

## Health Reform Bulletin

EMPLOYEE BENEFITS

### Week of September 4, 2012

*Amidst the fiery speeches and political pageantry, Republicans at the party's national convention in Tampa last week adopted a [party platform](#) that attracted much media attention for its shifts on issues such as Medicare. The platform calls for significant changes to Medicare and Medicaid largely in keeping with proposals outlined by U.S. Rep. Paul Ryan (R-WI), the party's nominee for vice president. The platform calls for partially privatizing Medicare by allowing seniors to choose between existing Medicare coverage and a subsidy to help buy private insurance. The platform also calls for converting Medicaid into a state block-grant program, giving states the power to control the number of people eligible for Medicaid and the benefits they receive. The proposals represent a change from previous Republican platforms but have the endorsement of both Ryan and the Republican presidential nominee, Mitt Romney. The Republicans also continue to call for repeal of the Affordable Care Act (ACA).*

### States

**ARIZONA:** The results of the primary elections appear to portend a change in the composition of the 2013 legislature, particularly in the Senate where Republicans hold a two-thirds super-majority. In contrast to the 2010 election, in which the "tea party" emerged as a strong influence, a combination of key wins and redistricting may yield a more centrist body. The Republican agenda is expected to remain strongly conservative, but the focus may shift away from issues such as women's health and gun rights to the economy and business.

**COLORADO:** The Division of Insurance has announced it is recommending Kaiser's Ded/CO HMO1200D plan be designated the state's essential health benefit (EHB) benchmark plan, subject to stakeholder review and comment. The largest small group plan in the state, the Kaiser plan includes benefits in all 10 federally required benefit categories. The state's objectives for the choice include limiting disruptions in Colorado's marketplace, promoting carrier and consumer participation, and balancing benefit comprehensiveness and affordability. The Child Health Plus (CHP+) package is recommended as the pediatric dental plan because it is already utilized in Colorado and would provide coverage for children with minimal marketplace disruption. The division also recommends defining "parity" to create a habilitative services package similar to rehabilitative services.

**GEORGIA:** Governor Nathan Deal told reporters at the Republican national convention last week that he does not plan to pursue an expansion of the state's Medicaid program despite the promise of new federal funding under the ACA. Deal previously has said that he would wait until after the presidential election in November to decide the question of Medicaid expansion. In explaining the decision last week, Deal said the state cannot afford to expand



eligibility for the program because he believes it is unrealistic to expect the federal government's promise of 100 percent funding in the first three years and 90 percent thereafter to be fulfilled.

**MAINE** The state panel charged with finding short-term savings and recommending long-term reforms for the state's Medicaid program met for the first time last week to set goals. The MaineCare Redesign Task Force is tasked with finding \$5.25 million in savings this fiscal year and making recommendations to lawmakers on long-term changes to reduce the cost of providing health care to low-income residents. Much of the group's initial focus was on the 5 percent of highest-need MaineCare patients who consume about 50 percent of the program's resources. The bulk of these patients are elderly and disabled.

**MASSACHUSETTS:** The Division of Insurance issued its summary report of 2011 Membership in Health Insurance Plans showing declines in individual and small group members from 2010 to 2011. The report is based on data submitted by the carriers as of December 31, 2011. The report shows that individual membership decreased by 9,551 from 2010 to 2011 while small employer membership decreased by 29,091. Since the merger of the Massachusetts non-group and small group health insurance markets in 2007, the total number of individuals covered under insured plans has increased by 38,337 members while the total small group plan membership decreased by 187,567.

**NEW YORK:** Having been awarded a \$95 million Level 1 Implementation federal grant, the state's exchange implementation team has moved into high gear. Five regional advisory committees that include representation from consumers, small business, health care providers, insurers, brokers and organized labor have been announced. The committees will provide advice in the planning and implementation of the exchange. The first round of advisory committee meetings is anticipated for mid-September. Exchange leadership is expected to convene policy and technical workgroups in the near future on key areas related to plan design, eligibility and enrollment.

**TEXAS:** Some local officials are discussing possibly banding together to expand Medicaid coverage in some of the state's biggest counties, making an end run around Gov. Rick Perry's opposition to the expanded program under the health-care reform law. For years, the state's six most populous counties, as well as some smaller localities, have offered free or low-cost health care for uninsured residents with incomes as much as three times the federal poverty level or about \$57,000 for a family of three. If some of the patients were enrolled in Medicaid, it could help cash-strapped county budgets and local taxpayers. CEOs of the public health systems in San Antonio, Houston, Dallas and Fort Worth have publicly acknowledged that they are engaging in conversations around this topic. The effort would require the consent of both federal Department of Health and Human Services (HHS) and the Texas legislature to waive requirements that states apply the same eligibility standards statewide. HHS officials have declined to comment on such an idea, but there is a precedent for it based on similar approval issued in California.

**VERMONT:** The Green Mountain Care Board continues to move toward implementation of the ACA as it met recently to look at plan design and cost sharing structure recommendations within each of the ACA's metal tiers: bronze, silver, gold and platinum. The Board endorsed one plan design in the platinum and gold tiers; and two plan designs in the silver and bronze tiers. After considering consumer research and stakeholder input, the board indicated it was seeking to find balance with a reasonable range of options. Carriers will be able to offer additional "choice" designs in tiers other than platinum. The Board is seeking to "reduce small group market disruption" and "use insurers' experience in designing plan cost sharing structures, networks and wellness programs." Choice plan designs will be formalized at an upcoming meeting in September.

*Courtesy of Aetna Health Reform Weekly*

