

**Basic Health Plan Work Group**

July 9, 2012

Group Questions

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There have been a number of significant questions posed by the workgroup surrounding implementation of a BHP here in Connecticut. In order to establish a framework on how to proceed, it may be helpful to understand what can be answered with available information and what cannot, due to two particular road blocks:

1. In order to move forward in determining the cost of a BHP the Exchange Board must first adopt an Essential Health Benefits (EHB) package. This will, in turn, allow us to determine funding estimates from the Federal Government. The deadline for states to determine the package is no later than September 2012.
2. Federal regulations have not been issued to determine the rules regarding the operation of the BHP. There is no time line in place for their issuance at this time.

The following is a listing of questions categorized into items the Work Group can answer with available information and those items that are unclear due to the limitations cited above. ***The organization that may best be suited to answer each question is in noted in parentheses.***

Issue Area	Questions that can be answered with available information	Questions that cannot be answered with available information
<b>Financial</b>		<ol style="list-style-type: none"><li>1. How will the federal government calculate the payment to states (95% premium tax credits) and do reconciliation at the end of the tax year? (consultant: UMass)<ol style="list-style-type: none"><li>a. How will the federal government’s risk adjustment methodology affect the federal payment amount?</li><li>b. How can a state's total federal BHP amount be estimated before the program year begins?</li><li>c. Can those amounts be adjusted, for example, after the completion of open enrollment, at which point the state will know a lot more about which consumers use BHP?</li></ol></li></ol>

		<ul style="list-style-type: none"> <li>d. Will the state have to front dollars for the BHP at the beginning of the year</li> <li>e. After a program year is over, how will the state account for BHP expenditures during that year?</li> <li>f. How will later BHP payments be adjusted to reflect the results of that accounting?</li> <li>g. How will the federal government reconcile over- and under-payments for BHP enrollees whose year-end income differs from their reported income at the point of enrollment?</li> </ul> <ol style="list-style-type: none"> <li>2. What level of benefit will federal funding support? (consultant: actuary) <ul style="list-style-type: none"> <li>• Will the funding support a “Medicaid like” benefits package for BHP enrollees?</li> </ul> </li> <li>3. Can federal funds be used to cover the state’s administrative costs? (consultant: UMass through discussion with federal agency CCIIO)</li> </ol>
<b>Administrative</b>	<ol style="list-style-type: none"> <li>1. In the absence of federal funding for administrative support, does the Department of Social Services (DSS) have the resources to administer the BHP? (DSS)</li> <li>2. What entity should administer the BHP? <ul style="list-style-type: none"> <li>• Can (should) the Exchange or DSS administer the BHP? (Work Group/consultant UMass)</li> </ul> </li> <li>3. Which entity will invoice and collect premiums from individuals enrolled in a BHP? (Work Group/consultant UMass)</li> <li>4. What administrative costs and infrastructure are required to integrate BHP eligibility processes with Medicaid and the Exchange? (OPM/DSS/Exchange &amp; consultant UMass)</li> <li>5. Are there design elements that can help hedge the State’s financial risk? (consultant UMass &amp; actuary)</li> </ol>	<p>Would the federal government approve an ASO structure (as opposed to a choice of private managed care plans) for a BHP? (UMass through discussion with federal agency CCIIO)</p>

<b>Provider Access</b>	<ol style="list-style-type: none"> <li>1. What is the standard of network adequacy? (Work Group/consultant UMass)</li> <li>2. Is the current Medicaid network of physicians and hospitals sufficient to handle the BHP caseload, in addition to serving the increase in Medicaid beneficiaries? (DSS/consultant UMass)</li> <li>3. What should a provider network look like (Work Group/consultant UMass)</li> </ol>	
<b>Provider Payments</b>	<ol style="list-style-type: none"> <li>1. How do the Medicaid provider payments compare to the commercial insurers' provider payments? (consultant UMass)</li> <li>2. What payment methods and rates would best promote value and access (consultant UMass)</li> <li>3. What effect will the expansion of enrollment in Medicaid and the BHP have on commercial insurance payment rates? (consultant UMass &amp; actuary)</li> </ol>	
<b>Enrollment estimates</b>	<ol style="list-style-type: none"> <li>1. How many people may be eligible for the BHP? (DSS/consultant UMass &amp; actuary)</li> <li>2. What is the relative risk profile of potential BHP enrollees? (consultant actuary)</li> <li>3. How many eligible individuals are expected to enroll in a BHP versus the Exchange? (consultant actuary)</li> <li>4. How might the risk profile of BHP enrollees affect cost estimates? (consultant UMass and actuary)</li> </ol>	
<b>Benefits structure</b>	<ol style="list-style-type: none"> <li>1. What should be the structure of the benefits package for the BHP? (Work Group/consultant UMass)</li> <li>2. What political latitude is there for adjusting benefits and cost sharing in a BHP to manage costs? (Work Group/consultant UMass)</li> </ol>	<ol style="list-style-type: none"> <li>1. What will Essential Health Benefits include? (Exchange)</li> <li>2. How do the BHP benefits compare to the benefits that would otherwise be available through the Exchange? (consultant UMass)</li> </ol>

<p><b>Exchange issues</b></p>	<ol style="list-style-type: none"> <li>1. How would the establishment of a BHP affect             <ol style="list-style-type: none"> <li>a. the Exchange's sustainability? (consultant UMass &amp; Exchange)</li> <li>b. carriers' interest/willingness to participate on the Exchange? (consultant UMass &amp; Exchange)</li> <li>c. the Exchange's ability to influence the market? (consultant UMass &amp; Exchange)</li> <li>d. rates in the individual market, both inside and outside the exchange? (consultant UMass &amp; Exchange)</li> </ol> </li> </ol>	
<p><b>BHP-eligible Individuals</b></p>	<ol style="list-style-type: none"> <li>1. What is the financial risk to individuals in the BHP vs. the Exchange? (consultant UMass &amp; Exchange)</li> <li>2. What is the experience of care likely to be in the BHP vs. the Exchange? (consultant UMass &amp; Exchange)</li> </ol>	