

# HealthFirst Connecticut Authority

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## Meeting Summary June 19<sup>th</sup>, 2008

The following members were present: Margaret Flinter, Tom Swan, Comptroller Nancy Wyman, Lenny Winkler, Teresa Younger, Michael Critelli, Sharon Langer, Randy Bovbjerg, Barbara Ormand, and Kevin Lembo.

Also present were: Paul Lombardo representing Commissioner Thomas Sullivan, Lina Lorenzi representing Fernando Betancourt, Martha Judd representing David Benfer, Len Cassis representing Franklin Sykes, Bill Gerrish representing Commissioner Galvin, Rich Sivel representing Sal Lucciano, Robert Zavoski representing Commissioner Michael Starkowski, and Susan Halpin representing Mickey Herbert.

The following members were absent: Lt. Governor Michael Fedeale, and Brian Grissler.

Lenny Winkler asked for one change to the minutes; she stated that southeastern Connecticut was dealing with cutting services tremendously to active and dependent members of the military who had been given care at military health care clinics, not the closing of a base.

The meeting minutes were approved as amended.

Barbara Ormond offered a brief presentation on personal healthcare expenditures in Connecticut, New York, New Jersey and the United States in 2004. The report included a comparison of healthcare expenditures by payer and type of service.

Mike Critelli asked if these statistics include the uncompensated surcharge payments for Connecticut hospitals.

Barbara Ormond responded that it did. She added that Connecticut ranks in the middle, and generally above the median, across most services.

Comptroller Nancy Wyman asked if adjustments had been made for cost of living.

Margaret Flinter responded that Medicare has a geographic adjustment for healthcare costs, but its related to healthcare cost, not cost of living.

Lenny Winkler asked for a list of providers in the state of Connecticut, what those providers were receiving and when their last fee increase had occurred.

Sharon Langer explained that in the past year the Department of Social Services raised Medicaid Fees. Connecticut Voices for Children performed an analysis of those fee increases that shows that not all fee schedules are equal, and there are variations in the fee increases.

Kevin Lembo asked how much money would be appropriated for the next year for the work of the Authorities.

Tom Swan responded that \$120,000 had been appropriated for the current year (08) and for 09. None of the money has been made available to the Authority to date. If the money could be carried into the next fiscal year it would be devoted to the survey of providers and simulation of different healthcare alternatives.

Margaret Flinter informed the Authority that there has been a lot of agreement on qualitative issues that face the delivery system. We now need to focus on deciding on the broad and specific details that the Authority will recommend to the Legislature. A final report is due in several months and will require the participation of many of the members.

Mike Critelli suggested that there are many different formulations of the single payer system. It would be helpful for opponents and proponents of the system to discuss the particular aspects of the system that they support or reject.

Tom Swan asked the facilitators to lead the discussion on #8 and #9 on the agenda:

**8. BUILDING-BLOCK / GAP FILLING APPROACHES**

- a. IMPROVING MEDICAID: MAXIMIZING FEDERAL FINANCIAL PARTICIPATION, BETTER PROGRAM OUTREACH AND ENROLLMENT, IMPROVING PROVIDER PARTICIPATION
- b. NEW PROGRAM ALTERNATIVES FOR CURRENTLY UNINSURED: INTRODUCTION TO OPTIONS
- c. INSURANCE PARTNERSHIP ALTERNATIVE: BUILDING ON STATE EMPLOYEES PLAN
- d. DIRECT-CARE ALTERNATIVE [OPTIONAL: A.K.A. ADAPTING SAN FRANCISCO TO CT]
- e. CONNECTOR / EXCHANGE ALTERNATIVE [OPTIONAL: A.K.A. MASSACHUSETTS COMES TO CT]
- f. PUBLIC GAP-FILLING PLAN RUN LIKE SELF-INSURED EMPLOYER  
(i.e., more active administration by public purchaser of services, with more data collection, some use of workplace/school clinics, more active interventions generally)

## 9. THE CHALLENGES OF AFFORDABILITY: FOR INDIVIDUALS/FAMILIES AND FOR SOCIETY

Randy Bovbjerg described the above agenda items. Improving Medicaid reimbursement, offering insurance to the unemployed, building on the state employee plan, the Direct-Care Alternative which is based on the same model that San Francisco used, the Massachusetts connector plan, and a new public plan has all been discussed by the Authority. These issues do not deal with any potential motivation for people to acquire coverage, (either by mandate or monetary incentive). These issues also do not deal with affordability. The goal of the above subsections is to specify areas that could be further defined by Authority members who should take responsibility for writing sections of the plan.

