

Health Insurance Access/Affordability in Connecticut & Massachusetts

State Focus 2007 vs. 1990s

Early to Mid 1990s

- ◆ Primary emphasis on Access-oriented issues
 - Guarantee Issue / Open Enrollment
 - Portability
- ◆ Concern about real / perceived carrier rating abuses
 - Selective affordability issues
 - Attacked headlines / anecdotes rather than underlying problem

Early to Mid 1990s

- ◆ State reforms often produced unintended consequences
 - Community rating (NY) / tight modified community rating (NJ) significantly raised rates for the young population
 - Material portion of uninsured are young/ often low wage earners
 - Disincentives for young population to become insured
 - Example of New Jersey Individual Market Erosion
 - ◆ Prior to reform 200,000
 - ◆ Current 70,000

Early to Mid 1990s

- ◆ Connecticut approach more rational – Small Group
 - Retained age rating on fully actuarial basis
 - Special Health Plan design
 - ◆ Unique experiment
 - ◆ Targets low wage earners
 - ◆ Reimbursement for low-income families set at 75% of Medicare Allowable
 - ◆ Providers must accept as payment in full

Early to Mid 1990s

- ◆ Connecticut approach more rational – Individual
 - Retained underwritten market with affordable rates for bulk of eligibles
 - Health Reinsurance Association (HRA) is backstop for uninsurables at rates modestly above prevailing SG levels (commenced in 1970s)

Late 1990s

- ◆ Backlash against Managed Care practices
 - “Surface appeal” to consumers
 - Hindered MCOs ability to control health care costs and associated premium levels
- ◆ SCHIP expansion

Now – Issues for 2007

- ◆ Realization that underlying costs is the major issue
- ◆ Stage moved from federal to state arena
- ◆ Universal / Mandatory vs. Optional approaches
 - Implementation / logistical issues of universal approach
 - Elimination of antiselection load and subsidy if coverage mandated

Now – Issues for 2007

Health Net of the Northeast

Ratio of 10+ Loss Ratio to total SG Loss Ratio

NY .935

NJ .933

Now – Issues for 2007

◆ Connecticut Initiatives Proposed

- Gov. Rell's "Charter Oak Plan"
 - ◆ \$250 PMPM Objective
 - ◆ Sketchy details released early on; RFP not yet released
- Potential redesign and update of Special Health Plan. Connecticut HRA has put forth tentative proposal.