

Innovation in Health Care

Some examples, 2006-2008

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- The following state examples were selected to encourage discussion;
- They are not intended as model or "best" practices;
- We want to hear your examples and ideas

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States innovate, with diverse or conflicting goals

1. Expand access, assure coverage.
2. Contain costs, make affordable, find financing.
3. Prevent illness, achieve wellness.
4. Achieve quality care.
5. Reduce or expand government's role?

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Colorado:

"Fair, Accountable Insurance Rates Act"

- Insurance companies will now be required to get approval from the Insurance Commissioner for small-group and individual market rate increases. Allows regulation of rate increases based on fiscal and medical justification.
- Insurance companies must disclose what portion of premiums are spent for patient care and include a detailed description of their rating, underwriting and renewal practices.
- House Bill 1389 passed the House and the Senate in May '08 and is awaiting the Governor's signature.

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Connecticut:

State Health insurance pool opened

- Provides an opportunity for small businesses, municipalities and nonprofits to pool together to obtain the same insurance plan offered to state employees, a 200,000 worker pool.
- 5/30/08: House Bill 5536 awaiting Gov. Rell's decision



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Delaware:

Public Employee Wellness



- Mission: to bring about awareness, knowledge, and ultimately changes in personal health risk behaviors and overall well-being of employees, in order that the lives of state employees.
 - Health Risk Assessment – comprehensive health and lifestyle survey
 - Financial Incentive - \$100 for active employees who take the HRA AND participate in a Biometric Health Screening.
 - Disease Management + Smoking Cessation
 - Weight Watchers® Reimbursement
- Launched April 2007

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Florida: (S 2534, signed May 2008)
Law allows low-cost health policies

- Cover Florida Health Access Program
- Allows the sale of limited benefit or "stripped-down" insurance policies. Lower caps or maximums on coverage.
- "...developing an affordable health care product that emphasizes coverage for basic and preventive health care services; provides inpatient hospital, urgent, and emergency care services; and is offered statewide by approved health insurers."
- Allows businesses to leverage their buying power together to provide cheaper insurance for employees.
- "It doesn't cost the taxpayers a dime"
 –Governor Charles Crist

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Indiana:
Healthy Indiana Plan



- First to Expand Medicaid Coverage via Health Accounts (HSA-style)
- A 50% small business wellness program tax credit aimed at 103,000 businesses employing 815,000 workers.
- Allows companies to use pre-tax dollars to pay for employee health insurance coverage. Part of the program also includes both a federal and state income tax deduction for employees. Also features HSAs.
- Expected to help 132,000 Hoosiers earning up to 200 percent of the poverty level.
- **Funding:** cigarette tax increase per pack to fund various health related expenses. The law will increase cigarette tax collections by an estimated \$187.2 M in FY 2008 and \$206.5 M in FY 2009.

Signed into law by Gov. Daniels May 10, 2007

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Iowa:
Extend coverage to 50,000 children



- Provides an additional \$25 million over the next three years to increase SCHIP eligibility from 200 percent of the federal poverty guidelines to 300 percent of the federal poverty guidelines. The law establishes cost sharing requirements for families with incomes between 200 and 300 percent of the federal poverty guidelines.
- HF 2539 signed May 2008. The expansion is expected to be effective as of July 1, 2009.

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Massachusetts:
"Health Reform II: Bending the Cost Curve"

- "A comprehensive strategy to contain the growth in health care costs & improve access to quality care."
- Enhance transparency of health care costs & quality.
- Require adoption of Health IT.
- Strengthen "Determination of Need" by eliminating duplication.
- Medical Home demonstration.
- Prohibits paying for "never event" medical errors.
- Senate 2660 passed Senate 4/7/08

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Minnesota:
Law Requiring E-Prescribing by 2011

- Pharmacists, physicians and others who prescribe or dispense medication in the state will be required to use electronic systems instead of paper by 2011.
- Also will create a set of provider quality measures and publish comparative price and quality information for incentive payments.
- Projected to save 10% to 15% from state employee benefits and public health plan spending by 2015.
- Signed May 2008

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Minnesota:
Protecting the Privacy of Medical Debt

- Appears to be the first in the nation to seek to protect individuals from discrimination or denial of care due to their financial credit, particularly in situations created by existing medical bills.
- "A health care provider shall not disclose an individual patient's financial or medical debt information to another entity."
- Senate Bill 3132, passed May 5; vetoed by Governor

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Insure Montana: Make Small Business Insurance Affordable

- Small Business Health Care Affordability Act
 - 1) For small businesses with 2-9 employees that are currently providing health insurance, they are eligible for refundable tax credits.
 - 2) For businesses previously unable to afford health insurance for their employees, provides health insurance coverage through a small business purchasing pool.
 - Pool insurance is subsidized on a sliding scale basis.
 - Over 1,550 small businesses are enrolled as of August 2007; there is now a waiting list due to funding constraints.
 - Funding: by a new tobacco tax.
- Other states working on this goal with different plans: NY, WV, TN, NM, OK (June '07 law) , AR, AZ.
Visit <http://www.ncsl.org/programs/health/business.htm>

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New Hampshire: Restricting "datamining" of Rx records

- If pharmaceutical companies analyze how individual doctors prescribe particular products, brand and generics, they can re-educate them or persuade them to shift to their products.
- NH's recent law would prohibit the sale or use of doctor's prescribing records for some commercial use.
- Chapter 328, signed in June 2006.
- On May 1, 2007 a federal district court decision overturned New Hampshire's datamining law (*IMS Health Incorporated, et al. v Kelly Ayotte, NH Attorney General - Opinion No. 2007 DNH 061 P*).
- Ruled a violation of the federal Commerce Clause.

