

SustiNet Health Partnership Board of Directors

Co-Chairs
Nancy Wyman
State Comptroller

Kevin Lembo
State Healthcare Advocate



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Board of Directors Conference Call Meeting

December 29, 2010

Meeting Minutes

Board Attendees: Nancy Wyman, Comptroller, Co-chair; Kevin Lembo, State Healthcare Advocate, Co-chair; Ellen Andrews; Margaret Flinter; Bruce Gould; Paul Grady; Bonita Grubbs; Alex Hutchinson; Jeffrey Kramer; Estela Lopez; Sal Luciano; Joseph McDonagh; Marie Smith; Robert Zavoski

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

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

Absent: Michael Critelli; Jeannette DeJesus; Doreen Del Bianco; Norma Gyle; Nancy Heaton; David Henderson; Lucy Nolan; Rafael Perez-Escamilla; Andy Salner; Marlene Schwartz; Marie Spivey; Todd Staub; Cristine Vogel; Tory Westbrook

Kevin Lembo and Nancy Wyman opened the meeting by welcoming all participants. The retreat summary from December 2, 2010 was accepted with Paul Grady noting that the subsequent meeting held on December 15, 2010 addressed his concerns regarding omissions from the December 2 minutes. Minutes from the December 15, 2010 meeting were approved with no changes.

Anya Rader Wallack began a discussion of the Board's draft report to the Legislature. She described the report's structure, saying the Board's detailed recommendations were included along with narrative describing how the recommendations were arrived at. The report begins with general background information on the origins of SustiNet with a brief summary of the relationship between SustiNet and federal healthcare reform. There is information about the various types of information considered, including recommendations of Task Forces and Advisory Committees in six major substantive areas. There is a summary provided for each of those areas with overall recommendations. There is a section dealing with coverage and cost estimates which is a representation of the Gruber analysis. The recommendations that were agreed upon at the last two Board meetings are discussed in detail. Still to be added are appendices that will include the full reports of Advisory Committees and Task Forces, an explanation of Dr. Gruber's methodology for the cost and coverage estimate, and a crosswalk that goes through the SustiNet law section by section and guides people to specific areas of the report.

Stan Dorn discussed detailed recommendations from the report. He began by saying the Board proposes that SustiNet be a quasi-governmental agency modeled after CHEFA (Connecticut Health

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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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and Educational Facilities Authority) implementing the country's best thinking including recommendations made by the Pew Center. The SustiNet authority board will be appointed by September 1, 2011 and the authority itself would begin operating no later than March 1, 2012. The authority board will be appointed by the Governor, the Legislature, and stakeholder groups. A consumer advisory committee would nominate one additional voting member of the board. While the board could appoint additional members to furnish necessary expertise, the initial appointment of the board calls for it to be as small as possible. As an interim arrangement, the SustiNet authority would be staffed by the state Comptroller's Office. This interim arrangement would terminate by January 1, 2013. The policy-making duties of the SustiNet authority include setting binding policies for delivery system and payment reform for its covered population, subject to various limitations. Those limitations include collective bargaining agreements, federal Medicaid law and the need to avoid increased net expenditures of state general fund dollars without Legislative approval. The authority board could convene necessary committees and advisory groups as the existing Board has done. It would offer coverage to new populations, which would require a feasibility study, a business plan and obtaining a license. By calendar year 2011, coverage would be offered to municipalities. This coverage would provide municipal employees and retirees with the same benefits as the state currently offers. If approved by the municipalities and the authority board, a different set of benefits could be offered. Before 2014, SustiNet would offer coverage to nonprofits and small firms, but by January 1, 2014, all employers and individuals in the state would gain access to SustiNet as a new health insurance option with commercial style benefits. SustiNet would work with the Comptroller and DSS to encourage inclusion of cost-effective smoking cessation services. SustiNet would be subject to the same rules that apply to other plans in the individual and group markets. When SustiNet is sold to an employer large enough to self-insure, SustiNet would need to take steps to prevent adverse selection. These steps would include maintaining necessary reserves, developing multiyear action plans with measurable goals related to improved services for people with chronic illnesses, reducing ethnic and racial disparities, increasing health coverage, engaging in efforts to educate the public, conducting outreach, and working with other state agencies to enroll eligible individuals.

Stan described administrative duties associated with SustiNet. By March 1, 2012, the authority board would hire an executive director who will hire staff and enter into contracts. The board could contract with one or more insurers or others to provide administrative services. The board would contract with DSS and the Comptroller's office to cover HUSKY, Medicaid beneficiaries and state employees and retirees.