Tom Swan added that the a final plan does not need to be drafted immediately but a rough draft would allow members to discuss the particular policy that is drafted and then make changes to the draft based on simulations of the plan.

Nancy Wyman described some of the efforts that the legislature approved called Municipal Employees Health Insurance Program (MEHIP). This includes property tax reductions so that small towns can increase their buying power. It expanded to not-for-profit entities and small businesses. It has expanded further to “enhanced MEHIP,” and currently fourteen to fifteen thousand individuals are in the program. There has been more interest from municipalities in the last year. The program is not run by the Comptroller’s office. In future years there will be more not-for-profit involvement. Comptroller Nancy Wyman asked the Authority to look at the MEHIP program to get a better idea how the plan functioned in Connecticut. Comptroller Nancy Wyman also offered to produce additional information about the proposal for the next meeting HealthFirst Authority meeting.

Mike Critelli commented that there are a high percentage of doctors that do not accept Medicaid patients. Medicaid has a stigma attached to it and it may be better to move to a fee schedule that gives low income participants access to physicians.

Sharon Langer replied that a survey done by the Connecticut Chapter of the American Pediatric Association found that it is a high percentage and generally higher than other New England States. What is unsure is what type of uninsured patient is being accepted by doctors.

Robert Zavoski responded that the Academy of Pediatrics survey was a national survey that received its Connecticut data from the Health Policy Institute. Obstetricians do have more competitive fees. The pediatric schedule for preventive care is roughly comparable to the Medicare rate.

Kevin Lembo asked if anyone had determined if more money would solve the problem with getting people to accept the HUSKY program.

Robert Zavoski responded that it would likely help bring more people into the HUSKY plan.

Sharon Langer expressed her understanding that North Carolina pays its Medicaid providers comparable to Medicare. North Carolina does not have the same access problems that Connecticut has.

Lenny Winkler commented that many of the Medicare patients are not compliant when making appointments with providers. This makes scheduling very difficult for providers.

Tom Swan added that some care coordination activities resulted in significant decreases missed appointments in the South Carolina system. It is important to recognize the impediments of accessing data. The system that is designed for Connecticut needs to maximize data sharing needed for planning and addressing the needs of people in Connecticut.

Sharon Langer added that Medicaid patients are often elderly or have severe disabilities. The reason Medicaid was created was in recognition of the complicated needs of people with lower incomes. When you bring healthcare services to people in schools and large employer facilities, it allows people to access healthcare.

Paul Lombardo asked if Medicare reimbursement was fair to providers. The Medicare reimbursement program can be extremely complicated. There are also differences between States and reimbursement. We should investigate to see if doctors and providers are content with the base Medicare reimbursement and we also need to try to predict if they will continue to be happy with that reimbursement.

Margaret Flinter noted that the San Francisco model is based in part on electronic screening of patients for eligibility for public insurances as well as the Healthy San Francisco plan and can be done right at the point of service. She also noted that NYC incentivizes practices to both accept Medicaid, and to implement electronic health records, by subsidizing the cost of electronic records for practices with 20% or more Medicaid patients.

Tom Swan suggested that at the next HealthFirst Authority meeting the options and costs of maximizing participation in Medicaid should be discussed.

Sharon Langer explained that as there are certain qualifications for care, there are barriers to care. What is needed is a system that automatically enrolls people in healthcare.

Mike Critelli agreed that the question is whether the Authority should build on the current system or create a new system that is less complicated when it comes to enrollment and eligibility.

Teresa Younger described the importance of understanding the mentality of those people who are using certain healthcare services. There needs to be a change in the mentality about what healthcare is.

