STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

Health Care Cabinet:
Business Plan Development Work Group

Monday, March 5, 2012
Meeting Minutes

Cabinet Attendees: *Frances Padilla, Co-Chair; Ellen Andrews; Phil Boyle; Jeannette DeJesús; David Guttchen; Linda St. Peter; Vicki Veltri*

Office of the Healthcare Advocate: *Demian Fontanella*

Absent: *Ed Claire; Bonita Grubbs; Alex Hutchinson; Tom Woodruff; Nancy Yedlin, Co-Chair*

Co-Chair Frances Padilla opened the meeting by welcoming members. Minutes from the February 23, 2012 meeting were approved with corrections. Co-Chair Padilla provided a brief update on recent activities of the Governor's Health Care Cabinet. Details and presentations given at the February meeting are posted online. Healthcare Advocate Vicki Veltri reported on the activities of the CT Health Insurance Exchange; further information is available online.

Jill Zorn, a policy analyst from the Universal Health Care Foundation, gave a presentation on Recommendations of the SustiNet Board of Directors; the current status of the recommendations is also available online. Phil Boyle asked if an actual plan was created, and Ms. Zorn replied that it wasn't. The sentiment was that SustiNet would create a public-private partnership leading to sweeping changes that would impact every plan. SustiNet led to the establishment of the Governor's Health Care Cabinet and its work groups. Ms. Zorn said much of the work of SustiNet continues with other groups but much of it is fragmented. Progress has been made in the areas of patient-centered medical homes and electronic health records due to the availability of federal funds. Ms. Zorn mentioned alternatives to fee for service medicine, adding that although pay for performance initiatives such as Accountable Care Organizations (ASOs) are being created, CT lags behind other states with this. She added that private insurance companies are making many changes now. She added that October 2012 will bring broad changes in Medicare payments. This is spurring hospitals to make changes now, including hospital mergers and the purchasing of physician practices. In summary, Ms. Zorn said health care delivery and plan reform efforts are occurring but in many different ways and by many different groups.

The SustiNet Health Care Cabinet and the Office of Health Reform & Innovation are charged with pulling these efforts together. Special Advisor Jeannette DeJesús reported that much progress has been made in coordinating efforts. She added that efforts that were given great financial support have succeeded, and those that weren't supported financially are struggling. There are IT purchases being made as a result of state technology leaders meeting with department heads to determine needs and make joint decisions. She reported that HITE, the Exchange and the Multi-Payer Database have made great progress. She mentioned her office applying for $48 million in funds for a primary care initiative that would support 75 practices across the state. She added that this initiative makes great strides in pulling together various groups whose efforts were previously fragmented. Co-Chair Padilla emphasized that the Cabinet's role is to integrate the

implementation of various state and federal reforms. She continued, saying that reviewing SustiNet's recommendations provides this group with an opportunity to select which ones are relevant to the work at hand. She added that while looking at coverage issues it has become apparent that quality and cost must also be addressed. She emphasized the importance of coming up with comprehensive recommendations that help inform current work in improving outcomes, controlling costs and making coverage more affordable. Co-Chair Padilla said it's essential to determine not only who's been left out but also to learn how to create a robust marketplace that provides more consumer choice. She said there should be coordination of existing initiatives, and this group should evaluate the state employee health plan medical home initiative and Medicaid primary care case management among other efforts addressing primary care.

Special Advisor DeJesús countered this view, saying she feels the Exchange would benefit from a more multidimensional approach that simultaneously develops these areas in order to avoid being one-sided, thus increasing the chances for success. Ms. Veltri said the Exchange can be a springboard for reform efforts. Ellen Andrews voiced concern over the lack of consumer representation on the Consumer Advisory Board. She added that the Board needs to provide broad representation in addressing big issues that affect large populations. Co-Chair Padilla said that initiatives won't occur unless providers and plans work together and agreeing to make changes. Special Advisor DeJesús said lack of staff hinders many efforts, such as the CT Initiative.

Ms. Zorn provided information on the Basic Health Program (BHP), which was an outcome of the Affordable Care Act. The BHP provides coverage for people who fall between 138% and 200% of the Federal Poverty Level. Ms. Zorn said there is consensus among consulting groups that this program will work in CT. This will be discussed in more detail at this work group's March 19, 2012 meeting. Co-Chair Padilla pointed out that the still-forming CT Initiative work group will make recommendations for CT, taking into account federal requirements that have yet to be legislated. Ms. Andrews pointed out that the BHP will raise rates paid to providers in addition to covering more services. Ms. Zorn said there's a very real concern that people's taxes will increase if they participate in the Exchange. There is also concern that those who choose not to enroll in the Exchange will have to pay a fee of $95.00 if they choose to be uninsured if a BHP is available. She added that primary care Medicaid rates are going to increase in 2013 and 2014 up to Medicare rates. Ms. Andrews said that Medicaid rates in CT are better than those in most states but a huge gap remains between Medicaid and private rates. There was agreement that hospitals feel Medicaid rates are inadequate.

Ms. Veltri pointed out that while Medicaid doesn't pay commercial rates, if 50% of these people don't sign up for insurance on the Exchange because they can't afford it, there won't be any payments. She added that it's a tradeoff that insurers must decide upon. If they insure this population, which has higher morbidity than the higher income population, and if they are part of the Exchange, then premiums will be higher for everyone. An unidentified speaker said there is data showing that a good percentage of this population is young and healthy and chooses not to have insurance. Other data disagrees with this. Ms. Zorn stated the need for a robust program to spread the word to get people insured as was done in MA. There was discussion about uncertainty surrounding BHP at the federal level. An unidentified speaker suggested a bill stating that CT will have a BHP based on certain criteria. Co-Chair Padilla added that a bill could charge this work group with offering the recommendations needed based on information that will be forthcoming, thus being affirmative about the bill moving forward but being noncommittal about the specifics.

Co-Chair Padilla spoke about the Take-Away list and Take-Away Review Categories, both posted online. There was discussion about categorizing topics from the list and which topics to focus on first. There will be further discussion at the next meeting. Co-Chair Padilla asked work group members if there was

interest in coordinating with other work groups. There was a suggestion to meet with the Delivery Systems Innovation group soon and other groups eventually.

Meeting was adjourned. **Next meeting will be on March 19, 2012 at 3:00 pm.**