Health Care Financing Task Force

JOINT MEETING: Seamless Coverage & Barriers to Access Workgroups

Friday, October 2, 2015; 8:30 a.m. – 11:00 a.m.

Minnesota State Office Building, Room 200 S

Minutes

| **Item** | **Presenter** | **Discussion /Resolution** |
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| **Introductions/Joint Session Overview** | Lynn Blewett, PhD, Marilyn Pietso, MD | * The Seamless Coverage and Barriers to Access Workgroup co-leads opened the joint meeting. The Seamless Coverage and Barriers to Access Workgroups will convene select meetings jointly to advance recommendations on promoting a seamless coverage continuum and reducing financial barriers across the coverage continuum. |
| **Options/Considerations for Seamless Coverage and Reduced Financial Barriers in Minnesota** | Manatt | * *See Manatt presentation.* * Patricia Boozang of Manatt presented on the potential financial cliffs across Medical Assistance, MinnesotaCare and QHP coverage through MNsure. She noted that Minnesota has been an early mover in providing affordable comprehensive coverage with MinnesotaCare enhancing affordability for consumers between 139-200% FPL. She presented three options for improving coverage affordability – (1) Increase subsidies to consumers with incomes 139-200% FPL; (2) Expand subsidies to consumers with incomes 200-275% FPL; (3) Do both: Increase subsidies for 139-200% FPL and expand to 275% FPL – through implementation models – (1) current model; (2) consolidation of MinnesotaCare and Medical Assistance; and (3) consolidation of MinnesotaCare in the Marketplace.   + In assessing options and developing preliminary recommendations, the workgroups discussed several priorities, including the impact on health disparities, state resources, individual and employer sponsored coverage market, and providers. Workgroup members also raised the importance of actuarial modeling of options, particularly in light of Congressional Budget Office involvement in 1332 waivers, to inform Task Force decision-making. * Ms. Boozang also reviewed alternative Medicaid models for covering consumers under 138% FPL, noting key differences between Minnesota and states that pursued these models (e.g., extremely low income eligibility levels for parents and childless adults, fee-for-service environment).   + Workgroup members requested additional details on the Indiana POWER account in the State’s premium assistance model, and of other similar HSA approaches. * Finally, Ms. Boozang presented an additional option for smoothing financial cliff through rationalizing the definition of access to affordability coverage (or “fixing the family glitch”). |
| **Discuss Options and Preliminary Recommendations** |  | * The workgroups’ discussion centered on three preliminary recommendations:   + *Explore options for reducing the cliff.* The workgroups agreed on a preliminary recommendation related to reducing the financial cliff in premiums and out of pocket costs at 200% FPL. The members discussed several options for addressing this cliff including: (1) increasing current subsidies and expanding availability of subsidies up to 275% FPL, potentially using 1115 and 1332 waiver vehicles. Workgroup members also expressed interest in exploring opportunities to establish health or medical savings accounts or other healthy behavior/consumer empowerment mechanisms. Workgroup members raised considerations for long-term sustainability and potential trade-offs.   + *Investigate consolidating MinnesotaCare with Medicaid with Medical Assistance.*The workgroups agreed that the option of consolidating MinnesotaCare into the Medical Assistance program merits further investigation by the Seamlessness Workgroup.   + *Investigate consolidating MinnesotaCare into the Marketplace.* The workgroups agreed that the option of consolidating MinnesotaCare into the Marketplace merits further investigation by the Seamlessness Workgroup. Workgroup members noted that the Marketplace model in Minnesota could remain the current state-based model or transition to a future state or federally -based model. Members raised concerns about MNsure’s technical challenges and the manual nature of many processes and flagged for consideration the impact of pending legislation to allow consumers to obtain subsidies outside of MNsure. It was noted that the future of the Marketplace will be addressed in forthcoming Seamless Workgroup and Task Force meetings. * It was noted that federal financing should be considered independent from the options for reducing the cliff and consolidation. The workgroups expressed particular interest in exploring the availability of federal Medicaid funding and maximization of federal funding overall to support subsidies aimed at improving affordability and smoothing financial cliffs. The workgroup requested further exploration of the Massachusetts model in its funding structure and approach. * The workgroups identified as foundational analysis, a comparison of consumer spending at various income levels, on coverage under the ACA, MinnesotaCare, Medical Assistance, and the state employee health plan. The workgroups agreed that development of a Minnesota-specific affordability scale to guide to policy, program, and financing decisions with regard to Minnesota’s coverage continuum should be undertaken by the Barriers to Access Workgroup. * The workgroups also expressed interest in exploring the development of standard plan designs (low or no deductible options, in particular) to allow for improved affordability, transparency, and financial literacy, as well as administrative streamlining. * Finally, the workgroups identified for consideration at a future meeting:   + Examples of other states’ initiatives to address disparities   + 12-months continuous Medicaid eligibility |