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# Health Reform Bulletin

EMPLOYEE BENEFITS

## Week of October 29, 2012

*The CEOs of more than 80 American corporations, including Aetna, have banded together to pressure Congress to avoid the "fiscal cliff" at the end of the year by striking a deal to reduce the federal debt. Failure to reach a deficit-reduction deal by the end of the year will trigger severe spending cuts and tax increases that many worry could cause an economic slowdown that could pull the country back into recession. The executives released a statement calling for a deal that would both raise taxes and cut spending. To succeed, they said, any deal must limit the growth of health care spending, make Social Security solvent and include "comprehensive and pro-growth tax reform, which broadens the base, lowers rates, raises revenues and reduces the deficit."*

## States

**CALIFORNIA: Governor Jerry Brown recently decided to delay a special legislative session on health care that he planned to call in the weeks following the November election. The special session will likely be held instead in January.** The governor reportedly decided on the delay to align the special session with the normal legislative calendar, due to state fiscal concerns.

**CONNECTICUT: The Connecticut Voices for Children's Fiscal Policy Center has released a report that found much of state spending has shifted away from education and social services to debt service and state employee health insurance over the past 20 years.** According to the report, between 1992 and 2012 retired state employee health care spending increased 239 percent and general fund debt service increased 50 percent. Four months into the 2013 fiscal year, the state comptroller has reported a $60 million deficit and is anticipating a $100 million deficiency in the Medicaid account due to increasing caseloads in the Low Income Adult program. The state has applied to the Centers for Medicare and Medicaid Services (CMS) to cut 13,000 low income adults from the Medicaid program. If the request is denied, approximately $50 million will be added to the deficit.

**TEXAS: The Department of Insurance (TDI) released a bulletin announcing a data call for accident and health insurers, HMOs, and third-part administrators to provide information on mandated health benefits and mandated offers of coverage. The data call covers claims information and average annual premiums attributable to each mandate.** The information must be submitted by December 1. The data collection is widely believed to be aimed at identifying the cost of certain state mandates that exceed the ACA's minimum essential health benefits. The state would face picking up the cost of covering these mandates if included in the state's benchmark plan. TDI has promised to provide a detailed report based on the data collected to the legislature before it goes back into session in January 2013.

**VERMONT: Gov. Peter Shumlin's health care reform team is moving forward with the development of in-person assistance programs to help individuals; families and small businesses better access the Vermont Health Benefit Exchange**. The state wants a support system in place by October 2013 to help guide customers through the new digital marketplace. Plans call for two programs: a long-term, state-funded "navigator program" and a federally funded program to help roughly 80,000 Vermonters expected to use the exchange when it first opens. The state sent insurance brokers and organizations, including the Vermont Chamber of Commerce and the Vermont Campaign for Health Care Security Education Fund, a survey to help inform the administration as it develops the assistance programs. The state intends to issue an RFP in early 2013 to organizations interested in performing these functions.

**WASHINGTON: The Washington Health Benefit Exchange released a new name and logo for the exchange, which will now be known as the Washington Healthplanfinder. The board also met in executive session last week to address key issues, such as whether to require the exchange to contract with an in-state vendor**. Currently the request for proposals allows for a vendor located anywhere in the country, but only seven of the 29 vendors that responded so far have call centers in Washington. The board finally decided to give preference to organizations with call centers in the state. The board directed staff to include a provision in the RFP awarding 5 percent of the points for vendors that have or will have a call center within the state.

*Courtesy of Aetna Health Reform Weekly*