

SustiNet Board of Directors

July 14, 2010

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The topics for today

- What does it mean to “be in” Sustinet?
- Who should be in the Sustinet plan, both short-term (2011-2013) and long-term (2014 and beyond)?

Part I

What does it mean to “be in” SustiNet?

Integration of coverage programs

- Degrees of integration
- Dimensions of integration
 - Administration
 - Benefits
 - Delivery system/networks
 - Provider payment levels and methodologies
 - Financing
- The spectrum: coordinated contracting → fully integrated financing and administration

Washington State: An example of coordinated contracting

- Joint procurement of insurance coverage for state employees, Medicaid and state-funded Basic Health Plan
- Separate requirements for separate populations, but common quality metrics and other elements
- Interagency agreement, joint analysis of bids and negotiation with plans
- Expanding into inter-agency payment reform efforts

Massachusetts: An example of partially integrated financing and administration

- MassHealth (Medicaid) and Commonwealth Care (new coverage for uninsured)
- Separate procurement processes, mostly the same managed care plans
- Eligibility determination for both programs performed by MassHealth
- Federal and state financing combined under state's Medicaid demonstration waiver

Part II

What populations should be included in Sustinet?

Coverage of the Connecticut population, 2008

Health Insurance Coverage of the Total Population, Connecticut and U.S., 2008				
Type of Coverage	CT #	CT %	US #	US %
Employer	2,072,400	60.1%	157,194,100	52.3%
Individual	160,300	4.6%	13,995,800	4.7%
Medicaid	396,500	11.5%	42,326,300	14.1%
Medicare	468,600	13.6%	37,183,500	12.4%
Other Public	16,300	0.5%	3,505,000	1.2%
Uninsured	334,200	9.7%	46,339,500	15.4%
Total	3,448,200	100.0%	300,544,200	100.0%

Source: Kaiser Family Foundation, State Health Facts

Includes 200,000 in state employee plan

Note: total Medicaid enrollment (including dual eligibles) was up to 620,000 as of April 2010.

SustiNet law on potential populations

Population	Date of potential coverage in Sustinet	Board may or shall develop recommendations	Restrictions or other specifications
State employees, retirees and dependents	Not specified	may	Any changes in benefits subject to collective bargaining
Non-state public employees	On or after July 1, 2012	may	
HUSKY Plan Part A and B	Not specified	shall	
Medicaid	Not specified	shall	
Enrollees in state-administered general assistance (SAGA) programs	Not specified	shall	
State residents not offered ESI and not eligible for Medicaid, HUSKY or SAGA	On or after July 1, 2012	shall	Premium variation limited to that allowed under small group law
Employer groups	On or after July 1, 2012, for small firms	shall	
State residents offered ESI, whose incomes are below 400% FPL	Not specified	shall	The board may recommend mechanism for collecting \$ from employers

Potential Sustinet populations before and after federal reform

2011-2013

Medicaid

- Children
- Adults
- Children and adults with disability
- Elders

State employees

- Active employees
- Retirees

Others (starting 2012)

- Small firms, non-profits, municipalities
- Individuals without access to ESI

2014 and beyond

(either in or out of the Exchange)

- Medicaid
- State employees
- Basic Health Program
- Firms and individuals buying coverage through the exchange

The “original policy proposal”: SustiNet membership groups

- Consumers not offered employer-sponsored insurance (ESI)
- A small number of low-income households and consumers with serious health problems who are offered ESI that is unaffordable or inadequate
- Small firms, municipalities and non-profits in 2012; larger firms later
- Medicaid/HUSKY families
- State employees and retirees

Guidance on these issues from your task forces and advisory committees

- On integration, strong support for:
 - Use of common quality metrics, payment innovations, public health investments and delivery system innovations across all populations for maximum impact
 - Comprehensive preventive health strategies for all SustiNet members
 - Integrated approach to reducing or eliminating racial and ethnic disparities

