

Connecticut Department of Social Services

Addressing Connecticut's Uninsured (Charter Oak and HUSKY)



Michael P. Starkowski, Commissioner

April 8, 2008



“My goal is to make sure that every adult and child in Connecticut has access to health insurance.”

Governor M. Jodi Rell
(December 27, 2006)



Index

Target Population CT Demographics of Uninsured National Perspectives Charter Oak

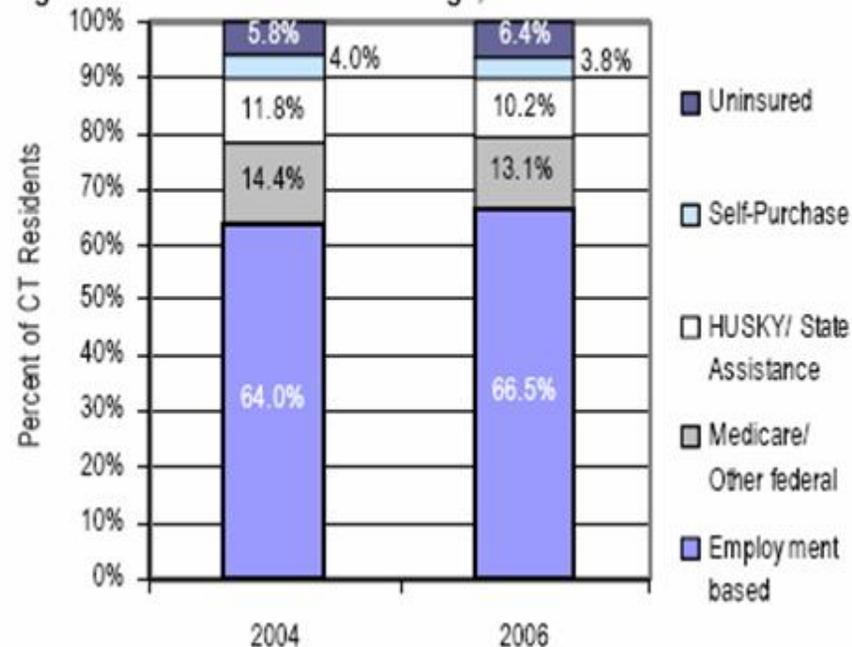
- Procurement
- Program Design
- Subsidy Scales
- Benefits
- Network
- Rate Setting
- Key Numbers & Websites

Target Population: Sources of Health Insurance Coverage



- While most Connecticut residents continue to have health insurance coverage, the uninsured increased slightly from 5.8% to 6.4% from 2004 to 2006.
- Employer based insurance increased from 64% to 66.5% from 2004 to 2006
- HUSKY & Charter Oak are aimed at the 6.4% in state who are uninsured.

Figure 1: Health insurance coverage, 2004 and 2006



Source: *Results of the Office of Health Care Access 2004 and 2006 Household Survey*

http://www.ct.gov/ohca/lib/ohca/publications/2007/household06_databook_1-31_version.pdf

Target Population: Connecticut Population Breakdown



Coverage status at the time of the survey and over the preceding year:
rates and population estimates

Insurance Status	Share of People (%)	95% Confidence Interval ¹		Estimated People ²	95% Confidence Interval ¹	
		Lower	Upper		Lower ²	Upper ²
1) Insured for the entire preceding year	89.9%	88.9%	90.7%	3,114,200	3,082,600	3,145,800
2) Currently insured, but had been without coverage in the preceding year	3.6%	3.0%	4.1%	124,100	104,600	143,600
3) Insured now, prior status unknown	0.1%	0.0%	0.2%	5,100	1,100	9,100
4) Currently uninsured, but had coverage during the preceding year	0.8%	0.5%	1.0%	26,300	17,200	35,400
5) Uninsured for the entire year	4.0%	3.4%	4.6%	138,700	118,200	159,300
6) Uninsured now, prior status unknown	1.7%	1.3%	2.0%	57,600	44,200	71,000
7) Total intermittently insured	4.3%	3.7%	5.0%	150,400	129,100	171,700
8) Uninsured at time of survey	6.4%	5.7%	7.2%	222,600	196,900	248,300
9) Uninsured at any point during the preceding year	10.0%	9.1%	10.9%	346,700	315,300	378,100

Sources: CT Office of Health Care Access 2006 Household Survey and population figures from U.S. Census Bureau March 2005 Current Population Survey

