

Medical Home System Advisory Council

Health Care Reform Update

February 26, 2010

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Iowa Legislative Health Care Coverage Commission

Today

- Some important facts & figures
- State Reform

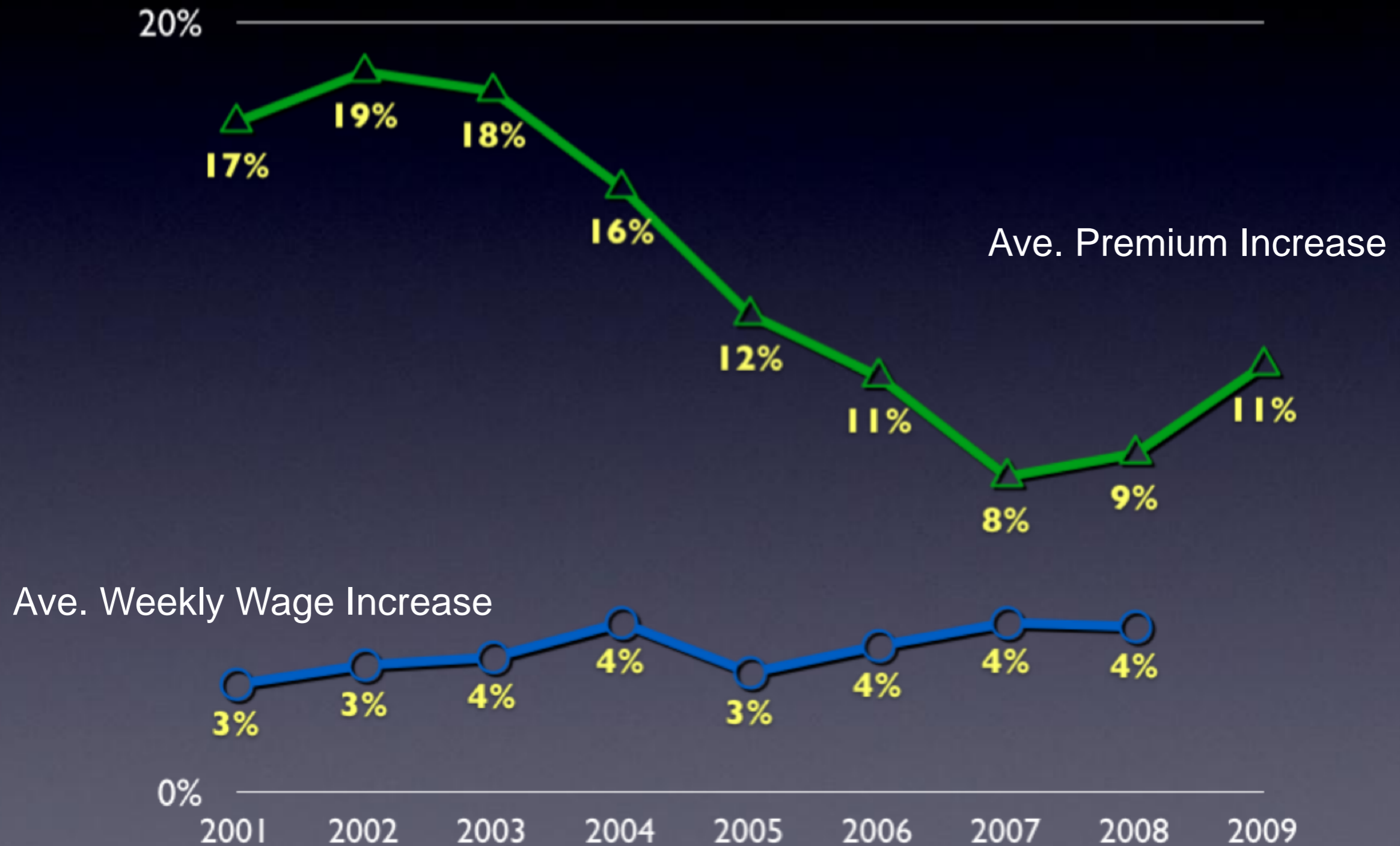
Health Care Coverage Commission

- Created by Legislature in 2008
 - ◆ Began work Sep. '09
- 11 citizen (voting) members, 4 legislators, 3 department heads
- To provide recommendations to increase access for low income adults

