

SustiNet Health Partnership Board of Directors

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State Comptroller

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State Healthcare Advocate



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Board of Directors Regular Meeting December 15, 2010 Meeting Minutes

Board Attendees: Nancy Wyman, Comptroller, Co-chair; Kevin Lembo, State Healthcare Advocate, Co-chair; Ellen Andrews; Jeannette DeJesus; Margaret Flinter; Bruce Gould; Paul Grady; Bonita Grubbs; Norma Gyle; Alex Hutchinson; Jeffrey Kramer; Estela Lopez; Marie Smith; Marie Spivey; Cristine Vogel; Robert Zavoski

Office of the Healthcare Advocate: Vicki Veltri; Africka Hinds-Ayala

Office of the Comptroller: David Krause

SustiNet Consultants: Linda Green; Katharine London; Anya Rader Wallack; Stan Dorn

Guests: Rep. Betsy Ritter; Rep. Steve Fontana; Senator-Elect Steve Cassano

Absent: Michael Critelli; Doreen Del Bianco; Nancy Heaton; David Henderson; Sal Luciano; Joseph McDonagh; Lucy Nolan; Rafael Perez-Escamilla; Andy Salner; Marlene Schwartz; Todd Staub; Tory Westbrook

Kevin Lembo opened the meeting by welcoming all attendees and asking Board members, SustiNet consultants and guests to introduce themselves.

There was discussion of the summary of the Board retreat held on 12/2/10. Paul Grady expressed concern that there were important points left out of the summary. He provided a handout of proposed amendments to the summary. Stan Dorn expressed a different view than Paul. Estela Lopez said she would need to review her notes before agreeing to the proposed changes. Kevin tabled the approval of the summary for the next meeting.

Stan provided a recap of areas of agreement from the 12/2/10 meeting. The presentation given also included Board survey results which were reviewed by Anya Rader Wallack. To access the presentation, [click here](#).

Kevin opened the floor to questions. Ellen Andrews asked if federal Basic Health funding pays additional funds, would CT be able to keep those funds. Stan replied that CT would need to set up a trust fund for those federal dollars to be used to benefit Basic Health enrollees. Ellen also said Medicaid rates would increase, but the increase to Medicare would be considerably less expensive and asked if this would be modeled. Stan said there wouldn't be an across-the-board increase to all Medicaid payment rates, but

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Bruce Gould • Paul Grady • Bonita Grubbs • Norma Gyle • Jeffrey Kramer
Estela Lopez • Sal Luciano • Joseph McDonagh • Jamie Mooney

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rather there would be a more selective, thoughtful analysis raising some rates, while keeping others the same. Until this is clarified it can't be modeled.

Kevin summarized that there is consensus from the Board that the three slides just shown reflect the thinking of the Board, and the consultants can incorporate them into the draft report. Anya presented Board survey results, mentioning that Committee and Task Force co-chairs' responses were very consistent with Board member responses. Paul handed out a document concerning SustiNet Board composition showing key community organizations and how they are represented on the Board in addition to stakeholders who aren't represented. He suggested additions to the Board to include these stakeholders. Nancy Wyman offered the opinion that if the Board chooses to expand it should be allowed to choose who to include rather than have strict guidelines. She said the lack of flexibility could prove to be a hindrance. Anya commented that she had received feedback from the Board regarding keeping it to a manageable size. Rob Zavoski recommended that Medicaid be represented on the Board. Jeff Kramer said that although many of these organizations are not represented on the Board, they have been represented on Committees and Task Forces, so their input has been integrated into the work that has already been done. Marie Spivey agreed with Jeff but added that the Commission on Health Equity should be included. Bruce Gould suggested using Paul's document as an overview of potential additions to the Board. Anya summarized that the Board should have the authority to add members as necessary.

Nancy commented that there are some things the Board will be unable to change, for example, Medicaid or state employee plans. Anya agreed, saying there are four major constraints the Board will need to recognize: collective bargaining, Medicaid law and regulation, federal law, and benefit mandates. Anya said the Board will need to work within the constraints, and gave examples of negotiating through collective bargaining or doing something within Medicaid law that changes the plan design. Katharine London noted that there is a lot of leeway within Medicaid. Stan said the 2009 law specified that certain elements of SustiNet would need to be approved by the Legislature, but the Board was given authority to make choices regarding delivery system reform. Bruce commented that there are aspects of healthcare that change constantly, for example, new techniques or new diseases. He added that the Board should be able to respond quickly to these changes rather than being required to go through the Legislature. Paul said that although there will be constraints, in order to be competitive SustiNet needs to be flexible. He said he sees SustiNet as an umbrella that will cover many different elements that will be managed in different ways. Kevin expressed concern that the Legislature will lose safeguards over SustiNet, which involves a lot of money, yet he understands that the commercial product needs to be attractive and competitive. Norma Gyle mentioned the regulations review process, where issues wouldn't need to go before the entire legislature but could be presented to a specific committee. This would provide legislative oversight without a lengthy process. Paul commented that what's currently in place is not working.