Robert Zavoski agreed with Teresa Younger's comments as they related to unnecessary barriers to care.

Tom Swan asked for a report at the next meeting on how the building block can be strengthened in a way that works for people in Connecticut. Proposals should increase efficiency, eliminate stigmatism, increase provider participation and maximize federal funds for the healthcare system.

Barbara Ormond agreed that there needs to be a change of the mentality of the people in Connecticut related to healthcare.

Robert Zavoski suggested that Medicaid carries a stigma with it. Connecticut should work towards removing that stigma.

Mike Critelli reported to the Authority that the issue of increasing enrollment makes having electronic health records even more important. One advantage of an omnibus program is a potential for better continuity of care and better planning for providers.

Tom Swan asked for discussion of program alternatives for the currently uninsured.

Nancy Wyman expressed her hope that the Authority did look into alternatives to helping small businesses. This could help put many of those who are uninsured and working into a care plan. Nancy Wyman suggested that the state employee plan be used as a way of measuring where improvements need to be made.

Tom Swan asked for an update on the Charter Oak Plan.

Tom Swan discussed combining the Medicaid and small employee buy-in. That could generate significant savings.

Kevin Lembo agreed that the insurance system needs to be simplified.

Tom Swan discussed item “d,” on the agenda.

Martha Judd suggested that the biggest hurdle that Connecticut would face in implementing a plan like Healthy San Francisco is the lack of public hospitals in the state. In San Francisco, these costs were already being borne by the County for uninsured patients because the County supports the public hospital.

Teresa Younger felt that a pilot program in this area is not necessary. What is necessary is a comparison of what was necessary for the Healthy San Francisco project to take place, and apply those positive aspects of that program to the Connecticut model.

Tom Swan asked for discussion of item “e,” on the agenda.

Paul Lombardo suggested it was too early to know if the Connector would make a positive difference in Massachusetts.

Paul Lombardo added that the idea should not be taken off the table. The Authority should continue to watch the Massachusetts plan to see if it is successful. There may not be enough available information to make the plan attractive.

Teresa Younger requested an investigation of the systems that ensured the Massachusetts plan and the way patients could make complaints if there was a breakdown in the quality of care they were receiving.

Mike Critelli discussed value based health care design. Subsidies are allocated or reallocated based on certain principles. This allocation requires good data. The coverage issues apply across all options but

the value based healthcare design will reap benefits regardless of which direction the Authority moves in, and could also help with affordability of a new healthcare plan.

Teresa Younger asked if item “f,” on the agenda might be an area where the issues of the under-insured might be addressed.

Mike Critelli suggested that there needs to be an independent data collector that looks at population level data as opposed to individual data.

**Margaret Flinter discussed item number 9: THE CHALLENGES OF AFFORDABILITY: FOR INDIVIDUALS/FAMILIES AND FOR SOCIETY**

Margaret Flinter discussed the issue of requiring insurance in Connecticut. Mandated insurance in Connecticut would also require subsidies up to a certain point of income. The second issues that must be discussed is the responsibility of employers to contribute to health insurance. A potential requirement of this sort would also likely invite ERISA challenges, as it did in San Francisco. The Authority will have to try to determine if it is worth facing such a challenge.

Tom Swan informed the Authority that a lot of the next meeting would be dedicated to the issue that Margaret Flinter just described. It will be necessary to determine what would be affordable and reasonable to expect from employers.

Kevin Lembo felt that it was a good use of time to discuss what an individual mandate is. An appropriate benefit design and with affordability seriously considered, might be acceptable.

The Authority members discussed their opinions on the subject of individual mandates and raised concerns from affordability, to potential disproportionate burdens on particular populations, to the need for much more information in order to formulate an informed opinion.

Lenny Winkler reminded the Authority that the government is looking at a \$200 million deficit in the next year. The taxes that the legislature puts in place affects business and the impact of the Authority could have a very wide ranged affect.

The meeting adjourned at 11:00 pm.

The next meeting of the HealthFirst Ct. Authority is scheduled for July 16<sup>th</sup>, 9:00am at the LOB.