

# Health Care Reform Update May 23, 2011

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## Agenda

- Health Care Reform Legislation
- Sustinet
- Health Insurance Exchanges
- DOI Rate Review
- Pending Legislation

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## Health Care Reform

- **Jeanette DeJesus- Special Advisor to the Governor on Health Care Reform. Point person on Exchange implementation.**
- **Lt Governor Nancy Wyman- expanded role in overseeing health care reform**

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## SustiNet

- **January 2011 SustiNet Health Partnership board issued their final report to the General Assembly.**
- **HB 6305 establishes processes for implementing the “SustiNet Plan”.**
- **Offers health insurance products to:**
  - State employees
  - Medicaid
  - Husky A and B
  - Municipal, municipal related
  - Non profits
  - Small employers
  - Individuals
  - Public option

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## SustiNet

- **HB 6305- Implementation of the SustiNet Plan not funded in budget, \$4 million in year 1 and \$6 million in year 2.**
- **SustiNet Advisory**
- **Increase in Comptroller's office of \$1.5 million in FY 12 and FY 13 to implement SustiNet Plan**
- **Provides \$ 115,698 in FY 12 and FY 13 for staffing for pooling non state public employees with the state health plan**

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## Insurance Exchange

- **PPACA requires health insurance exchanges be available to qualified individuals and small employers beginning in January 2014.**
- **Central marketplace for individuals and small employers to purchase health insurance with a choice of products from “qualified health providers.**

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## Administrative Functions

- Maintain an internet website where enrollees can obtain information on participating plans.
- Operate a toll-free telephone line to provide consumer assistance.
- Accept applications and coordinate with state and federal agencies to provide subsidies and tax credits.
- Make available a calculator to determine actual cost of coverage.
- Set up a Navigator program to facilitate enrollment and provide education to consumers.

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## Exchange

- Assist small employers in enrolling employees
- Certify and rate plans
- Collect and report data
- Oversee carriers offering coverage through exchange
- Must offer Essential Health Benefits
- Must comply with one of four benefit tiers

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## Legislation

- **HB 6323 An Act Making Conforming Changes to the Insurance Statutes Pursuant to the Federal Patient and Affordable Care Act, and Establishing a State Health Partnership Program**
  - Speaker of the House Donovan's proposal
- **SB 1204 An Act Establishing the Connecticut Health Insurance Exchange**
  - Senate President's proposal
- **SB 921 An Act Establishing a State health Insurance Exchange**
  - Administration's proposal

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## Exchange Planning

- **Advisory committee with broad representation**
- **Chaired by Jeanette DeJesus**
- **Grant from HHS for almost \$1 million to plan for the design and implementation of the exchange**
- **Conduct research to make informed policy decisions**
- **Public Engagement Strategy**
  - Public hearings
  - Stakeholder meetings

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## DOI rate review- SB 11

- Effective July 1, 2011 rates files with DOI within 120 days before proposed effective date.
- DOI posts filing
- 30 day public comment period
- Written decision with 45 days after receiving it unless a public hearing is required.

## SB 11

- Disclosure to insured's or subscribers on the date it submits a filing to the DOI with dollar amount by which a person's policy or agreement will increase
- Another notice once the filing is approved or modified
- Filing must include an actuarial memorandum
- DOI must conduct its own actuarial review
- Defines excessive rates as one that is unreasonably high

## **SB 11**

- **Public Hearings required for any rate increase of more than 10%.**
- **Written decision within 30 days after the hearing.**
- **Healthcare Advocate and Attorney General can be a party to any rate filing hearing**
- **Grants broad subpoena powers to Attorney General and Healthcare Advocate**



## **Mandate legislation**

- **AAC Health Insurance Coverage for Bone Marrow Testing**
- **AA Limiting Copayments, Deductibles or Other Out of Pocket Expenses for Chiropractic Services**
- **Prescriptions Used for the Treatment of Epilepsy or Preventive Seizures**
- **AAC Synchronizing Prescription Refills**
- **AAC Coverage for Ostomy Supplies**
- **AAC Coverage for Breast Magnetic Imaging**



## Benefit Mandates

- AAC Routine Costs for Clinical Trials – MS, MD, ALS, AIDS and Parkinson's
- AAC Timing of Prescription Drug Refills
- AA Eliminating Age Cap for Specialized Formula
- AAC Coverage for the Treatment and Screening of Prostate Cancer
- AAC Prescription Eye Drops
- AAC Coverage for Colonoscopies

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