Health Care Financing Task Force

Joint Session Seamless Coverage & Barriers to Access Workgroup

Friday, October 2, 2015; 10:00 a.m. – 11:00 a.m.

Minnesota State Office Building, Room 200

Minutes

| **Item** | **Presenter** | **Discussion /Resolution**  |
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| **Preliminary Joint Recommendations on Affordability / Financial Barriers** | Manatt | * *See Manatt Presentation*
* Patricia Boozang of Manatt presented on preliminary recommendations on Affordability and Financial Barriers.
* *Reducing Financial Cliff at 200% FPL:* Ms. Boozang reviewed three options that emerged from the previous workgroup meeting for reducing the financial cliff for individuals at 200% FPL: (1) establishing HSA like accounts, (2) expanding eligibility for enhanced subsidies to 275% FPL, and (3) redistributing federal subsidies for consumers with income from 200 – 300% FPL. Ms. Boozang noted that HSAs can be used to incentivize healthy behaviors. It was noted that the Seamlessness workgroup will take up programmatic and financing vehicles.
	+ The workgroup had an in-depth discussion regarding how to incentivize consumers through HSAs. Multiple examples of other programs in Minnesota were raised, including a state and privately funded savings program that enables families to purchase a house, start a business, etc. after participating in an education program. The workgroup agreed that incentives for healthy behaviors should be traceable, measurable, and obtainable. Members were interested in further analysis of how other states have incentivized healthy behaviors through the use of HSA like accounts.
	+ The workgroup also discussed the importance of financial literacy and exit counseling for enrollees leaving the MinnesotaCare on the financial impact of their choices among different QHP products.
* *Rationalize Affordability Definition*: Ms. Boozang provided an overview of the“family glitch” – a family does not have access to affordable coverage because the affordability standard is based on the individual and not on the family coverage – and the preliminary recommendation to fix the definition through a 1332 waiver.
	+ The workgroup discussed the impact of fixing the family glitch on Minnesota’s employer market as families with unaffordable coverage who are currently paying out-of-pocket will move into the individual market.
	+ The workgroup discussed an alternative to fixing the family glitch through providing premium assistance for employer sponsored insurance, if allowable under a 1332 waiver. This would keep families together on the same employer plan and not cause the working member of the family to be on one plan and the rest of the family in individual coverage. The state could also consider using a premium aggregator to allow individuals to purchase all coverage through the individual market.
	+ The workgroup raised the point that the family glitch impacts all states and discussed whether CMS could approve this waiver, or other similar proposals impacting all states, as a “fast-track.”
* *Address High Deductible Health Plans:* Ms. Boozang provided an overview of options to address high deductible products including: require carriers to offer low or no deductible options and exempt certain services from deductibles including primary care and generic prescription drugs. The Barriers Workgroup will further consider the options presented.
	+ A workgroup member recommended that the Barriers Workgroup consider the consumer impact associated with the number of plan options available. Since the state requires all products to have guaranteed renewability making it difficult to remove products, any new products offered as part of the solution for addressing high deductible plans will increase the quantity of available products.
* The Commissioner reminded the workgroup of the importance of considering the technical feasibility of implementing recommendations provided, in all implementation models. Workgroup members also affirmed the importance of considering administrative feasibility, state fiscal impact in all recommendations.
* The workgroup also affirmed the importance of considering the impact on the individuals and families seeking coverage and not only the cost to the individual and/or the state.
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| **Preliminary Recommendations for Further Consideration by the Barriers Workgroup**  | Manatt | * *Develop Minnesota Affordability Scale:* Ms. Boozang provided an overview of the various affordability scales available. She noted the state’s public programs and employee benefit plan require less total contribution from the consumer than the levels mandated under the ACA. The Barriers Workgroup will further review the affordability scale and develop a recommendation for Minnesota’s scale.
	+ A workgroup member raised that smoothing cliffs should not necessarily result in a decrease of the percent of income contribution across programs. Alternatively, the member suggested considering increasing cost-sharing for programs that may be overly generous.
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| **Preliminary Recommendations for Further Consideration by Seamlessness Workgroup** | Manatt | * *Align Insurance Affordability Programs:* Ms. Boozang provided an overview of the options available for Minnesota to align insurance affordability programs including; (1) consolidate MinnesotaCare with the Private Marketplace, (2) consolidate public programs, and (3) explore opportunities to use federal dollars. The Delivery Workgroup will take up issues regarding financing and utilizing savings from value based purchasing in subsequent meetings.
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**Health Care Financing Task Force**

**Vision:** Sustainable, quality health care for all Minnesotans

**Guiding Principles:**

***Realistic:*** The task force will make recommendations that can realistically be implemented.

***High Value Impact:*** The task force will seek recommendations that have high value and are meaningful to Minnesota’s health care reform efforts.

***Holistic Perspective:*** The task force understands that health care finance and our recommendations do not exist in a vacuum, and are components of the health care and population health systems

***Focus:*** The task force recognizes that health care financing and system reform is extremely complex and it will contribute to the broader policy debates by focusing its time and attention on the issues it is charged with addressing.

***Innovation:*** The task force is encouraged to identify opportunities for innovation in Minnesota’s health care financing and delivery systems which show promise for lowering costs, improving population health and improving the patient experience.