

Health Care Reform Cabinet
Progress Report to the Governor
Reporting Period: April – May 2010

May 27, 2010

Submitted by:

Cristine A. Vogel
Health care Reform Cabinet, Chair

Cabinet Members:

Thomas Sullivan, Commissioner, Dept. of Insurance
Michael Starkowski, Commissioner, Dept. of Social Services
Patricia Rehmer, Commissioner, Dept. of Mental Health & Addiction Services
Peter O'Meara, Commissioner, Dept. of Developmental Services
Diane Wallace, Commissioner, Dept. of Information & Technology
Michael Purcaro, Dept. of Public Health
Robert Dakers, Office of Policy & Management
Janet Williams, M.D., Dept. of Children & Families
Susan Sherman, Dept. of Revenue Services
Ronald Angelo, Deputy Commissioner, Dept. of Economic & Community Development
Jeffrey Asher, CT Health & Educational Facilities Authority
Cristine Vogel, Deputy Commissioner, Dept. of Public Health

Background:

The Executive Order 43 was issued on April 14, 2010 and created the Health Care Reform Cabinet. The Cabinet will focus on the implementation of certain requirements in accordance with federal health care reform (Patient Protection and Affordable Care Act).

The first Cabinet meeting took place on May 3, 2010 and the agenda was primarily presentations from three state agencies (DSS, DOI and DECD) and three industry associations (CHA, CTAHP and CSMS). This provided members with a general overview regarding the implementation activities and impact. The second Cabinet meeting took place on May 18, 2010 and provided an update on specific projects that the state agencies are currently pursuing; and the development of work groups that will focus efforts related to a single topic: (1) Exchange; (2) funding opportunities; and (3) communications & outreach.

Executive Order 43 requested the development of a link on the DPH web site that will be used for the dissemination of information regarding health care reform. DPH has developed the link and information is being put on the site regularly.

The following is a summary of specific projects that are being advanced forward by state agencies:

Early retiree reinsurance program (JUNE 2010)

Overview: The percentage of employers providing workers with retiree coverage has dropped from 66% in 1988 to 31% in 2008. This section of the bill will provide financial assistance to employers that qualify to help them maintain coverage for early retirees age 55 and older who are not yet eligible for Medicare. The program will end in 2014 when all Americans will be able to choose from additional coverage options through the health insurance exchanges. The new law appropriated \$5 billion for a temporary program and required that HHS establish this program within 90 days after enactment, which is June 21st. Regulations were issued for review and comment from HHS on May 4, 2010. Applications will be available in June; no deadline, but program ends when money is depleted. It appears that self insured employers (larger employers) will be most eligible; certain requirements are necessary to qualify (i.e., must currently offer retiree coverage, access to claims, chronic condition programs in place, etc.).

Progress:

- The Office of the Comptroller is planning to apply
- Consider informing employers via DECD, will move to Communications & Outreach Work Group

Temporary High Risk Pool (JULY 2010)

Overview: This program seeks to provide affordable health insurance to people who are uninsured because of pre-existing health conditions and will be funded entirely by the federal government. There are specific requirements that an individual must meet in order to be eligible. The law appropriates \$5 billion of federal funds to support the temporary program – funding will be available after July 1, 2010; and the program ends in 2014. HHS will allocate the funds similar to the formula used in CHIP; based on this methodology CT may be allocated approximately \$50 million for the four year period. Applications from states need to demonstrate how the insurance will be affordable and the program sustainable.

Project Leads: Mark Schaefer and Mary Ellen Breault

Progress:

- Letter to HHS on April 30th expressing CT's intention to submit an application
- DSS/DOI received application and will submit on June 1st

Health Care Reform Web Portal (JULY 2010)

Overview: This provision establishes an internet portal to help individuals and small employers identify health insurance options in their state. It will help them determine if they are eligible for existing public programs; it will provide information to small businesses about the tax credits available; information about the early retiree reinsurance program; and it will offer consumer education about health insurance. It will be launched in phases; and the Interim Final Rule was published to the federal register on May 5th.

Progress:

- Training webinar took place on May 7th
- DOI and DSS will have the majority of the responsibility and will continue to work directly with HHS (data may need to be obtained directly from carriers)

Medical Loss Ratio

The NAIC is working towards developing standardized methodologies for calculating MLRs and uniform definitions of the type of expenses used in the calculation by June 1, as requested by HHS.

Progress:

- DOI will continue to be involved and review necessary material to be responsive to HHS and NAIC

Rate Review

The NAIC is working on procedures to identify and review potentially unreasonable premium increases.

Progress:

- DOI will continue to be involved and review necessary material to be responsive to HHS and NAIC

State Plan Amendment

DSS continues to work directly with CMS on this issue. The notice for clients is already prepared; some system work needs to occur prior to claims being accepted – no foreseeable issues.

The Cabinet will convene three working groups to explore targeted issues more in-depth. The Work Groups are as follows and will have their first meeting in June:

Insurance Exchange Implementation

Co-chairs: Cristine Vogel and Paul Lombardo

Suggested participants: DOIT, DOI, OPM, DSS

Funding Opportunities

Co-chairs: Robert Dakers, Jeff Asher, and Michael Purcaro

Suggested participants: DSS, DECD, DDS, DMHAS, DCF

Communications & Outreach

Chair: Cristine Vogel

Suggested participants: DECD, DSS, DPH, DOI, DRS