Joint Select Committee on Health Care Reform Opportunities and Implementation

Tuesday October 19, 2010
10:00 am to 3:30 pm
Room 208, Cross State Office Building
Augusta, Maine

Draft Agenda

1. Welcome and introduction from chairs and members	(10:00 am - 10:15 am)
2. Update from the Steering Committee *Trish Riley, Governor's Office of Health Policy and Finance*	(10:15 am – 10:30 am)
3. State Options for Waiver Under Affordable Care Act: Alternatives to an Exchange *Dr. William Hsaio, Harvard School of Public Health*	(10:30 am - 11:30 am)
4. Overview of the CLASS Act *Committee staff*	(11:30 am - 12:00 pm)
LUNCH BREAK	(12:00 pm - 1:00 pm)
5. State Models for Exchange Governance and Oversight *Committee staff*	(1:00 pm - 1:30 pm)
6. Discussion and Development of Principles for Health Reform *Committee members*	(1:30 pm - 2:30 pm)
7. Public Comment	(2:30 pm – 3:00 pm)
8. Planning for Next Meeting/ Wrap Up	(3:00 pm - 3:30pm)

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Community Living Assistance Services and Supports (CLASS) Act Summary

Summary. The Patient Protection and Affordable Care Act (aka ACA) established the Community Living Assistance Services and Supports (CLASS) program, a national, voluntary, self-funded long-term care insurance program.

Statutory Cite. While having its origins in freestanding federal legislation, the CLASS Act was included in the Patient Protection and Affordable Care Act (ACA) as Title VIII, Sections 8001 and 8002, adding a new Title XXXII to the Public Health Services Act.

Eligibility/Enrollment

- Working adults 18 or older - including the self employed - may enroll in the CLASS program.
- Individuals will be automatically enrolled if their employer chooses to enroll or may enroll independently – if their employer chooses to enroll, individuals can still choose to opt out. Enrollment process to be determined by the Secretary.
- To receive benefits, enrollees must be actively employed, have paid premiums for 5 years, and have been employed for three of those five years.
- Benefit trigger – Enrollees determined by a licensed health care practitioner to have functional limitations that are expected to last 90 days will be eligible to receive benefits.
    - Individual unable to perform a minimum number of activities of daily living (ADLs) – Secretary to determine but minimum expected to be two or three ADLs.
    - Individual requires supervision to be protected from threats to health and safety due to substantial cognitive impairment.

Benefits

- Amount of cash benefit to be based on degree of impairment, averaging no less than $50 per day - increased annually for inflation.
- Benefits to be paid daily or weekly into a debit account for each beneficiary to be used for non-medical services and supports (e.g., homemaker services, home health aides, personal assistant services, respite care, etc.) to maintain independence at home or in another residential setting in the community.

Premiums

- Premiums to be determined by Secretary to ensure actuarially sound program (75 year duration standard).
- Premiums paid through monthly payroll deductions – or direct contributions if employer not participating, self employed or multiple employers.
- Estimates of average monthly premium vary: CBO estimate of $123 per month and CMS estimate of $240 per month.

- Monthly premiums for full time students and individuals with incomes at or below the FPL will be set at $5 per month (adjusted for inflation).

Effective Dates

- January 1, 2011 - program effective (nominally).
- January 1, 2012 –Secretary must establish Eligibility Assessment System and implement Protection and Advocacy System for each state.
- October 1, 2012 - Secretary must promulgate final rules creating benefit, premium amounts, benefit trigger and benefit payment structure.
- 2016 to 2017 – first benefits paid reflecting 5 year wait period

Medicaid Impact

- CLASS program beneficiaries also enrolled in Medicaid.
- Medicaid secondary payer to CLASS program – "savings" to Medicaid expected – use of the "savings" would be restricted.
- CLASS benefit payment structure modified for Medicaid recipients.

Governance and Oversight of an Exchange: Other State Examples

	Massachusetts	**Utah**	**California**
Entity	Independent Public Entity	Executive Branch Office	Independent Public Entity
Purpose	Implement the Commonwealth Health Insurance Connection to facilitate the availability, choice and adoption of private health insurance plans to eligible individuals and groups	Create Health Insurance Exchange capable of providing access to private and government health insurance websites; to provide consumer comparison of and enrollment in health benefit plans posted by an insurance for individuals, small employers and defined contribution arrangement market	Facilitate the purchase of health insurance through the exchange by determining eligibility, selecting and certifying qualified health plans and arranging for coverage for individuals and small businesses
Oversight	Board of Directors	Office of Consumer Health Services within the Governor's Office of Economic Development	Board of Directors
Number of Members	10 members 4 ex officio members, Secretary of Administration and Finance (chair); Medicaid Director, Commissioner or Insurance and Ex. Director of Group Insurance Commission 3 appointed by Governor 3 appointed by AG	Not applicable	5 members 1 ex officio, Secretary of California Health and Human Services (or designee) 2 members appointed by the Governor 1 member appointed by the Senate Committee on Rules 1 member appointed by the Speaker of the Assembly

