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# *State Health Coverage Initiatives and Chronic Disease*

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# State Coverage Initiatives (SCI)

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- An Initiative of the Robert Wood Johnson Foundation
- Direct technical assistance to states
  - State specific help, research on state policy makers' questions
  - Convening state officials
  - Web site: <http://statecoverage.net>
  - Coverage Matrix
  - Publications
- Grant funding/Coverage Institutes

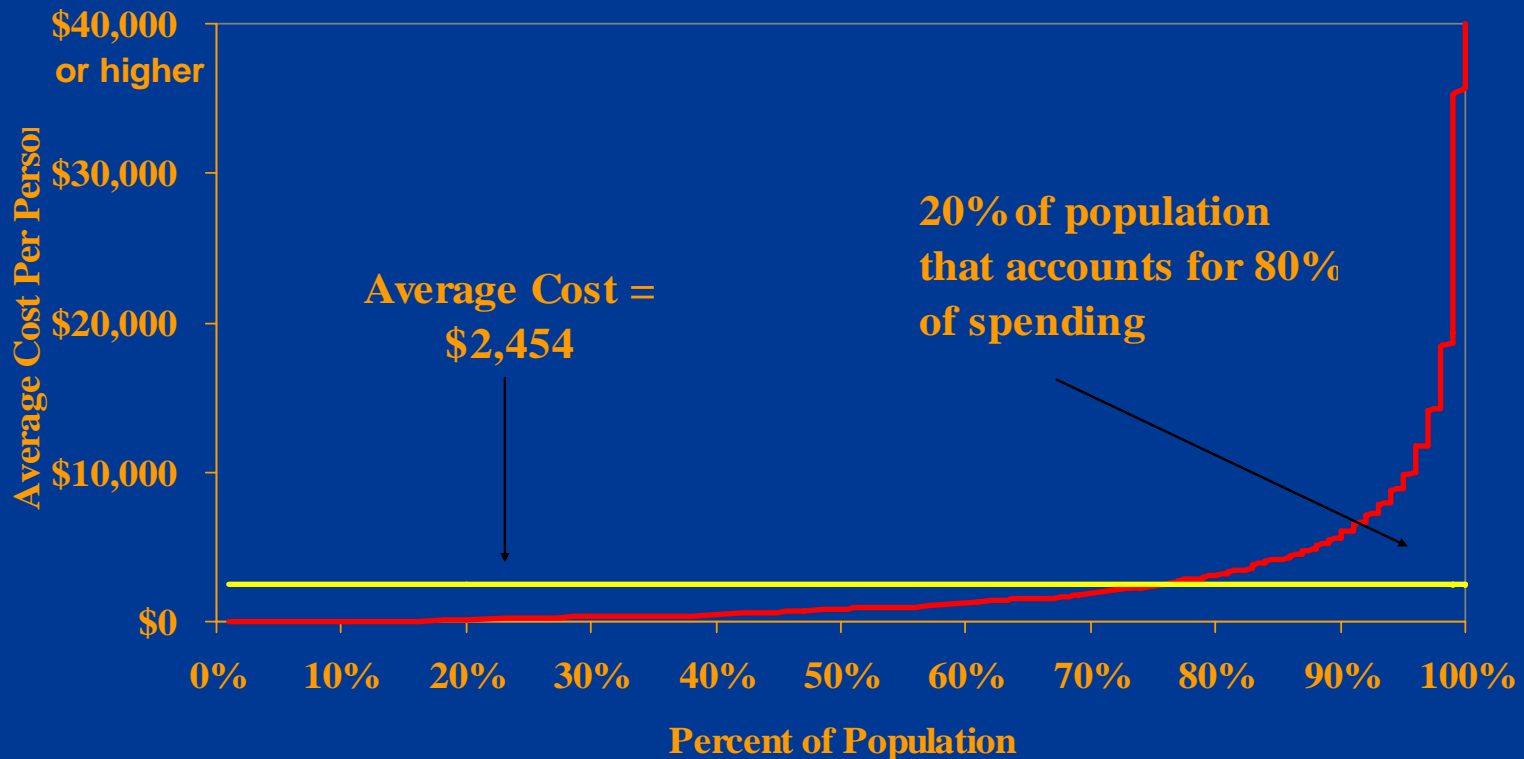
# Drivers of State Health Reform Efforts

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- Continued increase in number of uninsured
- Declines in employer-sponsored insurance
- Health insurance becoming increasingly unaffordable for working families
- Improved economic outlook coupled with increased state revenues
- Lack of national consensus
- Greater political will among Governors and legislators to tackle the problem

# Distribution of Health Spending

## Adults Ages 18-64, 2001



*Source:* Employee Benefit Research Institute estimates from the 2001 Medical Expenditure Panel Survey.

