CT Health Care Reform Advisory Board

Minutes of December 17, 2009 Meeting

Members Present: Deputy Commissioner Cristine Vogel (Chair), Department of Public Health (DPH); Cathy Bartell, MHA; Sue Peters, 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); Commissioner Robert Galvin, DPH; Paul Lombardo, State Insurance Department (SID); Rick Willard, Leadership Council of the National Federation of Independent Businesses; Lenny Winkler, LPN; Tom Woodruff, Office of the State Comptroller.

Members Absent: Carole Noujaim; Commissioner Michael Starkowski, Department of Social Services (DSS).

Guests: Meg Hooper, DPH; John Lynch, Connecticut Center for Primary Care

Review and Approval of Minutes

Deputy Commissioner Vogel called the meeting to order at 9:05 AM.

A motion was made to accept the minutes of the December 3, 2009 Advisory Board meeting with the following edits:

- On page 2, at the top of the page, replace "Medicaid Managed Care", with "Medicaid".
- After the last bullet on page 3, it was requested that the Business Subcommittee consider Exchanges, rating rules, the individual mandate and risk adjustment, but not integration of the small group and individual health insurance markets. This suggestion was accepted by the Advisory Board.
- On page 4, the third bullet indicates that Sustinet would be considered as an agenda item for the next meeting. It was requested that a member of the Sustinet Board update the Advisory Board on the Sustinet Board's progress and Chair Vogel offered to try to contact a Co-Chair to that Board to see if that was possible.

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

A motion was also made to accept the minutes of the December 11, 2009 Advisory Board meeting. The motion was presented, seconded and passed unanimously by the Advisory Board members.

Update on Health Information Technology and Exchange

Meg Hooper, Chief of the Planning Bureau at the Department of Public Health, provided a presentation on the Health Information and Exchange Program in Connecticut. In July 2009, DPH presented the Health Information Technology Plan. Through Public Act 09-232, DPH was named as the State Regional Health Information Organization (RHIO), a coordinating body that oversees the overriding structure of HITE in the state. The Act also established a 12-member Health Information Technology and Exchange Advisory Committee. Ms. Hooper invited the interested individuals to participate on the technical subcommittees reporting to the Advisory Committee. Information on their HITE activities can be viewed at http://www.ct.gov/dph/cwp/view.asp?a=3755&Q=441982&PM=1.

John Lynch, Director of the Connecticut Center for Primary Care, made a presentation on defining the need for a Connecticut Health Information Authority. The vision is to transform the health care of Connecticut communities (see Handout). At the end of the presentation, a series of recommendations were offered:

- Public/private "Health Information Authority"
- Engagement of State agencies
- Engagement of stakeholders
- Updating state laws to enable electronic exchange to replace paper
- Change policies i.e. Consent for sensitive data
- State issued Healthcare Digital Identities
- Coordination across opportunities/ maximize opportunities/ funding/ outcomes.

Commissioner Galvin commented that there needs to be a public/private coalition, somewhat like a public utility to address HITE. This body would need an executive director, and equal number of public and private sector members as well as a lawyer and an accountant.

Deputy Commissioner Vogel requested that Board members consider HITE in the context of Executive Order #30 and the development of interim recommendations. The following comments were offered by the Advisory Board:

- The major goals of HITE are care redesign, decreasing medical errors, improvement of individual health, public health and community outcomes, cost effectiveness for providers, and patient engagement.
- Before providers will consider adopting new HITE requirements and standards, it is important to address the current gap between practice and existing standards. Providers who believe they are adhering to standards dedicate a lot of resources to addressing denied claims. We must shore up what payers and providers are already doing to meet transaction requirements.

Presentation on the Current Small Group Marketplace and Future Considerations

Rick Willard made a presentation on the state of small business health care in Connecticut (see Handout). The most common definition for small businesses is companies with 50 or less employees.

