

**Reform Scenarios to Model
(draft dated November 19, 2007)**

A Connector Approach						
Eligibility for the Connector	Market reforms	Benefit packages	Provider reimbursement	Subsidies	Mandates	Other possible elements
<p>Individuals Ohio residents uninsured for at least 6 months with no other available coverage</p> <p>Employers Employers with between 2 and 50 employees that have not offered coverage for at least 6 months and who will pay at least 50% of the cost of employee coverage.</p>	<p>Underwriting and rating options</p> <ol style="list-style-type: none"> 1. Merge individual and small group markets, with guaranteed issue and individuals being treated as groups of one under current small group rating rules. 2. An intermediate approach, with guaranteed issue and a maximum rating variance. 3. Guaranteed issue and modified community rating with a maximum rating variance of 2 to 1. <p>Other reforms Portability inside the connector</p>	<p>Benefit package options</p> <ol style="list-style-type: none"> 1. A benefit package about 20% leaner than plans offered in the market currently, with a focus on preventative, primary care and care management, with some cost sharing components 2. A richer plan with less cost sharing components. <p>Plans would include all state mandated benefits.</p> <p>Wellness benefits would be included.</p>	<p>Reimbursement rate options</p> <ol style="list-style-type: none"> 1. Medicare plus 25% 2. Commercial market rates <p>Managed care options</p> <ol style="list-style-type: none"> 1. PPO type rules 2. Tighter managed care 	<p>Subsidy options</p> <ol style="list-style-type: none"> 1. Full subsidy for people below 100% FPL 2. Sliding scale subsidy for people between 100% and 300% FPL 3. No subsidy for people above 300% FPL 	<p>Individual mandate</p> <ol style="list-style-type: none"> 1. Individual mandate as to a basic plan with Massachusetts assumptions as to affordability. 2. No individual mandate 	<p>Strategies to prevent crowd-out/adverse selection</p> <p>Waiting periods and pre-existing condition exclusions as permitted under current law.</p>

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Reinsurance Program for Small Businesses and Individuals – Healthy NY						
Eligibility	Market reforms	Benefit packages	Provider reimbursement	Subsidies	Mandates	Other possible elements
<p>Individuals Individuals with incomes less than 250% of FPL who have been uninsured for 6 months or lost coverage due to a qualifying event.</p> <p>Employers Employers with between 2 and 50 employees, with low income workers, that have not offered coverage for at least 6 months and who will pay at least 50% of the cost of employee coverage.</p>	<p>Market rules would stay the same. With an individual mandate, coverage would become guaranteed issue.</p>	<ol style="list-style-type: none"> 1. A benefit package about 20% leaner than plans offered in the market currently, with a focus on preventative, primary care and care management, with some cost sharing components 2. A richer plan with less cost sharing components. <p>Plans would include all state mandated benefits.</p>	<p>Current market reimbursement rates would stay the same.</p>	<p>Reinsurance A state-funded, stop loss reinsurance that reimburses carriers for 90% of claims paid between \$10,000 and \$75,000 per participant per calendar year. The insurance carrier remains responsible for 100% of claims below and above this corridor, and for 10% of the claims within the corridor.</p> <p>Subsidy options</p> <ol style="list-style-type: none"> 1. Full subsidy for people below 100% FPL 2. Sliding scale subsidy for people between 100% and 300% FPL 3. No subsidy for people above 300% FPL 	<p>Individual mandate</p> <ol style="list-style-type: none"> 1. Individual mandate as to a basic plan with Massachusetts assumptions as to affordability. 2. No individual mandate. 	<p>Strategies to prevent crowd-out/adverse selection Waiting periods and pre-existing condition exclusions as permitted under current law.</p>

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Other Possible Reform Elements

Expand Medicaid to 150% FPL

Utilize the State employee benefit system to expand coverage

High risk pool

Prohibit group size as a rating characteristic

Raise dependent age to 30 in group policies

Establish minimum loss ratios

Extend state-COBRA benefits to all people leaving employment

Tighten rules related to group participation requirements

Section 125 plans for employers

Require students to have health coverage