# Expanding Coverage Through Innovation, Experience and Compromise

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- Comprehensive approaches
  - Massachusetts, Vermont, and Maine
  - Recently Enacted: WA
  - Proposed: CA, PA, CO?, IL?, OR?
- Incremental
  - Public-Private Partnerships: Purchasing Pools/Limited Benefits/Reinsurance/Tax Credits (TN, RI, MT, WI)
  - Leveraging Medicaid to Expand Coverage to the Working Uninsured (NM, OK, AR, UT)
  - Covering children (IL, PA, TN)

# Strategies for Comprehensive Reform

	Massachusetts	Vermont	Maine
<b>Individual Mandate</b>	Yes	No <i>Will consider if coverage targets not met</i>	No
<b>Purchasing Pool</b>	Health Insurance Connector	Catamount Health	DirigoChoice
<b>Subsidies for Low-Income</b>	Up to 300% FPL	Up to 300% FPL	Up to 300% FPL
<b>Public Program Expansion</b>	Adults <100% FPL Children <300% FPL	<i>Builds upon previous expansions</i> <i>Children &lt;300%</i> <i>Parents &lt;185%</i> <i>Childless Adults &lt;150% FPL</i>	Parents <200% FPL Childless Adults <125% FPL
<b>Employer Requirements</b>	\$295/employee fee for non-offering Must offer 125 Plan	\$365/FTE fee for non-offering	<i>Voluntary</i> <i>Participating employers must pay 60% of premium</i>

# Maine, Massachusetts, and Vermont: Chronic Care/Wellness/Quality

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- **Maine: Maine Quality Forum (2003)**
  - Collect/disseminate research on best practices, quality, and patient safety
  - Collect/publish user-friendly comparative reports on health care quality
  - Promote adoption of health information technology
  - Help consumers make informed decisions about maintaining/restoring their health
  - Conduct technology assessment reviews to support the state health plan & CON process
- **Maine: PROPOSED (2007):**
  - MaineCare Program: Clinical care management; manage behavioral health
  - Require premium discounts to both small and large businesses that provide approved worksite wellness programs and to individuals who don't smoke
  - Require a focus on primary care in the state health plan to improve health/reduce costs.
  - Dirigo Health: Healthy ME Rewards – Incentives for the previously uninsured to choose a physician and complete health risk assessments
- **Massachusetts (2006):**
  - Health Care Quality and Cost Council: Develop quality improvement goals and cost/quality reporting
  - Medicaid program: Develop wellness program for participating Medicaid beneficiaries that would have lower co-pays

# Maine, Massachusetts, and Vermont: Chronic Care/Wellness/Quality (cont.)

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- Vermont: Catamount Reforms (2006)
  - *Blueprint for Health* – an initiative to create a chronic care infrastructure and uniform model for providing chronic care
    - Pilot projects underway
    - Goal of statewide implementation by 2009
  - *Medicaid chronic care management program* for individuals enrolled in Medicaid, Dr. Dynasaur and VHAP: Begins October 1, 2007
  - The Agency of Administration will ensure coordination between the Blueprint and other initiatives around chronic care in state government, including any initiatives in the Agency of Human Services
  - The Commissioner of Human Resources and the Vermont State Employees Association will look at the chronic care program offered to state employees to determine if it meets the Blueprint model and, if not, how to coordinate
  - Catamount Benefit Design:
    - Preventive Care: not subject to copays, coinsurance or deductibles
    - Chronic Care: \$0 for individuals enrolled in the chronic care management program; otherwise subject to the standard cost-sharing requirements