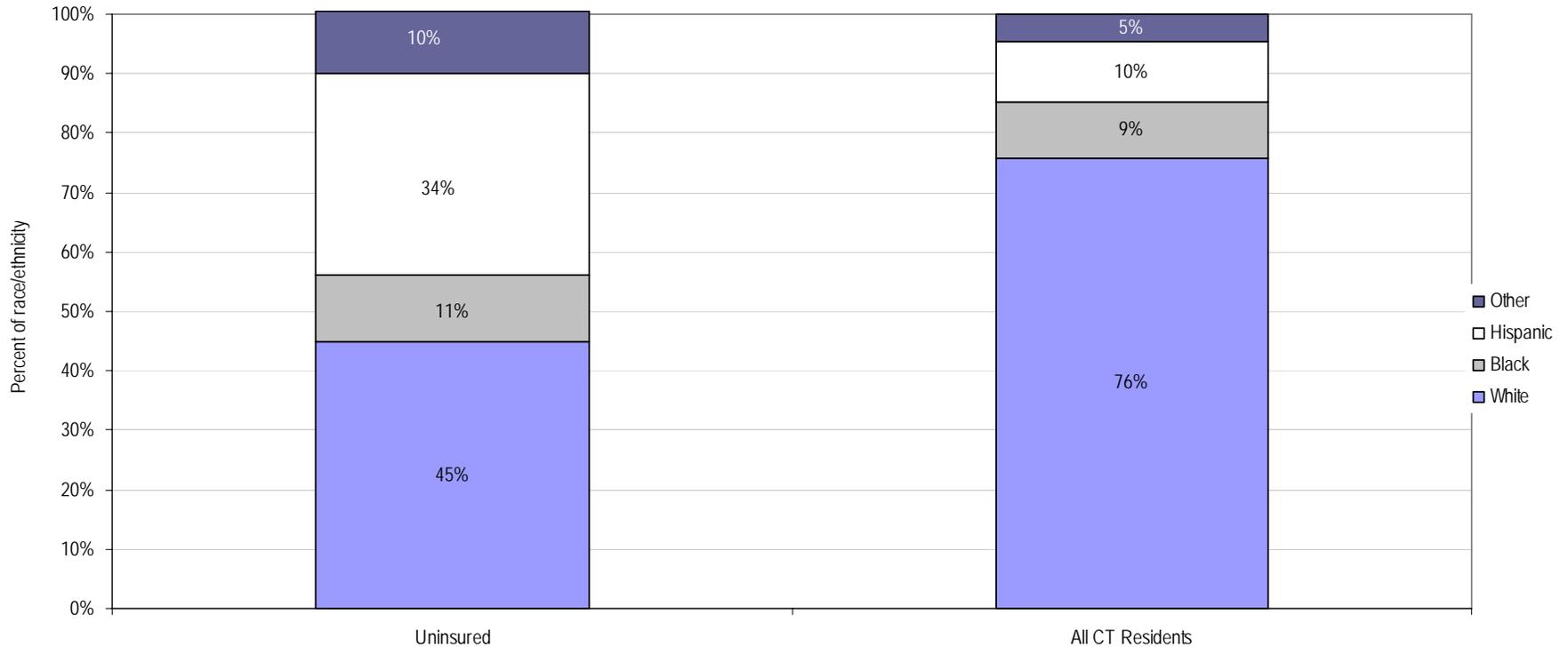
1 The 95 percent confidence interval provides a range of estimates, suggesting that if this survey were repeated 100 times, the share of people uninsured at the time of the survey would range from 5.7 percent to 7.2 percent in 95 of 100 surveys, as the Household Survey has a margin of error of ± 0.7 percent.

2 Rounded to nearest hundred.

Source: Results of the Office of Health Care Access 2006 Household Survey

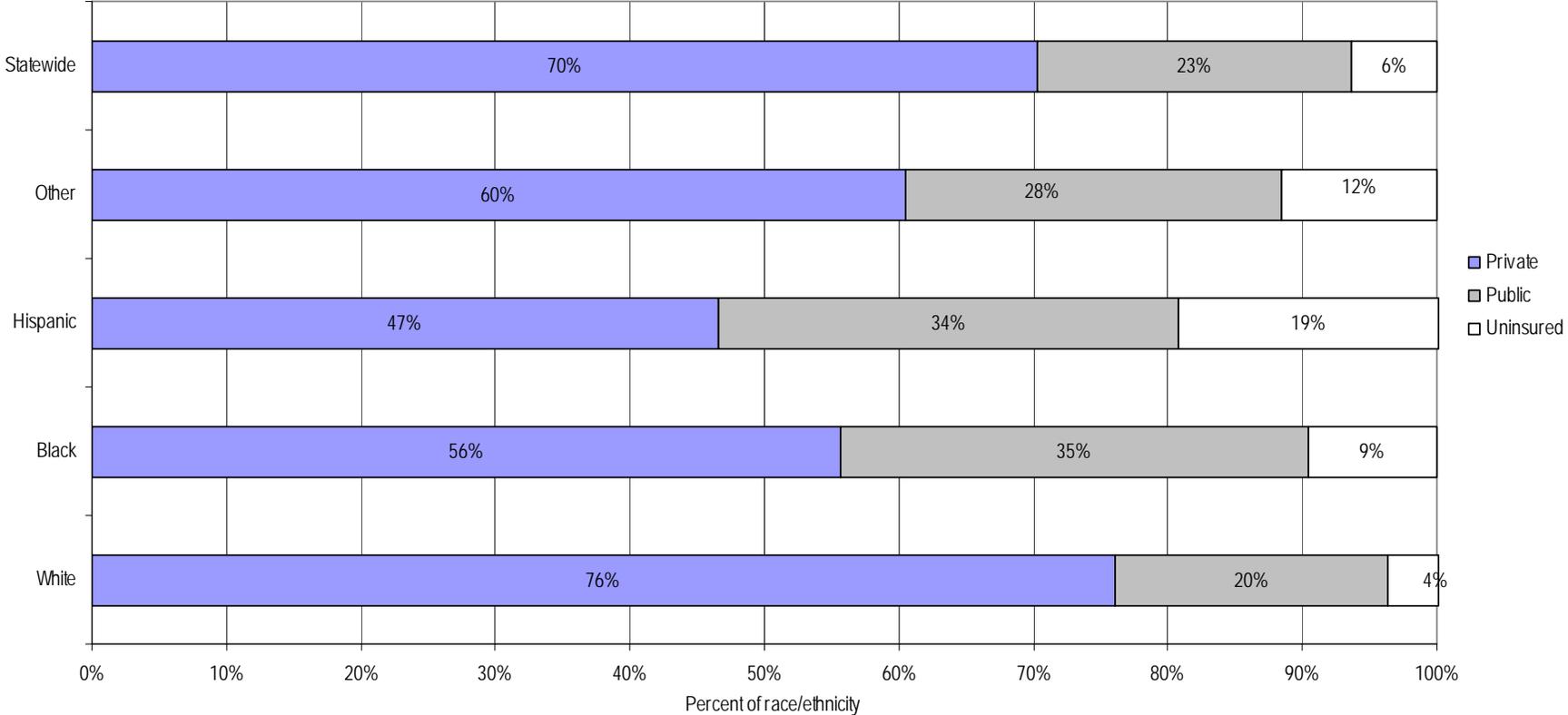
http://www.ct.gov/ohca/lib/ohca/publications/2007/household06_databook_1-31_version.pdf