Governance and Oversight of an Exchange: Other State Examples

	Massachusetts	Utah	California
Expertise	1 member of the American Academy of Actuaries 1 health economist 1 member representing small business interests 1 employee health benefits plan specialist 1 member representing consumer health organization 1 representative of organized labor	Not applicable	Board members required to have expertise in at least 2 of following areas: individual health coverage; small employer health coverage; health benefits plan administration; health care finance; administering a public or private health care delivery system; or purchasing health plan coverage.
Conflict of Interest	No appointee may be an employee of any licensed carrier authorized to do business in MA	Not applicable	Board members may not be a board member, employee of, consultant to or affiliated with any carrier, insurer, agent or broker, health care provider or health care facility or belong to any trade association of such entities while serving on the board of the exchange
Liability Protection	Yes	Not applicable	Yes
Compensation	No, actual expenses reimbursed	Not applicable	No, actual expenses reimbursed

Governance and Oversight of an Exchange: Examples of Maine Entities

	Dirigo Health Agency	**Maine Health Data Organization**	**Maine Turnpike Authority**	**Public Utilities Commission**	**Finance Authority of Maine**	**Maine Life and Health Guaranty Association**
Entity	Independent State Agency	Independent State Agency	Corporate and body politic; public instrumentality	Independent State Commission	Corporate and body politic, public instrumentality	Nonprofit legal entity
Purpose	Arrange for the provision of health care coverage to eligible small employers, self-employed and individuals and to monitor and improve the quality of health care	Create and maintain health information database	Operate and maintain the Maine Turnpike	Provide regulatory system for public utilities		Protect against insolvency of insurers to guaranty payment of benefits
Governance	Board of Directors	Board of Directors	Members	Commissioners	Members	Board of Directors
Number of Members	13 members 9 voting members appointed by Governor, confirmed by Senate (some nominees suggested by Legislature) 4 ex officio members (GOHPF, DAFS, Treasure,	20 voting members 1 nonvoting member—Commissioner of DFPR 18 members appointed by Governor 1 member appointed by DHHS	7 members Commissioner of Transportation, ex officio 6 members appointed by Governor, confirmed by Senate	3 appointed by Governor, confirmed by Senate	15 voting members 12 appointed by Governor, confirmed by Senate 3 ex officio members: Treasurer, Commissioner	5-9 member insurers, subject to approval of Insurance Superintendent

	Dirigo Health Agency	**Maine Health Data Organization**	**Maine Turnpike Authority**	**Public Utilities Commission**	**Finance Authority of Maine**	**Maine Life and Health Guaranty Association**
	DPFR)	Commissioner, must be employee Executive Director of Dirigo Health or designee			of DECD, 1 natural resources commissioner designated by Governor	
Expertise	6 members must have expertise in one or more: health care purchasing, health insurance, MaineCare, health policy and law, state management and budgeting, health care financing, labor or consumer advocacy and marketing 3 members must have experience in one or more: securities, banking, accounting and insurance	4 members must represent consumers 3 members must represent employers 2 members must represent 3rd-party payors 9 members must represent providers, 2 hospitals, 2 physicians, 1 chiropractor, 1 federally-qualified health center, 1 pharmacist, 1 mental health provider and 1 home health care	1 member must represent York County, 1 member Cumberland County, 1 member Androscoggin County and 1 member Kennebec County	Not specified in law	1 CPA 1 attorney 1 commercial banker 2 veterans 2 with knowledge in natural resource enterprises or financing 1 with knowledge in student financial assistance 1 with knowledge of higher education	Life and health insurer authorized to do business in Maine
Conflict of Interest Provisions	May not be representative or employee of carrier, health care provider	Not specified in law	Not specified in law	May not have any official or professional connection with	May not serve as same time as director or officer of any	Not applicable

	Dirigo Health Agency	Maine Health Data Organization	Maine Turnpike Authority	Public Utilities Commission	Finance Authority of Maine	Maine Life and Health Guaranty Association
	or regulated health organization			public utility, hold stock or securities or represent or be a member of a firm that represents public utility	student loan authority or any entity that has contract to provide significant level of administrative services to authority	
Liability Protection	Yes	Not specified in law	Not specified in law	Yes	Yes	Yes
Compensation	$100 per diem and expenses	Expenses	Legislative per diem	Salary set by law; equivalent to judicial salaries	Legislative per diem	Expenses

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Draft Based on Joint Select Committee Discussion –October 1, 2010 Meeting

Goals of Exchange. The Joint Select Committee identified the following goals for an exchange.

- Transparency
- Accountability to Public
- Portability
- One-stop shopping for access to health coverage
- Affordability
- Seamless transition for individuals –coordination of eligibility
- Larger pool=lower costs

Elements of Exchange. The Joint Select Committee identified the following elements as important to the design of an exchange.

- Maine should operate its own exchange initially, but should explore opportunities for regional exchange with other New England states
- Maine should operate one exchange that serves needs of individuals, families and small employers
- The exchange should be governed by independent state agency or quasi-state entity
- Maine's exchange should be robust—active participant
- Health plans operating in and out of the exchange should be subject to same insurance rules---level playing field
- The exchange has a role in standardizing plans to make it easier for consumers to select coverage
- Health plans in the exchange must be affordable
- Exchange must be more than just a website---local access and consumer outreach important
- Navigator program must be developed with a role for insurance producers, especially for small businesses (special attention to avoid conflict of interest/compensation of producers)