# Washington Reforms (Enacted 2007)

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- Provides access to coverage for all children by 2010 (SB 5093)
  - Intensive education, outreach, and administrative simplification efforts to enroll all currently eligible children
  - Beginning in January 2009, expands SCHIP to children up to 300% FPL (currently 250%)
  - Children above 300% FPL – full cost buy-in
- Creates Washington Health Insurance Partnership (Connector) (SB 1569)
  - Targets small employers with low-income workers
  - Establishes sliding scale premium subsidies for those <200% FPL
- **Provides high quality, affordable health care based on recommendations of the Blue Ribbon Commission in Health Care Costs and Access (SB 5930)**

# Washington (SB 5930) :

## Chronic Care/Wellness/Quality

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- Reimbursement Changes
  - Reward quality; incorporate evidence-based standards; direct enrollees to quality care systems; encourage primary care; reduce costs
- Chronic Care Projects
  - Design/implement medical homes for aged, blind and disabled in conjunction with chronic care programs
  - Evaluate chronic care mgmt efforts for medical and LTC programs
  - Provide chronic care training/tech asst to providers
  - Design/implement chronic care mgmt for state employees
- Washington State Quality Forum
  - Collect research/data to promote best practices/evidence-based medicine
- Health Information Technology
  - Consumer-centric health information infrastructure; pilot EMR and HIE
- Appropriate Care Settings
  - Develop reimbursement incentives and a pilot demonstration to reduce unnecessary ER visits
- Wellness Programs
  - All State health agencies must develop a 5-year plan to integrate disease and accident prevention and health promotion into all state health programs

# Rhode Island Reforms (2006):

## Initiatives for Affordable Health Insurance

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- **Affordable Health Plan**
  - Authorizes OHIC to **implement a new affordable health plan** for small businesses and direct pay participants.
  - Forms an **Advisory Committee** to advise OHIC concerning the Affordable Product Requirements, insurer-proposed plan designs
  - Sets a **target average annualized individual premium rate** for the Affordable Product to be less than 10% of average annual statewide wages
  - Specifies product development **Guidelines of Affordability** that any proposed plan design must meet
- **Reinsurance Subsidy for low-wage small businesses (unfunded)**
  - Encourage eligible low-wage businesses to enroll in the Affordable Health Plan using reinsurance subsidy worth 10% of premium
  - Program authorized via 2006 legislation, **contingent upon the location and approval of funds**
- **Transparency**
  - Oversight and monitoring to be performed by an existing provider-insurer workgroup within OHIC
  - OHIC must describe a path to patient access to cost data by March 15, 2007

# Rhode Island (2007): Wellness Health Benefit Plans

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- Includes coverage for physician visits, hospitalization, preventive services, and prescriptions drugs
- Design is intended to give incentives to enrollees to be more actively engaged in managing their own health care
- Proposes to achieve significant cost savings though financial incentives for enrollees who improve and maintain their health through five key wellness initiatives:
  - Selection of a primary care physician
  - Completion of a health risk appraisal
  - Pledge to either remain at a healthy weight or participate in weight management programs if morbidly obese
  - Pledge to either remain smoke free or participate in smoking cessation programs
  - Pledge to participate in disease and case management programs, if applicable
- For enrollees who choose to participate in the wellness programs, it is proposed that deductibles, co-pays and co-insurance will be reduced to amounts normally seen in plans with much higher premiums

# California Proposed Reforms: Governor's Health Care Initiative

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- Prevention / Wellness
- Shared Responsibility/ Coverage for All
- Affordability

# California: Prevention & Wellness

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- **Offer Consumers Incentives and Rewards**
  - Tied to preventive health practices
- **Diabetes Prevention and Treatment**
- **Reduce Medical Errors**
  - E-prescribing of all prescriptions
  - Strengthen patient safety & accountability
- **Prevent Obesity**
  - Implement comprehensive strategy to reverse obesity epidemic: public awareness & outreach, improve access to nutritious foods and physical activity
- **Tobacco Cessation Efforts**
  - Increase assistance to those seeking to quit smoking

# California: Affordability

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## SHORT TERM:

- Reduce hidden tax
- Tax breaks for individuals/businesses tied to purchase of insurance
- Enhance insurer/ hospital efficiency by requiring 85% of premiums/hospital dollars on patient care

## LONG TERM:

- **Health prevention & wellness**
- Health IT: Paperless system w/ strong privacy protections within 10 years
- Medi-Cal rate increases tied to performance measures
- **Enhance health care quality & efficiency through improved performance measurement**
- Monitor & evaluate market function & costs and revise as necessary