Issues in Adult Coverage

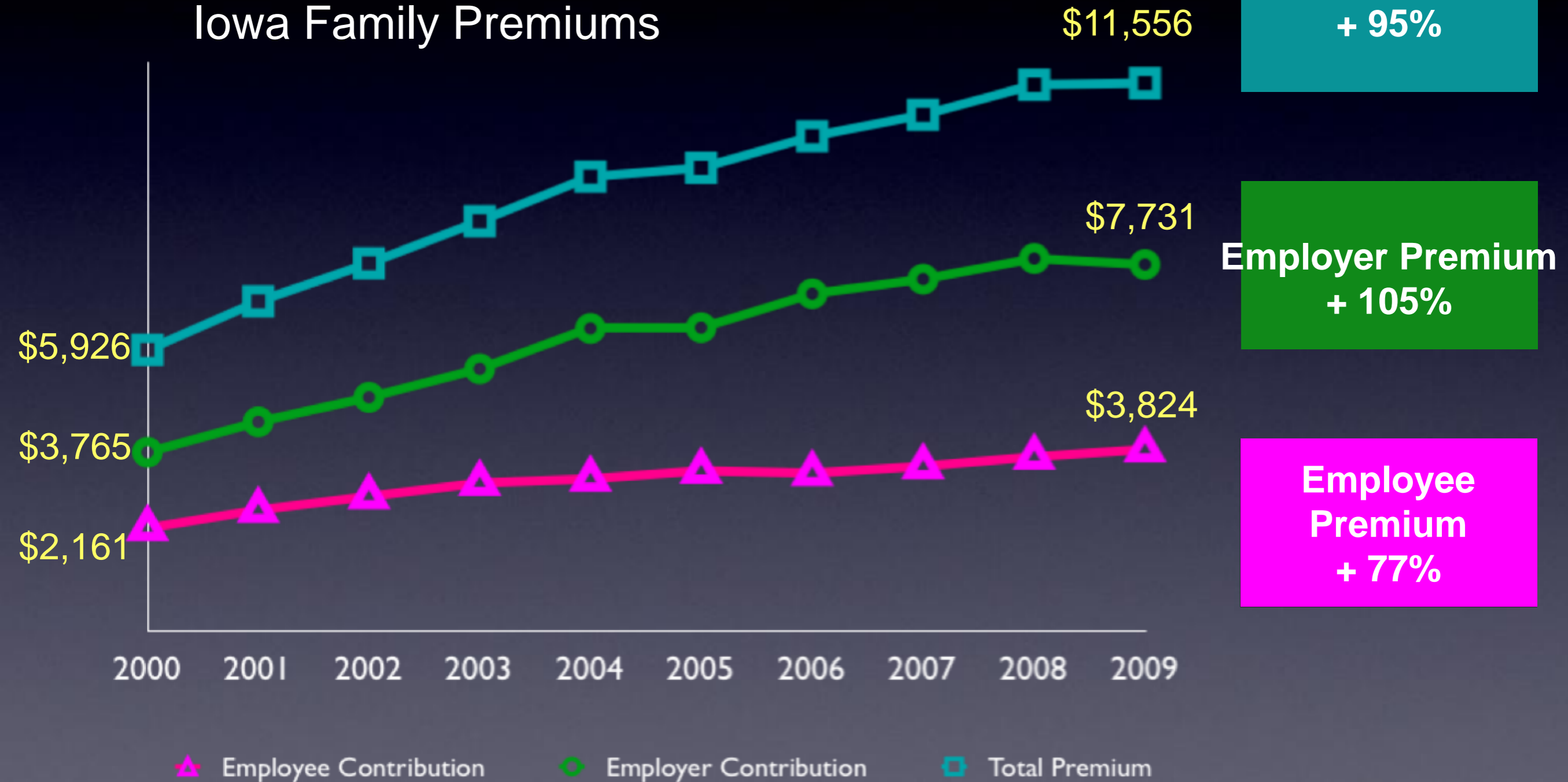
- Coverage affordability
 - ◆ Premiums & copays
- Coverage availability
 - ◆ Preexisting condition exclusions
 - ◆ Lifetime maximums

Affordability - It's About Wages



It's About Premiums

Iowa Family Premiums



State Reform SF 2356

Commission Recommendations

- Expand IowaCare
- Develop a state wide diabetic registry
- Create an Iowa health insurance exchange

IowaCare Primer

- Adults 19-64
- Income <200% FPL
- No insurance
- Not eligible for Medicaid

IowaCare Cont.

