Efforts to Increase Access to Health Insurance: An Overview of State Activities

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State Coverage Initiatives (SCI)

- An Initiative of The Robert Wood Johnson Foundation
- Direct technical assistance to states
  - State specific help, research on state policy makers' questions
  - Convening state officials
  - Web site: http://statecoverage.net
  - Publications
- Grant funding

Drivers of state health reform efforts

- Increasing uninsured
  - Declines in employer sponsored insurance
  - Increase in public coverage offsets what would be larger increase in uninsured
- Health insurance is increasingly unaffordable to working families
- Some states beginning to emerge from fiscal crisis
- Lack of national consensus

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Common reactions to other state reforms

- New idea, still in a honeymoon period
  - Sense of possibility/Don't want to be left behind
- Maybe this works for that State, but we are different
- New ideas tested (maybe parts of a larger strategy) spark other ideas and creative approaches
- Fear of over-reaching – sustainability of initiatives?
- Importance of on-going coalition of support

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Different Strategies to Coverage

1. Comprehensive approaches
2. Covering children
3. Making new insurance options more affordable to low-income working uninsured

Massachusetts Health Care reform

- Individual mandate for those that can afford
- Employer (>10) Fair Share Assessment - $295/FTE
- Employer (>10) Free Rider Surcharge
- Commonwealth Health Insurance Connector
- Market reforms – merging small group market and individual market
- Commonwealth Care Health Insurance
  - Sliding scale subsidies < 300% FPL
  - Medicaid expansion
- Safety Net care Fund

Massachusetts - potential lessons

- Insurance market changes and insurance connector
- Employer Free Rider Surcharge
- Benefit designs
- Individual mandate – key interest, but difficult for most states to address affordability

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Vermont

- Catamount Health – new affordable comprehensive product for uninsured
  - Sliding scale premiums up 300% FPL
  - Funding from $365/FTE employer assessment, cigarette tax and individual premiums (possibly federal matching funds)
- Premium Assistance for uninsured <300% FPL who have access to employer sponsored insurance
- Cost containment that focuses on chronic disease prevention

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Vermont – potential lessons

- Outcome of cost containment efforts that focus on chronic disease prevention
- Catamount Health
  - Enrollment experience?
  - Funding sources

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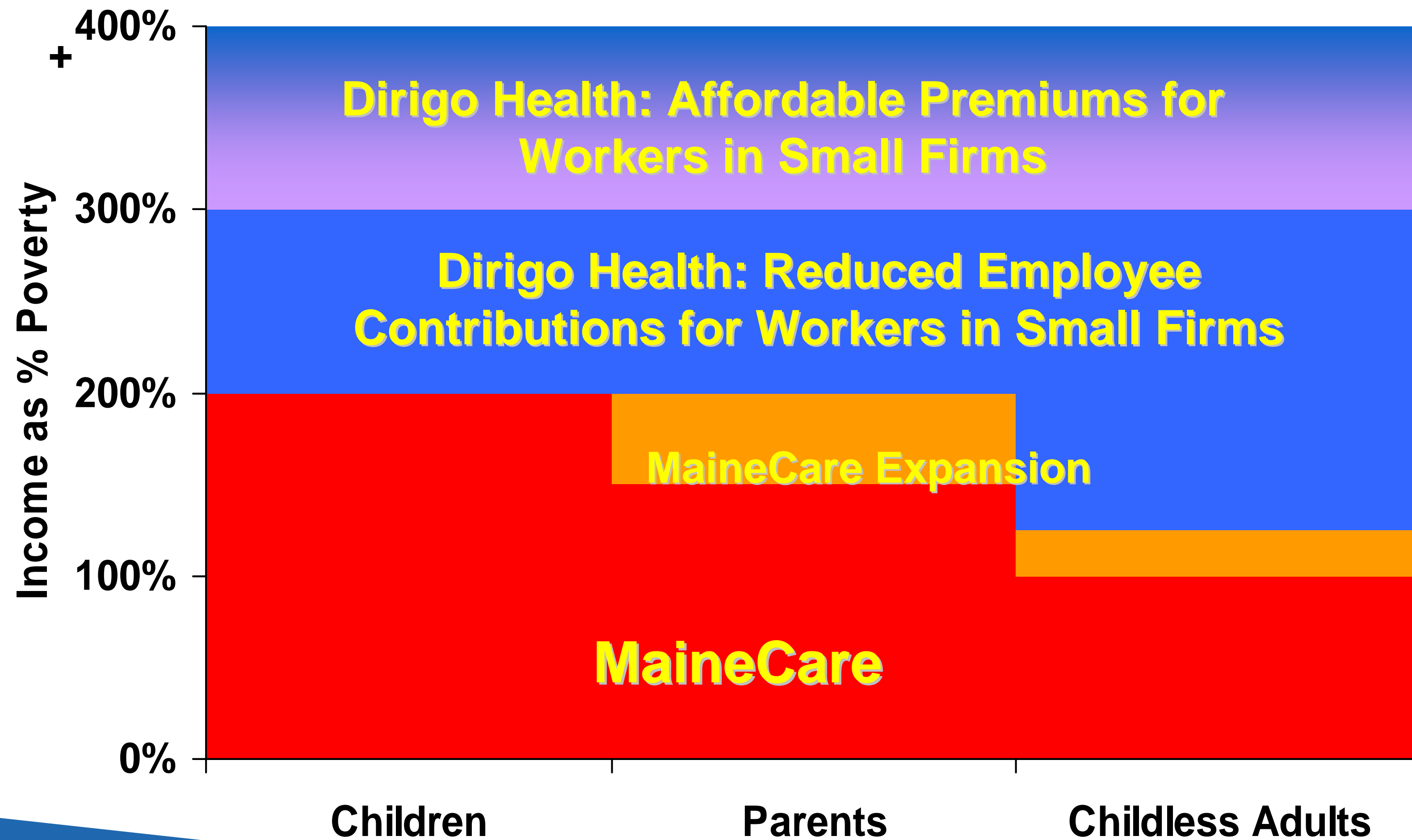
Maine's Dirigo and MaineCare Eligibility