Uninsured and all CT Residents Racial/ Ethnic Proportions 2006



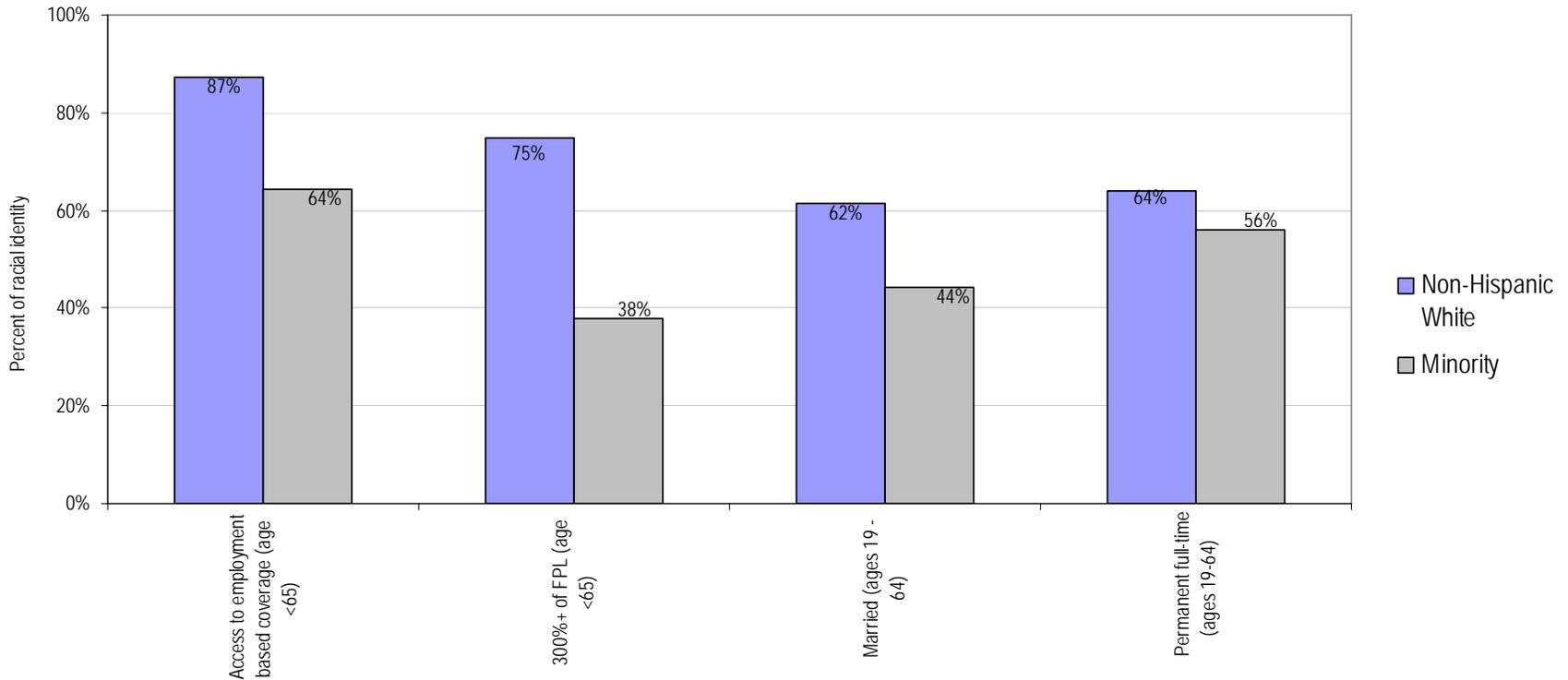
Sources: CT Office of Health Care Access 2006 Household Survey and U.S. Census Bureau

