Offered to get back to the Board with word-smithing of the first bullet. Also requested that the word "certain" be removed from the first sentence of the recommendation.

- Tom Woodruff: Do we want to limit the State's role to technical issues or include contracting issues? Sustinet is discussing the role of the State as the largest employer to contract with providers and develop a public option.
- Mark Bertolini: The role of the exchange is not to purchase health care and not to contract with providers.

(8) The director of the exchange should report annually to the Governor and the legislature regarding the effects of reform on, including but not limited to, small employers, other group markets, individual policy holders, rates of uninsurance and penalty enforcement and results; and the effect on the delivery system as a whole.

Discussion:

- Jim Cox-Chapman: This recommendation is related to our discussion of unintended consequences. Should it say report on the delivery system as a whole?

(9) [TABLE RECOMMENDATION] The exchange should have a multi-stakeholder "Board of Directors" with nine members serving four year staggered terms with the following representation:

- Actuary
- Health economist
- Small business (50 employees or less)
- Larger business (Over 50 employees)
- Labor
- Health plan benefit specialist
- Provider
- Policy holder in the individual market
- Ex-officio members: Commissioners/designees from the Departments of Social Services, Insurance, and Public Health and the Secretary/ designee of the Office of Policy and Management
- The Chair is appointed by the Governor

Discussion:

- Christopher Dadlez: The Exchange Board should include a representative from the insurance industry. Labor may not be needed since it mostly represents employees of large and self-insured businesses generally outside of the exchange.
- Tom Woodruff: Requested that the Comptroller be included on the Board.
- Bob Dakers: The exchange is also a certifying body. Massachusetts Connector Board does not include providers or insurers due to conflict of interest. With regard to labor, thinks they should be represented.
- A discussion followed regarding the lack of a clear idea of the role of the Exchange Board and its responsibilities, which will largely be defined by the federal government. Bob Dakers suggested modifying the recommendations by deleting the bullets to keep it more general. The group decided to put this recommendation a side and have the

subcommittee report back with a recommendation outlining the roles and responsibilities of the Board and the type of structure.

(10) [TABLE RECOMMENDATION] Between the passage of the federal Patient Protection and Affordable Care Act and 2014, strong executive leadership is needed in the establishment of the exchange. The Governor, through the state agencies (Executive Order 43), should be actively pursuing federal grants for the establishment of the exchange and all aspects of state implementation of federal health care reform.

- Such funding must be used for dedicated staff for planning and implementation, to establish the exchange;
- The Board of Directors for the exchange should be established no later than July 1, 2011.

Discussion:

- The group decided to table this recommendation because the Health Care Systems Reform subcommittee recommendations will be addressing this topic in more detail.

Deputy Commissioner Vogel invited Advisory Board members to submit additional recommendations to either her or Alexis Fedorjaczenko for consideration at the next Board meeting on May 27th.

The meeting was adjourned at 11:10 am.