

A Sample Policy Approach

Governance and Structure

1. SustiNet will be administered by the SustiNet Authority, a quasi-governmental agency generally modeled after Connecticut Health and Educational Facilities Authority, bound by the highest legal standards of ethics, transparency, and accountability. The Authority will be structured to reflect governance principles embodying the country's best thinking about effective and accountable administration (such as those recommended by the Pew Center on the States), including providing the public with regular performance information.
2. The Authority's Board will be appointed by a combination of elected officials in the Executive and Legislative branches of Connecticut state government and specified stakeholder groups. The Board will incorporate relevant areas of expertise and be as small as possible, consistent with such diverse appointment authority.
3. The SustiNet Authority will be responsible for administering the SustiNet plan, a health plan that implements the country's best thinking about how to slow cost growth while improving quality.
4. The SustiNet Authority is authorized to use one or more third-party administrators to perform particular functions, including claims payment and establishment of provider networks. The Authority may begin by using existing administrators and pharmacy contracts.
5. The SustiNet Board shall convene committees and advisory groups to address such issues as implementation of the patient centered medical home, health care quality, health care safety, preventive health, health disparities and equity, and health information technology.
6. The Board will recruit and hire an Executive Director who will implement the administrative operations of the SustiNet Authority, with authority to hire and enter into contracts, consistent with the Board's overall direction and budget.
7. The Authority will contract with the Comptroller and the Department of Social Services to serve the following populations:
 - a) State employees and retirees; and
 - b) Beneficiaries of Medicaid and HUSKY.
 - c) Such contracting shall not be construed as modifying premiums, covered benefits, out-of-pocket cost-sharing, or access to out-of-state providers for these membership categories.
8. The Authority will take all actions (which may include conducting a feasibility study, developing financial projections, and obtaining a license) necessary to offer SustiNet as an option for employers and individuals to purchase, as follows:
 - a) Beginning as early as is feasible, taking into account other duties of the Authority, SustiNet will be offered to small firms, municipalities, and non-profit corporations within Connecticut. The Authority may start with municipalities.
 - b) Beginning on January 1, 2014, SustiNet will be offered to employers and individuals, both inside and outside the exchange.

- c) In offering such coverage:
- i. The Authority may offer a variety of packages of benefits and out of pocket costs, but each package must include comprehensive, “mainstream” commercial-style benefits, including dental care and parity of coverage for physical and mental health conditions.
 - ii. To the maximum extent feasible as determined by the Board, coverage shall include patient-centered medical homes, integration of medical/behavioral health care, an emphasis on prevention, encouraging individual responsibility for controllable health risks, and other design features that make SustiNet stand out as a high quality option that is attractive in the marketplace.
 - iii. The Authority may use channels of distribution and sale that apply to other plans, including the use of brokers and agents.
 - iv. SustiNet shall be subject to the same rules that apply in the relevant individual or group insurance market, including rules for permitted premium variation.
 - v. The Authority shall take necessary steps to prevent adverse selection. This may include experience-rating premiums when SustiNet is sold outside the exchange to firms large enough to self-insure.
 - vi. To cover unexpected differences between plan expenditures and premiums, SustiNet shall maintain prudent reserves and may purchase appropriate stop-loss coverage or reinsurance.
9. The SustiNet Authority will manage SustiNet to achieve measurable objectives related to eliminating racial and ethnic disparities, the effective prevention and treatment of chronic disease, and other strategic issue areas chosen by the Board. Such objectives will be achieved through multi-year campaigns, with prior public notice and opportunity for comment.

Reforming health care delivery and payment

10. Within SustiNet, health care delivery and payment will be reformed as follows, beginning with existing populations and prioritizing strategies that offer the greatest potential for slowing cost growth:
- a) SustiNet providers will be strongly encouraged to implement patient-centered medical homes.
 - b) SustiNet providers will use interoperable, electronic health records to document and manage care. SustiNet will work with broader organizations within the state to maximize the usefulness and minimize the cost to providers of this transformation, leveraging the combined purchasing power of the state’s health care providers to obtain reduced-cost services, and taking advantage of available federal resources.
 - c) Incentives for evidence-based care will encourage providers to take into account evidence-based clinical guidelines. For example, electronic health records could notify providers when they are about to depart from guidelines, ensuring that such a decision is explicit and the rationale for the departure is recorded. In addition, malpractice liability

would not extend to patient injury that results from appropriately following approved clinical guidelines. Such injury would be compensated through other means.

- d) Payment reforms will encourage the provision of care that improves health. Such reforms may include bundled payments that combine all providers furnishing services within a single episode of care, incentives to implement safe practices, etc.
- e) The Authority will integrate strategies for reducing and eliminating racial and ethnic disparities into every component of the Sustinet plan, including outreach, enrollment, benefit design, provider networks, financial incentives, quality measurement, provider credentialing, enrollee communications, and appeals.

11. The Sustinet Authority will work with other health plans and organizations inside Connecticut to facilitate multi-payor initiatives to reform health care delivery and payment.

12. The Sustinet Authority may modify these reforms as warranted by evolving evidence.

Expanding coverage and access to care

13. The Sustinet Board will work with the Legislature to develop revenue sources that allow the expansion of HUSKY to childless adults up to 185 percent FPL effective on July 1, 2012.

14. Beginning on January 1, 2014:

- a) HUSKY will cover adults up to 133 percent FPL, as calculated under federal law.
- b) Connecticut will use the Basic Health Program option to provide HUSKY to individuals with incomes up to 200 percent of FPL who are ineligible for federally-matched Medicaid and CHIP. Any excess of federal Basic Health payment over HUSKY costs will be reflected in increased reimbursement rates for providers serving this population.

15. Beginning on July 1, 2015, overall HUSKY reimbursement levels will start to rise, reaching parity with commercial per capita costs over a 6-year period. However, no increase will go into effect for a given fiscal year until relevant officials in the Executive and Legislative branches (OPM and OFA) certify that the cost of the increased reimbursement is fully funded by state savings that result from (a) increased federal Medicaid payments for HUSKY and (b) delivery system reforms implemented by Sustinet.

State public health investments

16. On a statewide basis, outside the confines of the Sustinet health plan, the state will implement campaigns in the following areas:

- a) Obesity prevention and reduction
- b) Preventing tobacco use and encouraging tobacco cessation
- c) Improving community infrastructure to support healthy lifestyles and furnish preventive care
- d) Reducing racial and ethnic disparities in access to resources
- e) Health care workforce training and development, with support for healthy living by families from multiple, diverse cultures