Coverage by Racial/ Ethnic Proportion 2006



Source: CT Office of Health Care Access 2006 Household Survey

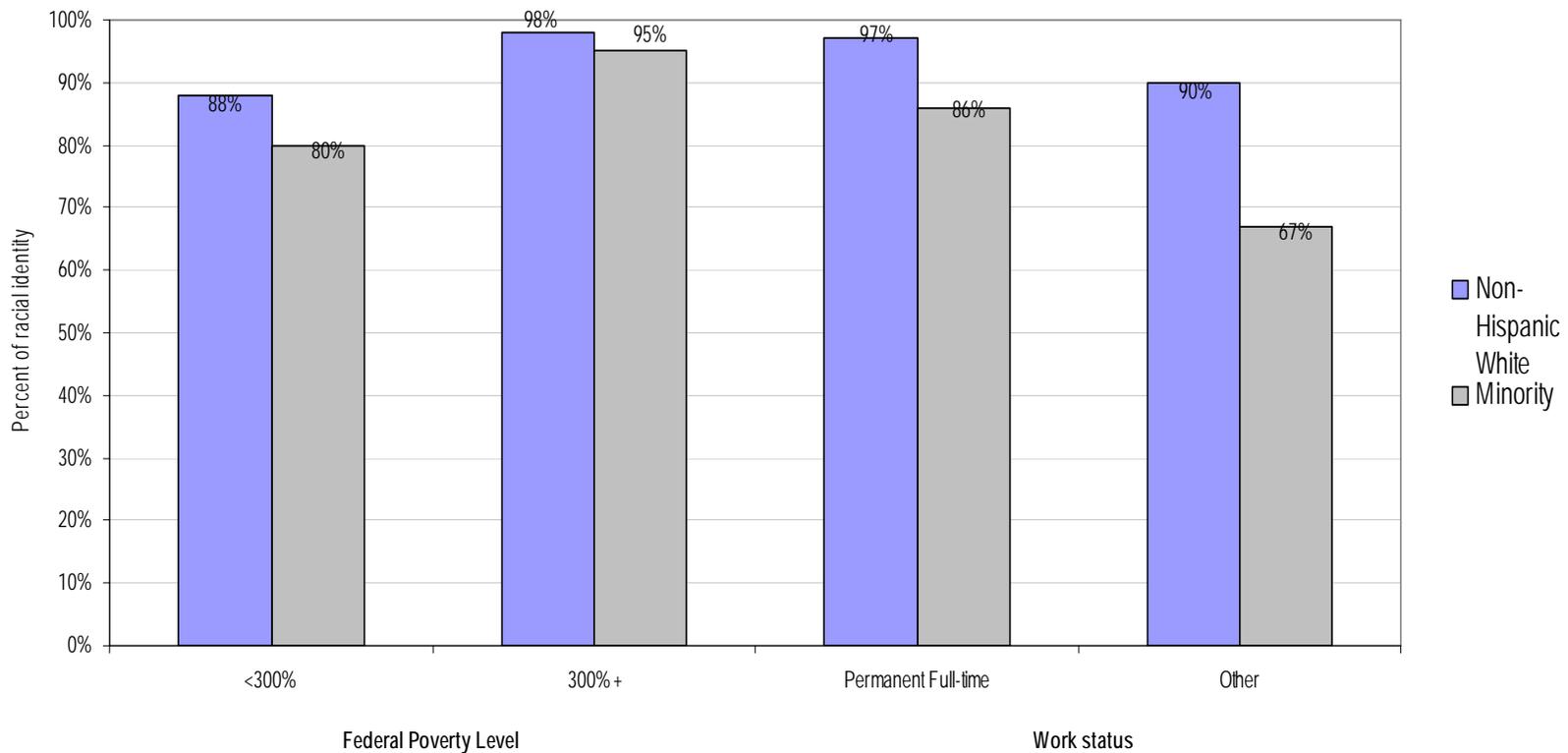
Coverage by Racial/ Ethnic Proportion 2006



Sources: CT Office of Health Care Access 2006 Household Survey and U.S. Census Bureau 2006 Annual Social and Economic Supplement

