

Health Care System and Health Care Security Board Summary of Meeting on September 13, 2002

The Health Care System and Health Care Security Board met on Friday, September 13th in Room 427, State House; members also participated by conference call from Portland and Blue Hill. Mathematica participated by conference call from Washington, D.C. In the unexpected absence of both chairs, Board staff facilitated the meeting.

Cost Containment Options for Maine's Single-payer Health Plan

The purpose of the meeting was to decide on cost containment options to be included in the alternative benefit designs modeled by Mathematica. Mathematica provided an outline of these options for the Board's review; the options identified and discussed were cost-sharing requirements; utilization management strategies and provider payment mechanisms.

Cost-sharing requirements/ Alternative Benefit Design

Mathematica prepared a decision matrix related to an alternative benefit design that was distributed to Board members at the meeting. This chart/matrix was a follow up to the memo on cost containment options. They thought the added specifics might be helpful for the Board in choosing an alternative benefit design. They based the matrix on existing plans and ordered them from high generosity to low generosity. They proposed that the Board choose up to 4 of these designs (or some combination of them) and decide on the most generous and least generous designs that the Board would be willing to consider for a single-payer plan.

The Board members were not able to make final decisions on the cost-sharing options (deductibles and copayments) for the alternative benefit designs outlined in the matrix. The Board felt additional time was needed to review the document. While the Board did appear to reach consensus that any alternative plan design should include parity for mental health and substance abuse benefits, there was a difference of opinion as to the level of cost sharing for the plan. The Board members discussed the need for the model to include some ability to model cost sharing limits on copayments, deductibles and coinsurance and vary those amounts based on income level. They felt the need to discuss this issue further in a future meeting.

Utilization management strategies

As to this issue, the Board was able to give Mathematica enough guidance to move forward. The Board discussed utilization management strategies and concluded that all of the strategies outlined by Mathematica should be contemplated in the model. The Board also had an extensive discussion of their belief that "prior authorization" policies be applied narrowly, possibly for emerging technologies, with the understanding that it not become a barrier to care. The Board also asked to add disease management as a strategy to the bulleted list. On the issue of primary care case management, the Board discussed the varying ways this strategy can be applied and decided to leave a more detailed discussion until later.

Provider reimbursement strategies

Similarly, the Board wanted to include the provider payment strategies outlined by Mathematica with some caveats. The Board envisions a global budget being used to pay providers using fee schedules currently in place for hospitals and practitioners. With incentive-based payments, the Board was not in favor of carve outs for mental health or substance abuse services.

Break Even Scenario

Dr. Wexler brought up the overall point that the Board might want to consider developing an alternative proposal under the model that "breaks even" financially as to overall costs to the system. He would add that as a 4th scenario, if you will, so that the Board would get from Mathematica: 1) status quo scenario: 2) scenario based on Medicaid benefit design as required by the law: 3) a scenario that guarantees 5% savings if #2 doesn't provide that; and 4) "break even" scenario. The Board may want to discuss this further with Mathematica as to whether this is possible and the process for deciding on cost containment strategies to achieve a "break even" point.

Next Meeting

The Board scheduled a meeting for Tuesday, September 24th at 9:30 am in Augusta (*rescheduled to Wednesday, September 25th at 9:30 am*) to finish the discussion as to the alternative benefit design and advise Mathematica of the 2 (or up to 4) plan designs to include in the model. Mathematica will provide a follow up memo outlining the specific guidance they need from the Board at that meeting. Deborah Chollet and Glen Mays of Mathematica will be available on that date