Stan continued by discussing healthcare delivery. Many of the recommendations for delivery system and payment reforms were taken from Task Force and Advisory Committee reports. There will be measures implemented to address disparities, including using data systems for tracking racial and ethnic characteristics of consumers. Payment reforms will be supported by available evidence. Patient centered medical homes (PCMHs) will be encouraged with incentives for providers. There will be technical support with the goal of providing all SustiNet members access to the functions provided by the medical homes. There will be incentives for evidence-based care, leaving room for individuation of treatment for consumers. There will be incentives for providers to implement electronic health records, with a requirement that all SustiNet providers will eventually do so. The report does not recommend using state general fund dollars but rather to draw down available federal funds. The report suggests that SustiNet joins broader state efforts toward full implementation of health information technology and uses leverage in negotiating on behalf of the state's providers to obtain good prices. Providers would need to report about quality, efficiency, and outcomes. Data warehouses would track utilization of services across state covered populations. Provider price comparisons would be offered to the public to help inform consumer choice. All these reforms would be supported by broader legal changes that are recommended in the report. Scope of practice laws would be reformed so that nurse practitioners and physician assistants could play

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the maximum appropriate role in PCMHs. Safe harbors would be created for malpractice liability when patients are injured in spite of providers appropriately following approved clinical guidelines. Patients injured in such circumstances would receive compensation, but there would be no liability attached as long as the provider followed the guidelines. The recommended approach would give state agencies convening authority to bring together multiple payors and providers to plan delivery system reform, thus allowing multipayor collaborations and avoiding potential antitrust problems. SustiNet would retain most of the cost savings generated by delivery system and payment reforms.

Stan spoke of expanding coverage and access, saying that by 1/1/14 HUSKY would expand to 200% of the FPL for all adults. The state would maximize available federal dollars for this population. Medicaid coverage would expand to 138% of the FPL. Federal Basic Health dollars exceeding HUSKY costs would be used to raise payment rates for adults over 138% of the FPL. Additionally, the report asks the Legislature and the state to work together to find the resources needed to increase HUSKY eligibility before 2014 to the same 185% of the FPL that applies to parents. The report recommends that Medicaid and HUSKY reimbursement gradually increase over time to Medicare levels. The final section of the report recommends that the state and the Legislature work together to find necessary resources including federal dollars and possibly state dollars to make key public health investments. The public health investments would include improving the preventive care infrastructure in the community, wellness, tobacco use and prevention, obesity prevention, expanding the state's healthcare workforce, and addressing racial and ethnic disparities.

Kevin opened the discussion for comments. There was fine tuning done on the language used in the report. Paul Grady expressed concern that the report doesn't emphasize the feasibility of the competitive option. He also mentioned the importance of making a distinction between the leadership and management of the existing covered populations as one role and the competitive option being another. There was a discussion of operating and startup costs, and the consensus was that the Legislature will address this rather than the Board. Nancy pointed out that the purpose of the report is to make recommendations for the Legislature to consider, which it does. Ellen Andrews suggested making an impact statement regarding the consumer advisory committee to show its important role within SustiNet. There was a recommendation made to have two members of the consumer advisory group sit on the authority board. Marie Smith asked about estimates for revamping data systems, adding that perhaps this information should be included in the report. Anya said those costs weren't quantified, but under federal healthcare reform there is new money for states to upgrade their eligibility and MMIS systems. She added that perhaps there should be a statement made about taking these needs into account as the state undergoes redesign of those systems. Sal Luciano mentioned the importance of gathering clinical data, rather than claims data, which is what the state currently does; this should be included in the report. Ellen asked that the report include language addressing privacy and security of health information, and there was agreement to do so.

There was discussion about expanding Medicaid coverage and access to care. Ellen suggested the inclusion of strong language with a timeline about raising Medicaid payments to providers. Margaret Flinter said there should be a goal for all SustiNet enrollees to use one provider network. Katharine London cautioned that there might be policy reasons in the future for using more than one provider network, and that the use of only one network probably shouldn't be legislated. Ellen said that access is an equality issue and that there needs to be the same high standard of care for all, which is currently not the case. She added that it will be very difficult to erase disparities as long as Medicaid is treated as a poor stepchild. Katharine recommended establishing a standard for sufficient access. Paul said there is an advantage to using competitive networks in keeping costs down. Stan agreed to strengthen the language about access.

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There was discussion about public health investments. Ellen suggested adding an educational component for older schoolchildren to provide a basic understanding of healthcare issues. This could include health literacy, insurance education, care coordination, the benefits of prevention, etc. Bonita Grubbs recommended specifically stating the need for increasing health literacy for populations affected by racial and ethnic disparities. There was discussion about additional items to be added to the report. It was agreed that any additions need to focus on positive aspects of SustiNet such as what the vision is rather than negative aspects such as risks involved.

Members voted to approve the report with the changes discussed.

Meeting was adjourned. **Future meetings are scheduled for 1/19/11, 2/16/11 and 3/16/11 if needed.**

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