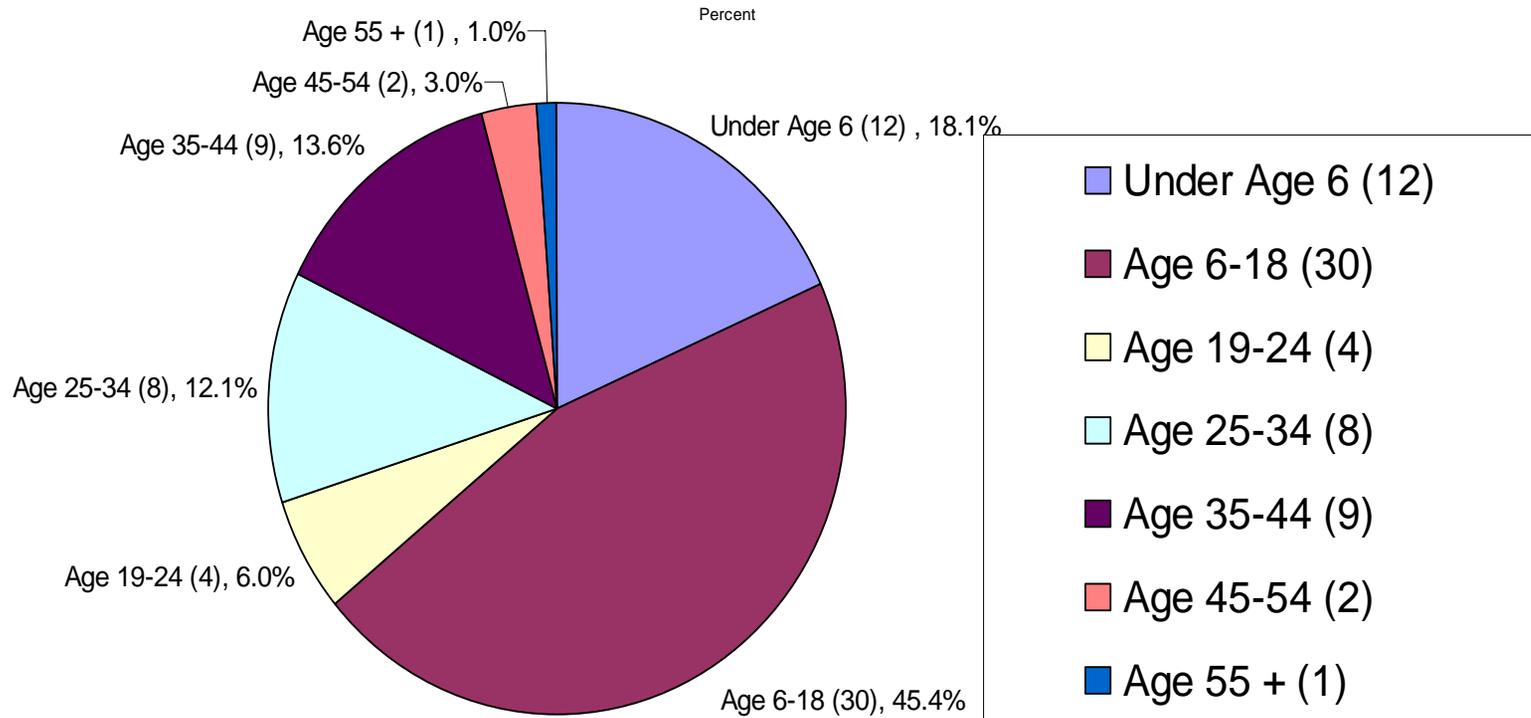
Percent of insured minorities and non-Hispanic whites at same income level or work status

2006



Source: CT Office of Health Care Access 2006 Household Survey

Uninsured Income Eligible For Medicaid But Not Enrolled, By Age



Office of Health Care Access

2006 Hispanic Adults Survey



- 90 % of Hispanic adults believe that having health insurance is “very important”
- 1/3 of all Hispanic adults consider the Emergency Department to be their regular source of primary care.
- 28 % of Hispanic adults have employment-based coverage.
- 36 % of Hispanic adults are currently uninsured.
- 21 % of working uninsured Hispanic adults are eligible for their employers’ coverage.
- 16 % of uninsured Hispanic adults could potentially obtain coverage through a family member’s employer.
- 55 % of uninsured Hispanic adults are not U.S. citizens and therefore may not be eligible for public coverage.

Office of Health Care Access

2006 Hispanic Adults Survey



- Non-citizens were nearly three times as likely to be uninsured as citizens (63 % compared to 22 %).
- 45 % of the uninsured in the Hispanic population are between the ages 18 and 29; 30 % are between ages 30 and 39.
- 62 percent of the uninsured in the Hispanic population are male.
- 1 of every 5 Hispanic adults had problems paying medical bills in the last year.
- Almost 1/2 earn less than 150 % and nearly 2/3 earn less than 300% Federal Poverty Level (FPL).
- Nearly 1 of every 4 Hispanic adults postponed getting medical care because they could not afford it.
- 13 % of Hispanic adults chose not to get needed medical care during the prior year.

DSS Health Care

*State Wide Enrollment

Hartford



<i>HUSKY A</i>	Children	216,731	23,755
	Adults	<u>101,038</u>	<u>10,989</u>
		317,769	34,744
<i>HUSKY B</i>		<u>16,344</u>	<u>541</u>
<i>FEE for Service</i>		<u>90,082</u>	<u>8,675</u>
SAGA Medical		<u>33,955</u>	<u>5,566</u>
TOTAL		<u>458,150</u>	<u>49,526</u>

***As of 4/1/08**

Uninsured – National Perspective: Other States' Approaches



State – Affordable Insurance Initiatives

- Maine - Dirigo Program
- Massachusetts – Commonwealth Care Program
- New York - Healthy New York Program
- Arizona – Health Care Group
- California – PAC Advantage

Uninsured – National Perspective: Other States' Approaches



Lessons Learned

- Affordability is Key to Driving Enrollment and Balancing Risk
- Trade-Offs Must Be Made to Balance Affordability with Coverage
- Plan Design Must Be Adjusted to Avoid Adverse Selection
- Must Have MCOs/Carriers Willing to Assume Risks Associated with a Start-up Program

HUSKY Charter Oak Procurement Timeline



- Release of Prospectus _____ October 2007
- Release of RFP _____ January 2008
- RFP Bidders' Conference _____ February 2008
- RFP Bids Due _____ April 2008
- RFP Negotiations _____ May 2008
- RFP Awards _____ May 2008
- Open Enrollment _____ June 2008
- Contract Effective Date _____ July 2008

HUSKY Charter Oak– Procurement: Combined to Balance Risk and Simplify Administration