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New Mexico: Protection for pre-existing conditions

- New law makes it more difficult for health insurance companies to rescind or cancel coverage for people who develop serious medical conditions.
- Senate 226, signed March 4, 2008
<http://legis.state.nm.us/Sessions/08%20Regular/final/SB0226.pdf>

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North Dakota: State Employee Tobacco Cessation

The North Dakota Public Employees Retirement System recently received a grant to help state employees and their dependents age 18 and older quit smoking or chewing tobacco.



It will pay 100 percent of out-of-pocket expenses for office visits and prescription and over-the-counter medication up to \$500, for a total benefit of \$700. Run by BC/BS.

<https://www.bcbsnd.com/ehealth/ndpersquit>

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Ohio: Covering kids with serious conditions

Created a "unique health insurance buy-in program, targeting children from middle-class families with serious health conditions that make private coverage unaffordable or unavailable." Ohio's Program for Medically Handicapped Children links families to comprehensive care and services. Because income levels are above Medicaid or SCHIP, Ohio will use state-only funds. <http://ifs.ohio.gov/OHP/cbi/>



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Pennsylvania: Cover All Kids program

- Expands eligibility for the SCHIP program. Increases family income from 200% FPL, up to 300% FPL (\$63,600 for family of 4).
- Premiums based on a sliding income scale, ranging from \$36 to \$57 per child per month.
- Families with incomes 300% may buy in if coverage has been denied due to a preexisting condition, private insurance premiums are 150 percent higher than the state's monthly premium, or the cost of insurance exceeds 10 percent of annual family income.
- [SB 1192](#) was enacted in 2006

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Puerto Rico: Health Smart Card Program



- "Tarjeta Inteligente De Salud"
- Two million microprocessor cards for the Puerto Rico Department of Health's Health Smart Card program. The project covers the entire Commonwealth of Puerto Rico and is the largest deployment of health care smart cards in North America to date; implemented in 2006.
- Used to certify eligibles for the Medicaid Program.
- A government-run program which provides medical and healthcare services to indigent and impoverished citizens of Puerto Rico by means of contracting private health insurance companies.
- http://www.gemalto.com/public_sector/healthcare/puerto_rico.html

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South Carolina Schools combat smoking

- Under the 2006 Youth Access to Tobacco Prevention Act, anyone 17 or younger in South Carolina is prohibited from possessing or attempting to buy cigarettes or tobacco.
- In response to the law, some school districts have written their own policies declaring campuses 100 percent tobacco-free and offering cessation programs for employees who smoke and students who are caught smoking.
- Minors convicted of violating the law have been ordered to attend such state-approved programs. 300 South Carolina public school students have received court orders to enter tobacco cessation programs.

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Cover Tennessee

- A market based public/private partnership plan for small employers and uninsured workers with incomes below 250 percent of FPL. (\$25.5k /yr for 1; \$51.6k for family of 4)
- Facilitates use of HSAs.
- Cover Tennessee is guaranteed access to basic, major medical coverage for \$150 a month with the cost shared equally by the individual, employer, and state government.
- Funding: Tennessee tripled its tax on cigarettes to produce \$239 million in new revenue for FY 2008.
- Cover Tennessee is not an entitlement — "it is voluntary health insurance coverage, affordable to participants and to the state."

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Utah Primary Care Network: Expansion with limited benefits

- Medicaid expansion for adults- up to 150% FPL.
- PCN covers basic primary care and dental services only.
- Sliding scale enrollment fee.
- Maximum out of pocket at \$1,000.
- Specialty care and hospital care "donated."
- "Utah's Premium Partnership" combines employer, employee, state, and Medicaid.
- \$150 per adult and \$100 per child/month to purchase employer-sponsored insurance if the premium is more than 5% of annual income.

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Vermont: Healthy Vermonters

- Makes chronic care management more accessible.
- Uses a system of early and coordinated screening for conditions such as diabetes and asthma.
- An emphasis on patient self-management and waiving co-pays for patients who seek appropriate care.
- Changes the provider reimbursement system to encourage excellence in chronic disease management.
- "Catamount Health" -- Access to coverage for everyone who is uninsured for 12 months; be offered by the private sector and subsidized with public funds through a sliding scale for anyone under 300% FPL.
- Signed as Acts 190 & 191 of 2006

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Washington: Health Insurance Partnership

- Instead of trying to change their entire health coverage system, Washington adopted a stand-alone health insurance "Partnership" or connector
 - designed to have the state coordinate private insurance offerings.
 - Allows employees to get \$ from multiple employers.
 - Uses "cafeteria" pre-tax dollars to pay for insurance.
 - Individual employees can own their policy; maintain coverage when switching jobs.
- H 1569 passed in 2007, effective 2008.

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Consumer-Driven Telemedicine

- Addresses geographic gaps and disparities, reduces cost and allows specialists to speak with patients quickly, as needed.
 - Telemedicine services are "a powerful and timely solution to the fractured U.S. healthcare structure."
 - Cross-coverage model: physicians 'cover' for one another via the telephone on a round-the-clock basis.
- Source: *Center for Health Transformation, 2008*



Sources and Resources

- Dick Cauchi, Program Director, Health National Conference of State Legislatures-Denver
303 856-1367 dick.cauchi@ncsl.org
- Insurance - www.ncsl.org/programs/health/healthmc.htm
- Access/Health Reforms - <http://www.ncsl.org/programs/health/h-primary.htm>
- Health Topics - <http://www.ncsl.org/programs/health/healthissues.htm>

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