Nancy said she didn't think the Legislature would relinquish control of the funding of SustiNet. Anya brought up Medicare, saying it is poorly designed in terms of how much authority CMS has in order to do innovative things within Medicare. CMS has to go to Congress to ask for demonstration authority whenever they want to do anything innovative. It's difficult to get demonstration authority, and it becomes very political. Inevitably, budget neutrality is built into demonstration authority. Stan said that focusing solely on delivery system reform and payment reform with the proviso that changes cannot increase net costs might allow the Board to do what it needs to do. There would be an understanding that advance notice would be given to the Legislature of any changes, so that if the Legislature wants to step in they can. Bonita Grubbs said the Board needs to find a way to provide information oversight to the Legislature. Rep. Betsy Ritter said the Committees of Cognizance can provide oversight, and suggested the Board look into utilizing them. Rep. Ritter also commended the Board, saying she is impressed with the way it works and hopes the Legislature is listening. Marie said the Board could consider an open communication process involving various state agencies and the Legislature. She said the umbrella of SustiNet provides the perfect opportunity to develop a communications system through transparency to have continuous assessment and for educating legislators and the public on the benefits of SustiNet. Paul

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pointed out that as discussed in a previous meeting, there is federal funding available to pilot alternative malpractice insurance, and the Board should refer to that in making recommendations.

Kevin commented on consumer representation on the board, saying he felt there should be consumer representation and that there should be a way to nominate folks to serve on a committee. He added that those folks should decide who would serve on a board. He also strongly suggested that there be board development at the committee level. Bonita pointed out that in addition to board development there should be issue education, with a focus on well-informed consumers. Cristine Vogel emphasized the importance of defining who the consumer is. There will be so many different consumers served by SustiNet that it will be difficult to select representatives. Bruce said the representatives should be enrollees in the plan in order to get actual feedback from patients. Kevin replied that in the short term, generic healthcare consumers could provide good feedback into the planning process that will occur before anyone enrolls in SustiNet. Margaret Flinter commented that there should be latitude in structuring a consumer advisory board in order to allow members and grassroots consumers from across the state to participate. Rob mentioned the importance of involving consumers who are actually involved in the program. Stan pointed out that the LA Care model had consumers and consumer organizations represented on its board.

Paul raised concerns about funding and the cost implications of SustiNet. He said the Board hasn't prepared a budget or a business plan and that seems like the next step. Jeannette DeJesus mentioned tobacco, commenting that investments in targeting particular populations in the state could have a substantial positive effect in lowering the burden of disease on systems. Norma pointed out that DPH has been working actively to reduce smoking and obesity and promote good nutrition, but there is a problem with a lack of funds for social marketing. They have looked at disparities issues and have targeted specific populations. Norma said that these are DPH functions, and that SustiNet shouldn't be using precious dollars to do what DPH already does. She said that perhaps down the road SustiNet could become involved with programs like these, but initially should let DPH continue its efforts. Jeff commented that the survey didn't allow people to express their passion for certain issues. Jeannette clarified that her earlier comments were concerning programs that have been successful in lowering the incidence of smoking among the white, insured population and that efforts should be expanded to include diverse populations and the uninsured. Marie said the SustiNet umbrella provides a great opportunity to communicate and document potential outcomes. Paul said the best opportunity for reducing healthcare premiums is to ensure that SustiNet focuses on spending dollars to reduce obesity and promote smoking cessation. He added that there needs to be alignment between SustiNet and DPH. He gave the opinion that there hasn't been enough spending on public health issues. Rob agreed with Paul, and commended DPH for its work. He emphasized the importance of preventing kids from starting to smoke. He said this requires a huge investment because tobacco is a huge, well-funded industry that is expert at luring kids into smoking, particularly inner-city kids. SustiNet has the opportunity to look at its investment 10 or 20 years in advance, unlike other payers, who can only look at a year or two in advance. Bruce added that tax policy has a lot to do with the ability of individuals to buy cigarettes or sodas, for example. He sees SustiNet as serving an advisory function to the Legislature regarding the state's plan. He also said he doesn't want the costs of obesity and other issues to be included within the SustiNet premium. He said it's important to look at taxation of things that we know cause health problems as well as the future costs of healthcare. Margaret pointed out that in MA all tobacco cessation treatment including pharmacologic agents became available to everybody in Medicaid. This drove smoking rates down in the low income and minority populations, and short-term savings were achieved pretty quickly.

There was discussion about SustiNet's role. Paul said he sees two separate roles of SustiNet, one being providing strategic oversight to the plans that are under the umbrella and the other being the offering of a competitive option. Kevin commented that he thought rather than being two separate roles, there would be a beginning role that would evolve toward a different role, with a clear statement about where SustiNet should end up. Kevin added that the end result would be a plan to be offered in and outside of the