- DSS released a Request for Proposals for the combined HUSKY A, HUSKY B and Charter Oak programs on January 3, 2008
- DSS combined the procurement to allow for continuity of service providers, primary care physicians, etc. When parents in HUSKY A exceed the income eligibility or children age out of HUSKY, Charter oak will be available to them with the same MCO's, same network of providers.
- DSS combined the procurement to allow the successful bidders to balance the familiar risk and large size of the HUSKY enrollment with the less familiar and less predictable size of the Charter Oak enrollment
- DSS has a long, proven track record, having administered Medicaid Managed Care since 1995, and the HUSKY Plan (A/B) since 1998. Using this established infrastructure will allow for simplified administration of the combined procurement and reduce the risk to successful bidders by utilizing an existing, known implementation process

HUSKY Charter Oak: Procurement: Combined Procurement



- A combined procurement for HUSKY and Charter Oak will cover an estimated 350,000 to 400,000 Connecticut citizens for a period of at least 3 years and up to 5 years, with a total contract value projected to be in excess of \$3.5 billion over the five-year contract
- Successful bidders will be required to meet the network, operational, contractual, and financial standards as laid out in the RFP and provide services for both the HUSKY programs, as well as the Charter Oak program
- All 350,000 to 400,000 lives will be available under this new contract. New contractors will have the opportunity to enroll individuals and families through an initial open enrollment period and receive newly eligible individuals and families

Program Design: Charter Oak



- **Geographic Area**
 - Statewide Status: Anticipated Carriers will offer Coverage Statewide
- **Program Structure**
 - State Program*: July 1, 2008
- **Authority**
 - Section 23 of Public Act 07-02 (June Special Session)
- **Type of Enrollment**
 - Voluntary, Affordable Health Insurance
 - ◆ Individuals without health insurance for the last six months or those who meet certain qualifying criteria to exempt them from uninsurance requirement
 - Excluded Populations
 - ◆ Individuals currently insured or insured within last six months (exemptions to be determined)
 - ◆ Individuals eligible but not enrolled in Public Programs (SAGA, HUSKY A and B, etc)

* DSS anticipates submitting a waiver to the Connecticut Legislature, and if approved, to CMS for Federal financial participation in portions of Charter Oak

Charter Oak – Program Design: Not Medicaid

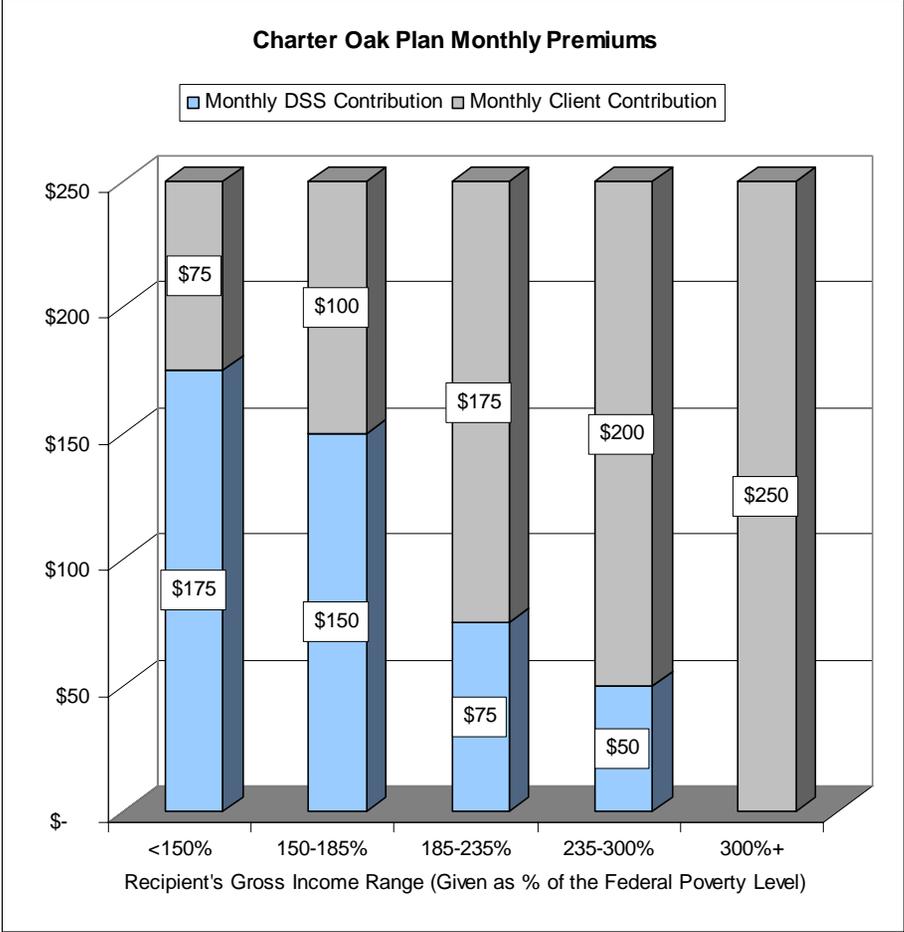


- Charter Oak is not Medicaid: benefits will be based on a commercial model, with enforceable deductibles, co-pays, and coinsurance
- Charter Oak is designed to provide an affordable health insurance product to adults of all incomes at a target total premium of \$250 per member per month
- For individuals with incomes less than 300% of FPL, premium will be subsidized by the state according to a fixed sliding scale
 - Sliding Scale Premiums
 - Sliding Scale Deductibles