# Pennsylvania Proposed Reforms: Prescription for Pennsylvania

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- Cover All Kids
- Cover All Pennsylvanians
- FT students in 4 year college/university required to have health care coverage
- Governor may consider individual mandate if number of uninsured does not decline over next few years

# Pennsylvania Proposed Reforms: Chronic Care/Wellness/Quality

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- Work with hospitals to prevent hospital-acquired infections
- Change how chronic care is delivered by providing incentives to use the Chronic Care Model
- Establish payment systems that rewards effective prevention and treatment of chronic conditions as well as rewards wellness and efficient quality care
- Promote wellness in schools/businesses
- Make all workplaces, restaurants, and bars smoke-free
- Provide consumers with real-time cost and quality information
- Make integrated treatment available to those needing both mental health and substance abuse treatment

# Illinois Proposed Reforms: ‘Illinois Covered’

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- New coverage program:
  - *Assist*: Childless adults ineligible for Medicaid, do not have access to ESI, and are <100% FPL
  - *Choice*: Require all managed care plans to offer a new affordable and comprehensive individuals and small businesses (uses reinsurance)
  - *Rebate*: Premium assistance program subsidizing coverage and providing discounts to everyone who either purchases coverage through *Choice* program or who has access to an employer-sponsored plan (employer must contribute at least 70% to premium)
- Increases eligibility level for parents in existing FamilyCare program (SCHIP) from 185% FPL to 400% FPL
- Allows dependents to have access to insurance on their parent’s policy until their 30th birthday
- **Additional delivery system improvement and cost containment provisions**

# Illinois Proposed Reforms: Chronic Care/Wellness/Quality

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- Development of a statewide consensus plan to promote wellness and to manage chronic conditions
- Improved accountability, transparency, and better information to assist consumers in making better choices about their health care
- Build on efforts to improve patient safety
- Promote electronic medical records
- Improve access to information on quality of care
- Reduce administrative costs

# Wisconsin Proposed Reforms (2007)

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- BadgerCare Plus: Merge Family Medicaid, BadgerCare (SCHIP - covers children and parents to 185 percent FPL), and Healthy Start:
  - Cover all children
  - Provide coverage and enhanced benefits for pregnant women
  - Simplify the program
  - **Promote prevention and healthy behaviors (member agreements; incentives for MCOs; incentives for individuals; health literacy/education)**
- Proposed by Healthy Wisconsin Council
  - Provide Reinsurance for small businesses and co-ops
  - Raise cigarette taxes to pay for reinsurance program subsidy
  - Waiver to cover childless adults up to 200% FPL
  - Support BadgerCare Plus proposal

# New York Proposed Reforms (2007)

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- Expansion of Child Health Plus (CHPlus) to children in families with incomes up to 400 percent of the federal poverty level (FPL) – the current eligibility level is 250 percent FPL. The state expects that most of its estimated 400,000 uninsured children will now have access to insurance
- Streamlined enrollment for the adult populations covered under Medicaid and Family Health Plus programs. Family Health Plus covers childless adults up to 100 percent FPL and parents up to 150 percent FPL
- **Case management demonstrations focused on high-cost populations**
- **Expanded resources for disease prevention and primary care including investments in public health programs and prevention programs for cancer, diabetes, obesity, asthma, and other diseases**
- Significant funding increases for the Office of the Medicaid Inspector General to combat fraud and abuse

# Common Themes and Trends

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- Comprehensive state reforms build upon prior efforts and financing mechanisms.
- Reforms attempt to stem the erosion of ESI.
- Successful efforts to enact reforms often expect shared financial responsibility. Some states are beginning to recognize the need for mandatory participation.
- Expansions in coverage often rely on private insurers to deliver care.
- Medicaid benefits are being redesigned through the DRA, but to date these efforts have not included expansions in coverage.
- **States addressing cost and quality in addition to health insurance coverage.**

# The Future of Health Care Reform

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- Problems plaguing health care system will not go away
  - Growing uninsured
  - Declining rates of employer-sponsored coverage
  - **Rising health care costs: there has been little success in addressing underlying costs of health care, but a new focus on chronic care management holds potential.**
- Drumbeat at the grassroots level is growing louder
- States must continue to advance proposals
  - Trend-setting states leading the way
  - Comprehensive reform not possible in all states
- However, broad Federal initiatives may be unlikely before 2008 election

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