- Limited benefit program
 - ◆ Geographically
 - ▶ Polk Co. (Broadlawns) or Iowa City
 - ◆ Medically
 - ▶ No official pharmacy benefit
 - ▶ Very limited primary care delivered in Iowa City & Broadlawns

Enhance Existing IowaCare

- Establishing a **Regional Care Network**
 - ★ Expands services close to home for existing IowaCare members
 - ★ Uses the 14 Federally Qualified Health Centers

Enhance IowaCare

- Other Primary Providers
 - ★ Allows DHS to designate other private providers & hospitals to participate in the regional network
- Emergency Care
 - ★ Pay regional hospitals for emergency services

IowaCare Plus

- Expands IowaCare to cover up to 300% FPL
 - ★ Originally to 400%
 - ★ Now 300% of FPL on a sliding scale basis.

Why is a improving IowaCare Important?

Uninsured Adults in Iowa By Income as a Percent of the Federal Poverty Level (FPL), CY 2009*

Total Uninsured Adults = 308,320

	FPL	% Uninsured	# Uninsured
Existing IowaCare**	Below 150%	26.7	82,400
	150-199%	13.4	41,252
IowaCare Plus	200-249%	14.6	44,957
	250-299%	19.1	58,832
	300-399%	11.2	34,551
	400% & Over	15.0	46,328

Potential Benefits of an Iowa Care Plus Expansion to 399% FPL

- 138,340 = The number of additional covered lives under an IowaCare plus expansion to 399% FPL.
- An IowaCare Plus expansion to 399% FPL would provide coverage to about 85% of the currently uninsured population.

Diabetic Care Coordination

- Requires IDPH to develop a plan to coordinate diabetes care for:
 - ★ Patients at community health centers, rural health clinics, free clinics, & other collaborative safety net provider network members
 - ✓ Enhance Rx access using the Iowa Prescription Drug corporation
 - ✓ Collect data to track improve patient care & inform future diabetic care public policy

Iowa Insurance Information Exchange

- Begin designing an Iowa Insurance Exchange
 - ★ Provide information to consumers - Clearinghouse Model
 - ★ State government should facilitate its creation & provide oversight
 - ★ Expand transparency of medical costs & quality
 - ★ Help develop & use common definitions of health care quality & pricing

Exchange, Cont.

- Provide readily available & reliable information
 - ★ The population served by safety net providers
 - ★ Safety net providers locations
 - ★ Safety net provider services

EXCHANGE TYPES

LIGHT

HEAVY



FUNCTIONS

LIGHT

HEAVY



	CLEARINGHOUSE	MARKET ORGANIZER	ACTIVE PURCHASER (FULL EXCHANGE)
FUNCTIONS	<p>What does it do? Organizes the existing or reformed market by providing transparency and standardization.</p> <p>Provides choice among competing plans by making it easy for individuals & small business employees to obtain coverage information & enroll in their preferred plan</p> <p>A focus on:</p> <ul style="list-style-type: none"> ✓ Informed choices using standardized information <p>Typically includes:</p> <ul style="list-style-type: none"> ✓ Any licensed carrier can participate. ✓ Carriers set the price. ✓ Any insured benefit plan <p>Functions Provide information to individuals & employers on:</p> <ul style="list-style-type: none"> • Plan choices (benefit packages) • Standardized comparative information on benefits & premium rates • Quality & consumer satisfaction 	<p>What does it do? Establishes a New ,more organized, market structure [without negotiating premium rates].</p> <p>A focus on:</p> <ul style="list-style-type: none"> ✓ Informed choices ✓ Competition based on consumer choice, & ✓ Consumer protection. <p>Functions All the functions of the "Clearinghouse" - and -</p> <ul style="list-style-type: none"> • Limits insurers' marketing approaches • Has approval authority over marketing materials • Provides a risk adjustment mechanism for participating plans. • Has authority to exclude participation of plans not meeting a set standard (but not simply on basis of price) 	<p>What does it do? Establishes a policy making body and market structure. A focus on limiting the number of plans to be able to negotiate affordable rates.</p> <p>Functions All the functions of the "Clearinghouse" and the "Market Organizer" - and -</p> <ul style="list-style-type: none"> • Sets standard core benefits • Negotiates benefit packages. • Engages in selective contracting with variety of health insurers after having analyzed them and on price, quality, other relevant factors. Includes authority to refuse to contract or terminate plan participation. • Sets standards for receipt of subsidies • Manages subsidy determinations • Conducts individual and employer group enrollment • Collects premium payments from enrollees/ employers • Collects premium contributions from multiple employers for part time workers (promoting portability) • Sets rules on underwriting & rating practices. <p>In individual mandate states</p> <ul style="list-style-type: none"> • Sets rule on policy <i>affordability</i> (level of premium relative to income) • Sets standard core benefits that comply with the individual mandate

Exchange Today

- Housed in the Insurance Division
- Advisory Board will help guide development
- Still figuring out how it will be financed
- Waiting for federal reform?



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Commission** contact
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