Charter Oak – Program Design: State Subsidy Table and Projected Enrollment



Total Cost of Monthly Premium



	State Subsidy Clients	Total Clients
SFY09 Average	13,700	19,200
SFY10 Average	17,676	24,787
SFY11 Average	36,536	47,204

Charter Oak Income Guidelines



	Family Size							
*Federal Poverty Level	1	2	3	4	5	6	Charter Oak Premium	Charter Oak Deductible
<150%	under \$15,600	under \$21,000	under \$26,400	under \$31,800	under \$37,200	under \$42,600	\$75/mo Per member	\$150 Ind. 300 Family
<185%	under \$19,240	under \$25,900	under \$32,600	under \$39,200	under \$45,900	under \$52,500	\$100/mo Per member	\$200 Ind. 350 Family
185%- 235%	\$19,240 -24,400	\$25,900 -32,900	\$32,600 -41,400	\$39,200 -49,400	\$45,900 -58,300	\$52,500 -66,700	\$175/mo Per member	\$400 Ind. 600 Family
235%- 300%	\$24,400 -31,200	\$32,900 -42,000	\$41,400 -52,800	\$49,800 -63,600	\$58,300 -74,400	\$66,700 -85,200	\$200/mo Per member	\$750 Ind. 1400 Family
300%+	Over \$31,200	Over \$42,000	Over \$52,800	Over \$63,600	Over \$74,400	Over \$85,200	\$250/mo Per member	\$900 Ind. 1750 Family

**as of 4/1/08*

Charter Oak - Benefits: Basic Features



- Deductible
 - Varies based on Income
- Co-insurance
 - Varies based on Income
- Out of Pocket Maximum
 - Varies based on Income
- Lifetime Benefit Maximum
 - \$1,000,000
- Premiums by enrollee
 - *Maximum \$250/month
 - Varies based on income
- Primary Care Physician Visits
 - \$25 co-pay
- Specialist Physician Visits
 - \$35 co-pay
- Preventive Care
 - No co-pay, 100% covered
- Inpatient Hospital
 - 10% Coinsurance
- Outpatient Surgical Facility
 - 20% Co-insurance
- Ambulance/Transportation
 - 100% Covered in emergencies
- Durable Medical Equipment
 - \$4,000 Annual Limit
- Behavioral Health Services, Rx services carved-out and provided through DSS
- Dental and Vision Services may be provided as optional riders by MCOs with separate premium assessment

Charter Oak- Benefit Structure



	Husky A Plan Design	Husky B Plan Design	*Charter Oak Plan Design Coordinating With CT Mandates
Eligibility	<185% FPL Children	http://www.huskyhealth.com/qualify.htm	0 - 150% FPL Monthly Premium \$75
			151 - 185% FPL Monthly Premium \$100
		186 - 235% FPL Children Under 19	186 - 235% FPL Monthly Premium \$175
		236 - 300% FPL Child <19 Mo.Prem \$30-\$50	236 - 300% FPL Monthly Premium \$200
	0 - 185% FPL Adult/Caregiver	301% FPL and Above Child <19 Mo Prem \$158-230	301% FPL and Above 100% Mo Prem / Target \$250

* **Charter Oak** - Individuals that have been Uninsured for at Least 6 Mo. Exclusion list will be added. No Asset Test.

Charter Oak- Benefit Structure



	Husky A Plan Design	Husky B Plan Design	Charter Oak Plan Design	
Underwriting	No Pre-Existing Condition Limitations. No Pre-Existing Condition Waiting Periods.			
Annual Medical Deductible (Based on Eligibility Period)	None	None	0-150% FPL	\$150 Individual \$300 Family
			150-185% FPL	\$200 Individual \$350 Family
			186 - 235% FPL	\$400 Individual \$600 Family
			236 - 300% FPL	\$750 Individual \$1400 Family
			300% FPL	\$900 Individual \$1750 Family

Charter Oak- Benefit Structure



	Husky A Plan Design	Husky B Plan Design	Charter Oak Plan Design
Annual Out-of-Pocket Maximum (Based on Eligibility Period)	None		0 - 150% FPL \$150 Individual \$300 Family
			150 - 185% FPL \$200 Individual \$350 Family
			186 - 235% FPL \$400 Individual \$600 Family
		236- 300% FPL \$1250 Max Co-pay & Prem/Yr	236- 300% FPL \$750 Ind \$1400 Family
		301% FPL and Above No Max. Buy-In at Neg Grp Rate	301% FPL and Above \$900 Ind \$1750 Family

Charter Oak- Benefit Structure



	Husky A Plan Design	Husky B Plan Design	Charter Oak Plan Design
Ambulatory Surgery	100% Covered	100% Covered	20% After Deductible
Inpatient Acute Admission	100% Covered	100% Covered	10% After Deductible
Inpatient Rehab\Skilled Nursing Facility	100% Covered	100% Covered Requires PA	Limited to 14 Days/Year Requires PA 20% After Deductible

Charter Oak- Benefit Structure



	Husky A Plan Design	Husky B Plan Design	Charter Oak Plan Design
Outpatient Rehabilitation	100% Covered	100% Covered	Limited to 30 Visits/Year \$35 Co-pay
Outpatient Lab & X-rays	100% Covered Requires PA	100% Covered	20% After Deductible
Durable Medical Equipment (DME) *	100% Covered	100% Covered Requires PA	\$4,000 Annual Limit Requires PA

* Ostomy and Diabetic supplies excluded from cap.

