



STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

Health Care Cabinet:
Business Plan Development Work Group

Monday, April 2, 2012
Meeting Minutes

Cabinet Attendees: *Frances Padilla, Co-Chair; Nancy Yedlin, Co-Chair; Mark Borton; Phil Boyle; Bonita Grubbs; David Guttchen; Alex Hutchinson; Linda St. Peter; Vicki Veltri*

Office of the Healthcare Advocate: *Demian Fontanella; Africka Hinds-Ayala; Brenda Shipley*

Absent: *Ellen Andrews; Jeannette DeJesús; Tom Woodruff*

Co-Chair Frances Padilla opened the meeting by welcoming members. She informed the work group that Ed Claire has resigned from the group. Minutes from the March 5, 2012 meeting were approved with no changes.

Co-Chair Padilla initiated a discussion of the proposed process for formulating recommendations to the Health Care Cabinet. Alex Hutchinson created an introduction for the report, providing a framework for outlining the final report. Co-Chair Nancy Yedlin presented a draft outline for work group members, emphasizing that comments and revisions from this group are expected and welcomed. She suggested this work group dedicate two meetings exclusively to discussing recommendations for the report. Various group members commented on the large scope of the outline, and Co-Chair Padilla said this will need to be narrowed down. Co-Chair Yedlin said that supporting data could be included in an appendix rather than in the report. Mr. Hutchinson commented on the importance of including access and affordability as part of the discussion of coverage issues and value. Co-Chair Yedlin responded that a future meeting will feature speakers addressing creating value. A schedule of upcoming meetings with proposed presentations will become available on-line after each presentation is confirmed with the presenter. Co-Chair Padilla said the Delivery System Innovation work group gave an update at the last Cabinet meeting, adding that it would be helpful to have a representative from that group speak at a future meeting. Takeaways from previous meetings are also posted [online](#).

Vicki Veltri spoke about new federal regulations requiring insurance companies to educate consumers, including supplying summaries of benefits. She said this requirement, which is part of the Affordable Care Act, will be effective September 23, 2012. It will provide a consumer tool for comparing and choosing plans. She suggested adding this to the list of topics to be discussed by this work group. Co-Chair Padilla emphasized the need for market research including continuous monitoring.

Ms. Veltri gave a presentation on the Speaker's Small Business Task Force Report including recommendations and pending legislation. The [Report](#) and [HB 5487](#) can be accessed online. Ms. Veltri said this legislation provides another way for small businesses to obtain insurance. There was discussion about unpredictable rate increases and making the market more competitive and thus more affordable. Plans with higher value may cost more but tend to have less frequent rate increases. Ms. Veltri mentioned that

health plans are appealing to enrollees to become more responsible for their own health care, focusing on preventive measures which will decrease health care costs over time. She added that health plans with high deductibles are increasingly preventing people from seeking the care they need.

There was discussion of potential options for small businesses including the state employee plan, the Exchange, the commercial market and the potential association group plan proposed in this pending legislation. Co-Chair Padilla pointed out that plans could be structured with financial incentives for small businesses to participate in health enhancement programs, thus improving health in addition to providing coverage. Mr. Hutchinson commented that the state could wield influence on health care delivery systems by offering a basic high deductible plan with preventive services covered and the right delivery environment. This would have significant impact on costs, utilization, and health improvement. He added that the biggest problem isn't health insurance but rather the cost of health care costs and delivery systems. He emphasized the importance of leveraging not just the state health benefit plan, but focusing on leveraging what the state purchases with the delivery market and then creating a more efficient delivery system. Ms. Veltri suggested contacting the Comptroller for input on this. Co-Chair Yedlin spoke of the churning that occurs in association insurance plans, suggesting a minimum participation requirement of a year or more.

Katharine London provided a presentation on the [Basic Health Program](#) (BHP). There was much discussion about revenue versus cost. Ms. London said that revenues will exceed costs; this was shown by Mercer modeling of person level analyses, even when individual cost sharing was zero. She said the plan could be designed to have high cost and low revenue. DSS has various program design choices that will have differing financial ramifications. If a program has very high benefits, provider rates and enrollee costs, this program will be costly. The revenues are dependent on the federal government percentage of premiums and cost sharing for enrollees. It would be necessary to project what the revenue would be and then design a program that costs less than that. Ms. Veltri said the federal subsidy will be higher than originally projected. Mr. Hutchinson expressed concern about the uncertainty of the numbers. There was consensus that the BHP will provide better benefits than the Exchange. Ms. London referred the work group to Mercer data, which shows a projected surplus even with zero cost sharing and the same benefits as Medicaid. Ms. London strongly recommended creating a BHP while planning the Exchange in order to avoid much additional redundant work.

Meeting was adjourned. **Next meeting will be April 16, 2012 at 3:00 pm.**