



## Health Reform Bulletin

Week of November 5, 2012

*In the weeks leading up to the national elections, supporters and opponents of the Affordable Care Act (ACA) have contributed new research and analysis to support their respective points of view on health care reform. A Commonwealth Fund [study documents](#) a 10-year slide in health coverage provided by small businesses – 58 percent of small business workers were afforded access to coverage in 2003 vs. 49 percent in 2010. However, the Commonwealth Fund argues that the ACA's tax credits for small businesses and subsidies for low-income workers will help offset the trend. In contrast, Forbes reviewed available research to show how the ACA will impact consumers in eight key swing states – such as [Minnesota](#), Ohio, and Wisconsin. The articles conclude that the ACA will drive up individual health care premiums significantly as of 2014.*

### States

**CALIFORNIA:** The California Health Insurance Exchange received 33 letters of Intent from health insurers who are interested in participating in both the Small Business Health Options Program (SHOP) and individual exchange, including commercial carriers as well as Medicaid managed care plans. Five bidders proposed statewide coverage, and there were no fewer than six bidders for each area of California. Eight carriers bid for the SHOP exchange in the

metropolitan areas, with no less than four carriers in the most rural part of the state. Staff publicly acknowledged that Anthem Blue Cross, Kaiser Foundation Health Plan, Blue Shield of California and Health Net have all submitted non-binding letters. Other carriers requested that they not be disclosed publicly at this time.

**CONNECTICUT:** The Office of Health Reform and Innovation has proposed rules to implement the state's all-payer claims database (APCD). The rules include reporting requirements, data element standards and timelines for the reporting process. A hearing is scheduled for November 19, and public comments will be accepted until November 29. Regulations will likely be finalized and adopted by the end of February 2013. The state received about \$6.6 million in funding for the APCD from Health and Human Services (HHS) as part of the state's Level Two exchange grant. The funding will finance the APCD through 2014. The state expects to begin hiring staff, including an executive director, in December and issue an RFP for a data management vendor in early 2013.

**ILLINOIS:** Voters this week are being asked to amend the state constitution by approving a proposed amendment that would require a supermajority 3/5 vote of the General Assembly or local unit of government to authorize pension



**or retirement benefit increases and a 2/3 vote to override a gubernatorial veto.** Under current law, it takes a simple majority vote in the House and Senate to increase pension and retirement benefits (including medical benefits) for workers and a 3/5 majority to override the governor. This change would impact both state government and local units of government, such as school districts, cities, and counties.

**MICHIGAN: Two bills that would transform Blue Cross Blue Shield of Michigan (BCBSM) into a nonprofit mutual disability insurance company owned by policyholders and regulated by the same rules that govern other insurers under the ACA are moving quickly.** The Senate passed amendments to the original bills on October 17, and hearings will take place in the House November 13-19. The administration wants the House to act before year-end. Proposed by the governor in early September, the bills would end BCBSM's status as the state's "insurer of last resort" and be operated under a separate statute allowing both the attorney general and Insurance Department to oversee their operations. As part of the governor's proposal, BCBSM would be required to make a contribution of \$1.5 billion over a period of 18 years to the health of Michigan's people. The bills are of great concern to consumer groups, the Attorney General's Office and insurers. With BCBSM maintaining 70 percent market-share, Aetna is working to ensure the final law includes a ban on the use of "most-favored nation" clauses in provider contracts to help make the market more competitive.

**NEW HAMPSHIRE: The Department of Insurance brought together health plans last week to discuss issues related to ACA implementation and informed them that the state does not intend to make a declaration to HHS by the November 16 deadline regarding a federal-state exchange partnership.** The DOI also reviewed other areas of the law that require state and federal law to be aligned. The Department intends to submit legislation for the 2013 legislative session to implement ACA market reform provisions related to rating changes, open enrollment and conformance with essential health benefits categories of coverage.

**VERMONT: In a memo issued last week to over 2,100 state employees, Governor Peter Shumlin is encouraging employees to enroll their children in the state's CHIP program and to drop them from their state employee health plan coverage. The state has estimated that if half of the eligible employees took this option, the state would save a minimum of \$5 million.** Vermont is not the only state encouraging state employees to enroll their children in CHIP to garner the higher reimbursement rates. The health insurance exchange model being built will be the only place where individuals and small businesses will be able to acquire health insurance starting in 2014.

*Courtesy of Aetna Health Reform Weekly*