Specific populations

- Size and characteristics of population
- Current coverage
- Opportunities related to inclusion in Sustinet
- Constraints on inclusion in Sustinet

Medicaid population

- Total of approximately 620,000 people as of April (including dual eligibles)
- **HUSKY A:** children below 185% FPL; caregivers below 185% FPL; pregnant women below 250% FPL (250,000 children and 130,000 adults)
- **HUSKY B (CHIP):** children above 185% FPL (15,000+ children)
- **Fee-for-service:** dual-eligibles; nursing home residents; some adults and children with disabilities (=/- 100,000)
- **SAGA:** 45,000 childless adults up to 53% FPL; effective April 1, 2010 moved to Medicaid LIA

Medicaid coverage

- **HUSKY A and fee-for-service:** comprehensive benefits, including Early and Periodic Screening, Diagnostic and Treatment (EPSDT) for children; low or no cost-sharing
- **HUSKY B:** mostly same covered services as HUSKY A, but no EPSDT; sliding scale premium
- Coverage provided for HUSKY A and B by three managed care plans; behavioral health, dental and pharma carved out and managed under separate contracts
- 3-year contract expires in 2011

Opportunities/constraints related to including Medicaid in SustiNet

Opportunities

- Limited care management at present
- New PPACA options
- Limited use of performance standards/innovative payment or delivery models
- Covers some of the highest cost users of care (potential for savings, improved care mgmt.)

Constraints

- Low reimbursement rates, limiting access
- Some populations have special provider/care needs
- Minimum benefits and maximum cost sharing subject to federal requirements

State employees population and coverage

Population

- 200,000 active employees and dependents
- 40,000 retirees

Coverage

- Comprehensive benefits
- Coverage provided by two insurers

Opportunities/constraints related to including state employees in Sustinet

Opportunities

- Undertaking large-scale medical home pilot
- Otherwise, limited use of performance standards/innovative payment or delivery models
- Significant chronic care needs among population (potential for cost savings, improved care mgmt)
- New options, grants under PPACA

Constraints

- Changes in benefits, cost sharing and administration subject to collective bargaining – current arrangements locked in until 2017

Privately insured population and coverage

Population

- Approximately 2 million in employer coverage
- Approximately 160,000 in individual coverage

Opportunities/constraints related to a Sustinet option for privately insured populations

Opportunities

- Size of population creates greater opportunities for delivery system reform and economies of scale
- Savings for small firms, non-profits, localities
- Exchange provides mechanism for presenting option to small firms after 2014

Constraints

- Issues related to licensure of Sustinet, independence from exchange after 2014

Uninsured population without access to employer-sponsored insurance

Number of uninsured in Connecticut who are currently eligible or ineligible for coverage (2006)



Source: CT Office of Health Care Access 2006 Household Survey

Opportunities/constraints related to a SustiNet option for people not offered ESI