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Maine - potential lessons

- Financing – challenge of using savings to finance expansion
- Challenge of building and maintaining a consensus

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Illinois AllKids

- Recent expansions
  - Coverage for Children expanded from 185% FPL to 200% FPL
  - Phased in coverage for parents from 49% FPL to 133% FPL (waiver allows 185%)
  - KidCare rebate – premium assistance program
- AllKids expansion (July 2006)
  - All uninsured children eligible
  - $45 million estimated cost to be financed through savings from shift to PCCM

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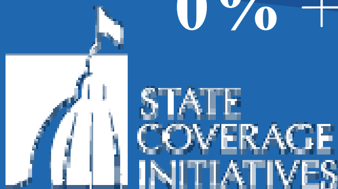
For low-income working uninsured, problem is both “offer” and “take-up”

	Low-Income Workers	High-Income Workers
Covered by Own or Spouse's Employers	37	93
Declined offer from Own or Spouse's Employer	13	4
Not offered through Own or Spouse's Employer	50	3



SOURCE: Kaiser Commission Medicaid and Uninsured, Key Facts, December 2003

Medicaid coverage for low-income workers

- New insurance products for small firms with low-wage workers
- Employers, individual and Medicaid pay premium
  - New Mexico – open to uninsured adults <200% FPL, individuals may pay employer contribution
  - Oklahoma covers workers and spouses <185% FPL who work for small firms; program begins with voucher; safety-net option will be provided for workers with employers unwilling to participate
  - Arkansas recently received waiver to offer limited benefit product to small firms, Medicaid funding will be available for low-wage workers (<200% FPL)

