

Health Care System and Health Care Security Board Summary of Meeting on October 28, 2002

The Health Care System and Health Care Security Board met on Monday, October 28th in Room 427, State House. Rep. Volenik chaired the meeting. The summary from the September 25th meeting was approved.

Scheduling

The Board had a brief discussion about scheduling, namely a suggestion to move the date of the next meeting from November 22nd to November 25th to accommodate a scheduling conflict. The chair directed staff to poll members on their availability on both dates and whether members preferred one date over the other. While Mathematica was available on both dates, a change in their travel plans would result in some financial penalties on airline tickets. In addition, a meeting with the HRSA Planning Grant Task Force (with Mathematica) is planned for November 21st to coordinate with the Board's meeting on the 22nd. After checking availability and weighing all of the factors, the chairs decided to keep the meeting on November 22nd. Members that aren't available on the 22nd will be able to participate by conference call and the meeting will be recorded on audiotape as well.

Update on Funding/Budget

As of October 23, 2002, a balance of \$171.40 remains from the \$10,660.00 received from the Legislature. Expenditures from these funds include \$5,000 for grant writing assistance; \$627 for travel costs (Lewin presentation) and \$4359.50 for travel expenses and per diem for legislative members. The remaining expenditures have been for office supplies, postage and telephone charges.

To date, the Board has received \$100,972.00 in revenue (\$66,667.00 has been received from the Maine Health Access Foundation; this is the first payment of 3 installments for the \$200,000 grant; and \$34,305.00 was received in private donations.) An expenditure of \$24,657.00 has been made in payment to the Maine Health Information Center for data collection and analysis services. The current balance is \$76,315.00. An additional \$ 133,333.00 in revenue is expected from the Maine Health Access Foundation.

Request for Extension to Legislative Council

Because the updated work plan from Mathematica calls for a final report on December 11th, the chairs have requested an extension of the Board's reporting deadline. In their letter to the Legislative Council, the chairs have asked for an extension from December 1st to December 31st to allow the Board an opportunity to review and comment on the feasibility study before submitting its report. Several Board members expressed concern about the compressed timetable even with the extension. It was felt that the Board should make sure it has adequate time to consider the Mathematica feasibility study and gather public comment before making a final report to the Legislature. Several options were discussed for getting additional time to complete a report, including introduction of a bill to the next Legislature to extend the Board's life. While no final decision on the Board's approach was made, the Board did decide to amend its request to the Legislative Council and ask for an extension until January 15, 2003. Board staff sent an amended request to the Legislative Council for action at its October 30th meeting. *On October 30th, the Legislative Council voted to approve the extension request. The Board's reporting deadline is now January 15, 2003.*

Presentation on Health Security Board Activities

On October 25th, Board staff made a presentation to the Maine Health Access Foundation's Board of Trustees. The MeHAF Board asked for an update on our activities and the status of the feasibility study (funded by the Foundation's grant.) Several questions were asked about the Board's decisions on the alternative benefit designs to be modeled in the study. MeHAF Board members were also particularly interested in the Board's plans for public dissemination and comment on the Mathematica feasibility study. Board staff advised that there would be an opportunity for public comment on the feasibility study and the Board's recommendations for a single-payer health care plan, but that the process for public input has not yet been finalized.

Progress Report from Mathematica

By conference call, Deborah Chollet and Glen Mays of Mathematica gave the Board a progress report on the feasibility study. Work is ongoing on all of the 4 modules that are part of the model: population module; cost module; revenue/financing module; and economic impact module. Mathematica has almost completed the data collection needed for all of the modules. For the population module, they are using 2002 Census data, but are also using a special process to increase the sample size and update the data since Maine has a small sample size in the Census. One minor difficulty has arisen with regard to interpreting the Maine-specific claims data; Dr. Chollet expected that the issue would be worked out satisfactorily after a conversation with Anthem Blue Cross and Blue Shield.

Dr. Chollet explained the rationale for the changes suggested to the Board (and approved by the chairs) on the prescription drug benefit outlined in the alternative benefit designs. Based on information from Mathematica's actuaries at Watson Wyatt, it was suggested that a separate out-of-pocket maximum was needed for the prescription drug benefit in order to realize any effect on utilization and cost from the tiered copayment structure. A \$200 out-of-pocket maximum for individual coverage on each benefit design was suggested; the out-of-pocket maximums for other coverage would remain at \$500 and \$1000 respectively for individual coverage (family limit is 2 times individual limit.) A question was raised about the out-of-pocket maximum for family coverage. Dr. Chollet promised to get that answer for the Board. *In answer to the question, the out-of-pocket maximum for family coverage for prescription drug benefits has been set at 2.5 times the individual limit or \$500 for family coverage.*

Preliminary results of the feasibility study are expected on November 15th. At this time, Mathematica cannot offer any hints or suggestion about the results of the study. Once the construction of the model is completed, the data will be input and the model run to get the first results. Mathematica will work with the Board on the 22nd to identify parameters and assumptions that need additional testing and sensitivity analyses. The number of sensitivity analyses will be limited so the Board will have to prioritize somewhat. Adjustments to the model based on these analyses are anticipated before the final report and results are submitted on December 11th.

Discussion and Development of Report and Recommendations

The Board reviewed the duties required in its enabling legislation and began a discussion of the issues that need to be addressed in its report to the Legislature. While the Mathematica feasibility will satisfy the Board's primary mandate and inform the Board about benefit design and financing of a single-payer plan, it will not address issues related to the governance and administration of a single-payer system. The Board briefly discussed the various approaches and models that could be used to govern the system, including the Canadian model, new State Government department, independent executive agency (former Maine Health

Care Finance Commission) and public instrumentality. Board staff will prepare a chart outlining the various governance models. The Board also discussed other functions and operations of the single-payer system, including claims processing, quality oversight, health planning and others. Staff will also prepare an outline of the functions needed for a single-payer health care system.

Next Meeting

The next meeting of the Board will be held on Friday, November 22nd from 9:30 am until 3:00 pm in Room 427 State House, Augusta. The primary purpose for the meeting is the presentation by Mathematica of its preliminary results and draft report. The Board will also continue its discussion of options for the governance and administration of a single-payer health care system and other issues related to its report to the Legislature. The meeting will be “web-cast” so that members of the public can listen to the audio of the meeting in real time. The meeting will also be recorded to accommodate Board members who cannot be present on the 22nd.

The Board also plans to meet on Monday, December 2nd from 9:30 am until 3:00 pm in Room 427 State House, Augusta.