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exchange and available to others outside the umbrella as feasible. Cristine said she sees the need for two separate boards, with one board for the health plan and another board for strategic policy oversight. Estela said she agreed with Paul that there are two separate roles, a leadership role and the health plan. Cristine said it was important to realize that there is value added to the health plan from all the public health and community initiatives that become part of that health plan. SustiNet would be the one carrier in the exchange that is providing a public health value to its members. If the goal and focus is to become the best health plan offered in the exchange, that's how SustiNet will become competitive, that's how it should be marketed, and that is how to gain membership in the plan. As enrollment grows, the statewide initiatives will improve. Cristine added that this is almost a business model captured inside a community public health venture. She said the underlying marketing strategy is to create something so unique and different that everybody will want to join. Anya commented that there is a key distinction between providing leadership and having a broad oversight role. Alex Hutchinson said these two roles are complementary to each other. The objective is for SustiNet to be a health plan and to be competitive and viable in order to succeed. In order to be a competitive health plan SustiNet will need to drive reform. Alex added that the size and substance of SustiNet will allow it to compete in the market. Ellen said that in order to represent the entire healthcare landscape, there will need to be representatives from Medicare as well as representatives for undocumented immigrants who won't be able to buy on the exchange but represent a growing population.

Paul said strategic management and leadership of the existing programs are needed. He also said the Board hasn't had any discussions about what it takes to compete in the market. Federal reform is going to bring many changes to the healthcare environment, which hopefully will relieve some of the pressure on premiums, but SustiNet will need to consider some strategic things. Norma said similar work done in MA and L.A. can provide valuable insight into how to do some of these things being discussed. Jeff commented that the original charge was to look at critical issues of accessibility and affordability without necessarily considering funding issues. Now the board needs to consider the tough part, how to make this work. Katharine commented that there are other reforms that have been done, but she feels this effort to put state employees and Medicaid clients under one umbrella with the intention to expand to others is unique. She added that we can learn from others, but SustiNet is treading new ground. Stan pointed out that L.A. and other CA counties have become licensed to sell commercial insurance, and their licensure requirements in terms of capital are five times the amount required in CT. He added that the task of running a health plan is already a huge undertaking, and adding strategic oversight would make this more difficult. Paul summed up by saying SustiNet would provide oversight for all expenditures that the state makes related to the benefit programs offered. Stan offered that the SustiNet Board will oversee the delivery system reforms and payment reforms and manage the health plan for the populations served. SustiNet could also provide advice on related issues to others within the state. Paul suggested a distinction relating to the competitive option. If the competitive option is not successful he feels SustiNet should continue, and he emphasized the need for strategic leadership as it relates to the \$7 billion CT currently spends. Bruce said that SustiNet initially appealed to him because it's unique and comprehensive, and because CT is relatively small and this could have a huge impact. He added that he doesn't support oversight, but appreciates the opportunity to inform the Legislature and others of what is learned here. Margaret echoed Paul's sentiments, saying that strategic leadership is essential. The premise of SustiNet is to use the power of numbers to drive improvement for everybody, so whether there's a competitive option or not, there are a lot of people and providers who are engaged in fundamental transformation.

A motion was passed for the consultants to begin drafting a report to the Legislature based on the slides presented and today's discussion. Kevin said according to the statute, this report is due on January 1, 2011, but he felt that between January 5 -7, 2011 was more realistic. He said that now the consultants will create the report, with the goal of sending the report to the Board for review by December 27, 2010. Kevin suggested a conference call meeting be held on December 29, 2010 at 9:00 am to discuss any edits Board members may have; the conference call information will be sent out before December 27, 2010.

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Cristine commented that a lot of what's in this report is due to federal healthcare reform. She said that SustiNet will expand Medicaid and change the way state employees and retirees receive coverage, but there are many uninsured issues that haven't been discussed. Kevin replied that there is commitment around the table for the Medicaid expansion that will help vulnerable populations in the uninsured group. Stan added that part of this is being sure the subsidy programs reach as many people as possible. The projections done by John Gruber showed that 55% of the uninsured will be covered, and roughly half of the remainder would be eligible for Medicaid, HUSKY or subsidies in the exchange, but would not be enrolled under normal proceedings. Stan said the report could discuss some innovative strategies CT could apply to maximize enrollment of eligible individuals and to subsidize coverage. He said some individuals with incomes above subsidy eligibility levels could choose to be uninsured rather than pay the penalty, and there would be some undocumented immigrants who don't qualify for assistance who will remain uninsured.

Rep. Steve Fontana commended the efforts of the Board. He commented that the uninsured are not a single, undifferentiated group of people but might include single adults under the age of 30 and displaced workers in their 40s or 50s who spend time unemployed, in addition to the groups mentioned by Stan. He said there isn't one solution to this problem, but the Legislature is open to suggestions on how to address the needs of those populations. Margaret thanked Cristine for her comments, and said there should be a section dedicated to the issues of the uninsured in the final report. Rep. Ritter made the point that many alternatives have been created as a result of federal reform and SustiNet. She added that the uninsured will have greater opportunities to receive comprehensive health care that has a preventive emphasis. Kevin thanked everyone who's been involved in the SustiNet effort and said he looks forward to seeing what the next year brings. Nancy also expressed her thanks to everyone for all their hard work, and said she believes other states will be looking to CT for guidance.

Meeting was adjourned.

**Next meeting will be a conference call on December 29, 2010 from 9:00 am – 12 pm.
The Board of Directors, Co-Chairs, and Consultants are encouraged to participate in the
conference call or can attend in the Legislative Office Building - Room 1B.**