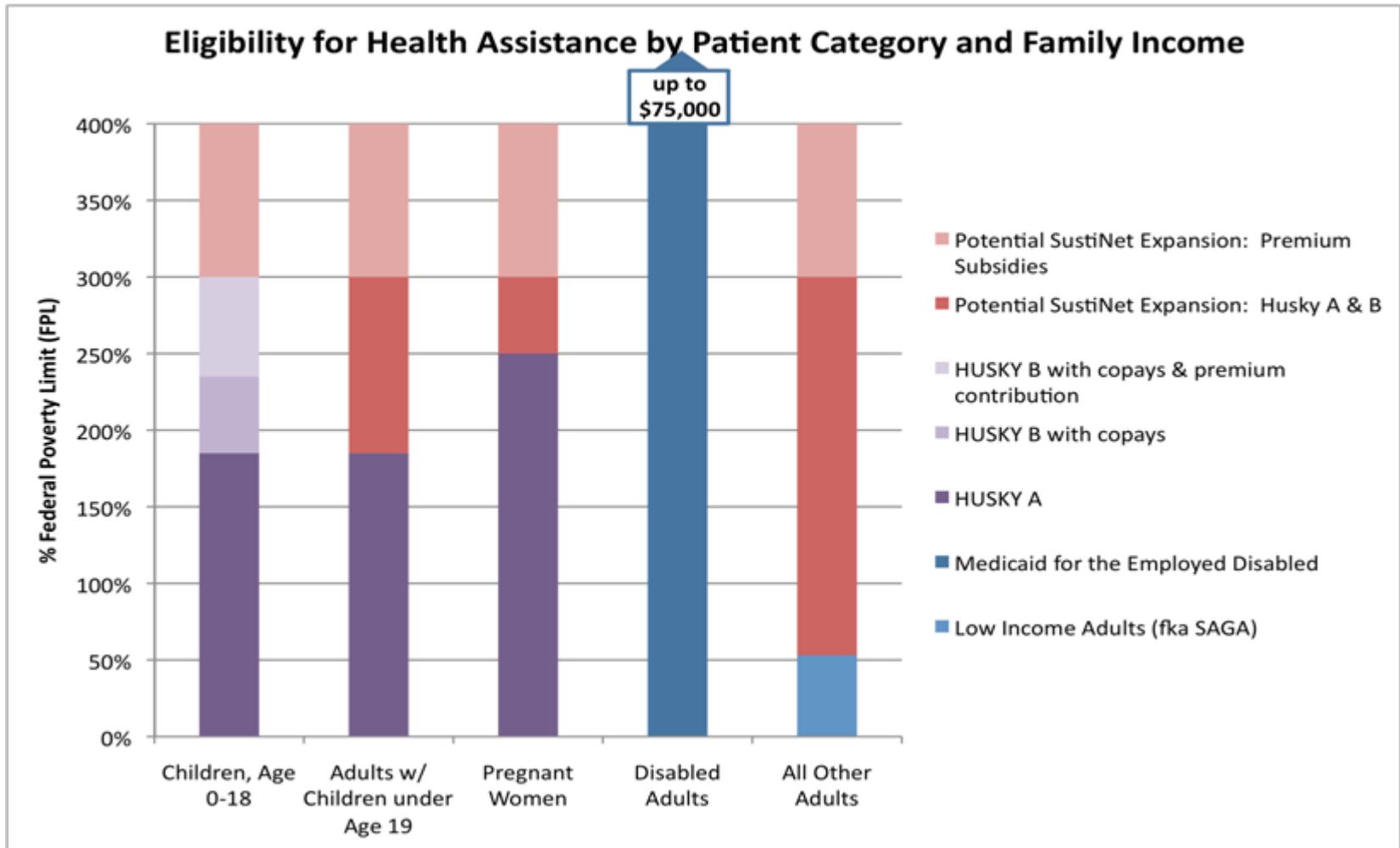
Opportunities

- People currently subject to discrimination in individual market
- Many uninsured, with no employer subsidy

Constraints

- Before 2014, need to address risk of adverse selection (e.g., through premium subsidies and auto-enrollment or individual mandate)
- 2014 and later, offering SustiNet in exchange raises issues of licensure and independence from exchange

Current Medicaid eligibility and potential subsidy levels, children and adults <65



Central issues/decision points

- What degree of integration are we talking about for current coverage programs?
- Is Sustinet offered to small firms, municipalities, and non-profits in 2012?
- Is Sustinet offered to individuals without access to ESI before 2014? If so, how will adverse selection be prevented?
- Is Sustinet offered as an option in the exchange? If so, how are issues of licensure and independence addressed?

Work plan for the next four months

- August: benefits and public health investments
- September: delivery system
- October: administration and governance (includes presentation from Department of Insurance on implications of licensure for Sustinet)
- November: financing (includes implications of pursuing the federal Basic Health Program option)