Charter Oak- Benefit Structure



	Husky A Plan Design	Husky B Plan Design	Charter Oak Plan Design
Behavioral Health (BH)			Subject to Limitations <i>Specialty BH Prov by ASO</i>
BH Outpatient Visits	100% Covered	100% Covered	Mental Health: \$35 Co-pay w/ Stipulations Substance: 100% Covered w/ Some Limits (30 Visits/ Yr)
BH Inpatient Admissions	100% Covered	100% Covered	Mental Health: 100% w/ Limitations Substance: 100% w/ Limits Drug 20 Day /Alcohol 15 Day

Charter Oak- Benefit Structure



	Husky A Plan Design	Husky B Plan Design	Charter Oak Plan Design
Prescription Drugs *			\$7,500 Annual Limit <i>*Pharmacy Provided by DSS</i>
Tier I (Generic)	100% Covered	\$3 Co-pay	\$10 Generics
Tier II (Preferred Brand)	100% Covered	\$6 Co-pay on Brand Names / Formularies	\$35 Brand Name Preferred Drug List (PDL)
Tier III (Non-Preferred Brand)	100% Covered		Full Cost or \$35 with Medical Exception

* Ostomy and Diabetic supplies excluded from cap.

Charter Oak- Benefit Structure



	Husky A Plan Design	Husky B Plan Design	Charter Oak Plan Design
Maternity	100% Covered. Hosp Requires PA	N/A	100% Covered. Hosp Requires PA
Dental	100% Covered	Some 100% Covered Some w/ Co-pay	Excluded for All (Rider may be offered)
Vision	100% Covered (Once every 12 Months for Frames \$25 or Less)	Co-pays on Exams, Lenses, Frames up to \$50, once every 2 yrs. \$100 Max on Lenses & Frames per Prescrip.	Excluded for All (Rider may be offered)

Charter Oak- Other Pertinent Information



	Husky A Plan Design	Husky B Plan Design	Charter Oak Plan Design
FOIA Compliance	Required	Required	Required
State Insurance Mandates	Quality of Care Included Admin-Include such things as appeals	Quality of Care Included Admin-Include such things as appeals	Quality of Care Included Admin-Include such things as appeals

Program Design: Charter Oak Benefits Coordination



- Charter Oak will follow DSS's successful track record in benefits carve-outs and will carve-out certain services.
- Benefit Design Carve-out: **Specialty Behavioral Health**
 - Charter Oak contractors will not be required to manage or pay claims for specialty behavioral health services
- Benefit Design Carve-out: **Pharmacy**
 - Charter Oak contractors will not be required to manage or pay claims for pharmacy services

Program Design: How Benefits Coordination Will Work for HUSKY and Charter Oak Pharmacy



- **Benefit Design Carve-out: Pharmacy (HUSKY and Charter Oak)**
 - Coordination will be required between the MCOs, the Department and Fiscal contractor (e.g., data sharing, client eligibility, cost sharing, etc.); monthly coordination meetings would be held among all contracting parties (MCOs, DSS, Fiscal Contractor)
 - DSS's Pharmacy Program Structure:
 - ◆ Preferred Drug List (PDL), prior authorization
 - ◆ One Pharmaceutical & Therapeutics (P&T) Committee & Drug Utilization Review (DUR) Board

Charter Oak - Network Overview



- DSS is requiring Carriers and Managed Care Organizations to have a strong commitment to education and outreach to help members to navigate the health care system; and have strong care coordination and disease management capabilities to ensure that when members do access care, they do so in a way that supports the quality of care and successful health outcomes
- All Bidders have an equal opportunity to receive contracts; preference will not be given to existing contractors
- DSS anticipates awarding 3 contracts.

Charter Oak – Rate Setting: Innovative Opportunities



- Incentives/Sanctions – DSS is placing funds at-risk for contractor performance standards in several areas, including:
 - Geographic distribution of key provider types for overall network access requirements
 - Availability of scheduled appointments for primary care and specialty physicians for meeting appointment scheduling waiting standards
 - Telephonic wait times, call abandonment and resolution rates for member and provider customer service standards
 - Claims adjudication times for meeting claims payment timeliness requirements

Charter Oak - Rate Setting: Basic Rate Setting



- Rates will be Actuarially Sound and able to meet CMS Requirements (required to be able to access Federal Financial Participation-FFP)
- Rates will be set for State Fiscal Year (SFY). Rates Effective July 1, 2008 will be in effect for SFY09 (July 1, 2008 to July 1, 2009)
- Rates will be based on HUSKY A adults data, adjusted for differences in:
 - Demographics
 - Plan Design
 - Underlying Risk/Acuity
 - Reimbursement
 - Trend

Key Numbers & Web Sites



HUSKY	
HUSKY Infoline	1-877-CT-HUSKY (1-877-284-8759)
Anthem BlueCare Family (through 7/1/08)	1-800-554-1707
Community Health Network (through 7/1/08)	1-800-859-9889
HUSKY Enrollment Broker	1-800-656-6684
www.huskyhealth.com	

Charter Oak
www.ct.gov/dss/charteroak