Mr. Willard commented that a Connector may not change current market dynamics and may make health care coverage more costly with less choice. The uninsured 'problem' in Connecticut can be solved by focusing on the needs of those who do not or cannot get insurance while making improvements to the fully insured health insurance market. Allow the consumer to choose which doctor, hospital and method of payment for sought after medical services, such as through consumer directed health plans. One way to promote public plans is to pay insurance agents for selling these products.

Recommendations:

- If there is an agreement in the Senate, and they prevail in conference, it is certain that some states will be able to conduct their own pilot programs. Connecticut should apply to for a pilot program.
- Advocate a level playing field among small businesses and large employers and reduce insurance mandates.
- Lower the number of uninsured in Connecticut by thinking "out of the box." Create more effective outreach and enrollment policies.
- Support novel ideas like the "Wyden/Collins Amendment" which creates "Healthcare Vouchers."
- Investigate regional states cross-border sales of insurance policies.

At the request of Deputy Commissioner Vogel, Paul Lombardo provided an explanation of small employer rating policies in the state. Connecticut's small employer rating laws passed in the 1990's and serves as a model for the rest of the country. These laws require community rating and allow for adjustments related to age, gender and case size. Rating policies on the basis of health is not allowed. The amount of premium paid by employers versus employees is not regulated. In Connecticut, the definition of small employer is businesses employing 50 or less employees, including self-employed individuals.

As explained by Mr. Lombardo:

- Connecticut's small employer health insurance laws will be impacted by federal health care reform.
- The House and Senate bills allow for age adjustments. The House bill allows for a 2:1 ratio and the Senate allows for a 3:1 ratio. Currently in Connecticut, the ratio is 5 or 6:1. In order to create the same revenue in Connecticut, if the House Bill were to prevail, the youngest age bracket of adults would pay 130 percent more and the oldest age bracket would pay 20 percent less. If the Senate Bill were to prevail, the youngest age bracket of adults would pay 75 percent more and the oldest age bracket would pay 10 percent less. Small employers with a large proportion of younger workers will pay higher insurance premiums and those with a larger proportion of older workers will see a reduction.
- The House and Senate bills will allow insurers to rate for area in addition to age. In the Senate bill, there is a 50 percent load for smokers.
- Narrowing the age band, as proposed in both the Senate and House bills, will allow for more pricing stability from year to year as staff turn over or workers age.
- Connecticut currently requires guaranteed issue and renewability.

- Health insurance mandates do not apply for business with over 50 employees who are self insured. However, these larger businesses who are self-insured can still observe the mandates. An example of this is the State of Connecticut employee and retiree plans which will be converted to self-insured plans in July 2010 and will observe the insurance mandates.
- There will initially be an uptick in usage of health care services because of pent up demand among the uninsured and underinsured. However, the inclusion of younger lives will bring down the costs.

Advisory Board members made the following comments:
- The Advisory Board should consider possible transition rules to apply that will reduce the shock for employers.
- The pent up demand almost bankrupted the British National Health Service when it began. Escalating costs may motive employers to cut staff.
- Ones and twos [employer groups] are a difficult part of this equation. Many are just working for their benefits.
- Allow sole proprietors to make the same tax deductions for health insurance as do large employers. This issue must be addressed at the federal level.

Mr. Lombardo offered to give the group a definition of sole proprietor for the next meeting.

Subcommittees – Discussion on Organization and Membership

After a discussion of subcommittee composition, a motion was made to restrict subcommittee membership to Advisory Board members and allow for invited speakers and experts to address specific issues. The motion was seconded and passed unanimously by the Advisory Board members.

Deputy Commissioner Vogel noted that staff will provide support to the Subcommittees by scheduling meetings and taking minutes.

Next meeting – January 7th, 2010 – LOB Room 1A 9:00 – 11:00 am

Deputy Commissioner Vogel outlined the preliminary agenda:

- Federal Legislation Update (focus of the meeting)
- Actuarial presentation by Mark Bertolini
- Presentation on the impact of federal legislation on hospitals by Christopher Dadlez
- Initial discussion about interim recommendations

The meeting was adjourned at 11:10 am.