

# Healthcare Coverage Reform Initiative

## Advisory Committee Meeting Minutes

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Thursday, February 14, 2008

9:00 a.m. to 3:30 p.m.

Lazarus Government Center, Room C621 A&B, 6th Floor

Ohio Department of Job & Family Services (ODJFS)

50 W. Town Street, Columbus, OH 43215

### Attendees:

Brent Mulgrew, Shawn Frick, Jerry Friedman, Ken Statz, Cynthia Burnell, Carol Roe, Teresa Long, Steve Millard, Roger Geiger, Jim Castle, Kelly McGivern, Nancy Enright, Kathleen Gmeiner, Vuka Stricevic, George Dunigan, Margie Frazier, Col Owens, Ron Bridges, Ted Fisher, John Burant, Bill Hayes, Katherine Kuck, Cristal Thomas, Rob Edmund, Marianne Steger, Steve Wall, Dave Dillon, Dave Dorsky, Chris Whistler, Linda Woggon, Michelle Fitzgibbon, Charlie Solley, Jon Fishpaw, John McGough, Jessica M. Hart, Ryan Biles, Kathleen Crampton, Toya Johnson, Missy Cradock, Shirley Smith, Ivy Chen, Keith Shoemaker, Doug Anderson, Bob Krasen, Malika Bartlett, Alan Furan, Sarah Curtin, Kevin Tyler, Anne Jewel, Marjorie Ellis, and Suparna Bhaskaran.

1. Introductions and welcome by Doug Anderson. Doug highlighted the day's agenda. He informed the committee that most of the schedule will be Dave Dillon's second presentation of the actuarial study. Doug said that the goal is for the SCI Team is to have a report into the Governor's Office within the next three months. He stressed that the next two Advisory Meetings will be about gathering recommendations for the SCI Team and for the Committee to develop a degree of consensus. Doug also announced the dates of upcoming Advisory Committee Meetings – 6 March and 25 March.
2. Marjorie Ellis from ODI introduced the CHAT Program (Choosing Health Plans All Together) again. CHAT is a computer-based program where groups design a basic benefit package that will be a health plan that covers uninsured populations with one-third less funds than typical employer-based coverage. Doug asked the Advisory Committee to go through the CHAT program on March 12 and 13. A sign-up sheet was provided.
3. Doug Anderson then discussed the main themes that emerged during the Brown Bag Sessions. At the brown bag sessions people gave feedback about Dave Dillon's data and also discussed their questions. The handout of the Brown Bag session themes is available on the website. Comments: Q: Can we get further information to the group regarding Asheville, NC? DA: Yes, we will provide that. Q: Will someone do a presentation on how other states are funding their

healthcare initiative? I can also suggest someone. DA: We have a laundry list on the website. I agree that we need to have a framework to work with. Q: Can we bring in Pari Sabety or someone from OBM to talk about the public side of funding? Or someone from the administration? Q: Can we get a compilation of our suggestions? Can we re-invite people to send them in? DA: We did that pre-Dave Dillon report. But when I invited everyone I mainly got a laundry list of states and few other suggestions. I can do this again. Q: Can Dave Dillon help us in this effort? DD: We can use Ken for this. Q: We need to hear from the State. What are our possibilities? I want to support Pari's visit. It is very difficult to be creative when you are in a box. Q: For example, let's look at Raussen's insurance premium tax as a source for his reinsurance program. Q: We need to think of this as a public-private venture. It involves state government. The state government box is not the only box and the budget shortfall is not a state secret. Q: We should also think of the ways we can garner revenues from reforming the delivery system, fragmented insurance system. Q: We need to look at it holistically. The work of McKinsey identifies 18 opportunities for savings. Q: We were instructed by Doug to build the box. Figure it out—regardless of what was going on with the budget. We must remember the charge of our task force. We may conclude by March 25 but we can't do the task or move forward. But I basically would defer to Doug. DA: The goal is the same. The group needs to make recommendations. We can make side recommendations to the primary focus of coverage for the uninsured. They may help in the long run. Q: I think Brent is correct. We should help the Governor solve this issue. We should also think long term, holistically. Q: We have short objectives and long term planning. Just to reframe this discussion. Q: Next month we either create a Frankenstein monster or a Venus de Milo. We don't create a new system but a system for 500,000.

4. Dave Dillon presented on "Summary of Healthcare Reform Scenarios," "Sample of rating changes by Individual and SG," and "Insured and Uninsured Demographics." Dave mentioned that since his last presentation, he has had a chance to talk to people involved in the MA Connector and that he has incorporated their comments. Q: Have you blended any scenarios? DD: Not yet. We're certainly considering it. Q: Why is reinsurance scenario so meager? DD: It's great on the front end— but it doesn't protect claims trends. No subsidies either. Cover TN did end up doing a three share program—where state, employer and employee picked up a third each. Q: Employee pays a third of the premium or all healthcare costs? DD: Premium, yes. Q: Scenario number nine assumes the population of employed workers? DD: Yes. Q: When will we see health improvement? DD: It's a very long process. This is very short term. Best case scenario: maybe in 3-5 years there will be some impact. Even with coverage people in MA still going to ER. ER visits haven't gone down. Q: Is portability built in here? DD: Yes, but this does not have employer contribution. All three presentations are available on the website.
5. Lunch Break: noon to 1 pm

6. Dave Dillon resumed his presentation. He now presented on the “Additional Healthcare Reform Issues.” Q: Why is the 20-28 age group more expensive than children? DD: Children have less inpatient use. Both young males and females are expensive—including female maternity costs. Q: How many company’s data have you taken a look at? DD: About 20-25 really active carriers. Q: Any Medicaid HMOs? DD: No. About six carriers account for 80% of Ohio’s business. Q: Are there any non-profits included? DD: Yes, some. And, they have similar minimum loss ratios. Q: So investment income is not taken into account? DD: No. Q: then it is post tax profit percentages, right? DD: Yes. Q: You really need to look at a five year history. DD: This report in essence is a snapshot and is very similar to 2005 and 2004 data. And, some things you all need to think about are: plan design; modified rate band by deductible level; smoker rates; BMI rating like TN; reinsurance for hospital reinsurance. The Department of Insurance had also done a study of high risk pools—and that might be useful to look at again. DA: Are there other comments or things that Dave should consider? Q: Can we discuss fuller benefit packets? Sliding scale deductibles? Q: What will the minimum subsidy be if applied to scenario #8? Q: Can we look at the Ashville, NC program? Q: I would like to hear more from Marianne Steger about what she mentioned about Franklin county. We might be able to find savings there. DA: We will keep talking to Dave so that he is aware of and incorporating your feedback. Q: What will Ken Thorpe give us? DA: Mainly the economic impact on Ohio’s economy in regards to new healthcare spending. His perspective is less insurance and more economic. He will also provide us an understanding of elements to consider for sustainability. Dave’s presentation is available on the website.
7. Doug talked about the general plan and objective of the upcoming Feb. 27 SCI Team Retreat. He mentioned that the next Advisory Committee Meeting will be on March 6 and March 25.
8. Meeting adjourned at 4:30 pm