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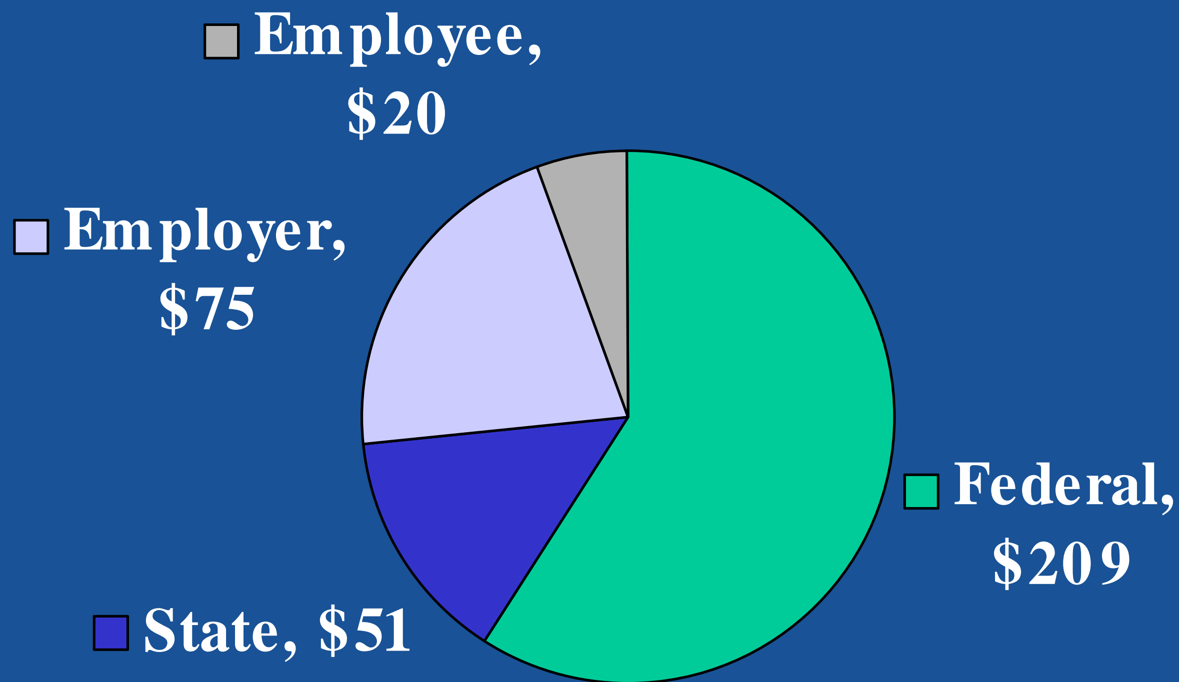
New Mexico's State Coverage Insurance, contributions to premium



$355 estimate per person

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Potential lessons

- Rethinking traditional Medicaid “premium assistance” model
- Using federal Medicaid funds to support non-traditional Medicaid population – low-wage workers

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Healthy New York lowers premiums for small businesses and uninsured workers

- 20% of people account for 80% of health spending
- State subsidizes costs for high cost enrollees with the goal of lowering premiums for all
- State requires all HMOs to offer product
- Small firms w/ low-wage workers, low income self-employed, uninsured workers w/o access to employer sponsored insurance may enroll

Healthy New York reinsurance subsidy

- Results in 17% savings (when stop-loss levels lowered)
- Over 100,000 enrolled (Fall 2005)
  - Most enrollment is non-group

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Healthy New York - potential lessons

- "Product" vs. "Program"
- Perceived efficiency and value of program
- Getting participation requires long-term partnership to build trust that coverage will continue to be there
- Challenge – mostly individuals vs. small groups

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Arizona Health Care Group

- Open to small business and sole proprietors who have been without health insurance for 6 months
- State subsidy ended July 2005, program now funded by premiums
- Managed by AHCCCS, coverage provided by private health plans (mostly Medicaid MCOs)
- Recent enrollment growth may provide lessons for other states
  - Current enrollment over 20,000 up from about 10,000 in 04 (92% enrollment groups <3)
  - Need data to understand what is driving growth and overall program impact

Value of limited benefit plans is matter of debate

- At least 13 states have passed limited benefit legislation, 2 states passed new laws in 2005
- Responds to criticism that too many mandates are increasing costs; however, savings from eliminating mandated benefits not sufficient to increase take-up rates
- Low cost/No cost option for states so it is “easy,” but questionable impact
- Other questions to consider…
  - Impact on crowd-out?
  - Result in adverse selection?
  - Impact on the safety net?

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Medicaid's changing role & impact of Deficit Reduction Act

- Covering different population, sometimes higher income groups
- Increased cost-sharing
- Changing benefit designs
- Consumer Responsibility
- Role in expanding coverage to uninsured

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Percent of Low Income Adults Eligible for Public Insurance Coverage

Percent Eligible

State	Percent Eligible
WA	86%
MN	79%
WI	39%
MA	32%
NY	28%
CA	26%
US	26%
MI	22%
FL	18%
NJ	15%
MS	14%
AL	11%
TX	10%
CO	8%

Excludes SSI Recipients, includes non-citizens

Source: Urban Institute analysis of National Survey of America's Families, 1999

Concluding thoughts

- How do we define success?
  - Right size expectations for what any one state can achieve
  - Role for ambitious goals, but also need a reality check
  - Challenge of incremental reforms is making them seamless
- Progress to be made by states
  - Testing new ideas (politically and practically)
  - Creating momentum for national policy solution?
- Really addressing problem of uninsured likely to need national solution