

Task Force on Health Care Coverage for All of Maine

April 2, 2018

Draft Meeting Summary

Task Force Members Present:

Sen. Rodney Whittemore, Senate Chair; Rep. Heather Sanborn, House Chair; Sen. Brownie Carson; Sen. Geoff Gratwick; Rep. Anne Perry; Joel Allumbaugh; Jeff Austin; Mark Hovey; Dan Kleban; Kevin Lewis; Frank McGinty; Kris Ossenfort; and Trish Riley.

Task Force Members Absent: Sen. Eric Brakey; Rep. Paul Chace; Rep. Robert Foley

Staff: Colleen McCarthy Reid

Welcome and Introductions

The chairs of the task force, Sen. Whittemore and Rep. Sanborn, convened the meeting; members introduced themselves.

Summary of March 2nd Meeting

The task force briefly reviewed the summary of the March 2nd meeting.

Review of Survey

Staff reviewed the updated survey results with the task force. Thirteen of the 16 members have now responded to the survey. A summary of the survey responses is included with the meeting materials at: <http://legislature.maine.gov/doc/2235>

Members recognized that there is some common ground among the members, particularly with regard to reducing the cost of health care services and prescription drugs. The survey responses can be used by the study groups as a framework for discussion.

Study Groups

At the March 2nd meeting, the task force agreed and decided to form 3 study groups organized around the following topics: Controlling Costs; the Structure of the Health Insurance Market; and Public Options. The chairs considered preferences expressed by members and named the following members to each study group:

Structure of the Health Insurance Market Study Group: Rep. Anne Perry, Sen. Eric Brakey, Joel Allumbaugh, Kristine Ossenfort, Frank McGinty

Controlling Costs Study Group: Sen. Brownie Carson, Rep. Paul Chace, Jeff Austin, Trish Riley, Mark Hovey

Public Options Study Group: Sen. Geoff Gratwick, Rep. Bob Foley, Dan Kleban, Kevin Lewis

All of the study groups had the chance to meet by phone or in person before the task force meeting and provided these updates.

Update from the Structure of the Health Insurance Market Study Group

Joel Allumbaugh described the initial discussion of the Structure of the Health Insurance Market Study Group. The study group was able to meet once on March 26th and developed the following draft framework after their initial discussion.

The study group intends to focus on policy solutions that will target those populations within the existing market that are experiencing the most dysfunction and are most sensitive to premium increases. The study group acknowledged that current federal law and uncertainty related to the action/inaction of the federal government are significant barriers to any possible policy solutions. The underlying cost of health care also has an impact on the health insurance market so there will be overlap with the efforts of the Controlling Costs Study Group.

Some of the potential policy options that have been suggested, include:

- ❖ Development of a Section 1332 Waiver to resume operations of the Maine Guaranteed Reinsurance Association (MGARA);
- ❖ Statutory changes to MGARA, such as adding the ability to reinsure small group claims;
- ❖ Amend the definition of small group;
- ❖ Merge the individual and small group market;
- ❖ Segregate the individual market risk pool;
- ❖ Require an individual mandate to have health insurance coverage or consider other measures to incentivize the purchase of health insurance coverage;
- ❖ Consider state-level limits/restrictions on short-term health insurance policies;
- ❖ Consider impact of loss of federal funding to insurers for cost-sharing reductions.

The study group needs more time for brainstorming and to identify the pros and cons of each policy option, the barriers to implementation, the avenues for implementation and the group's position on each option before sharing with larger group.

Update from the Controlling Costs Study Group

Mark Hovey reported on the March 28th discussion of the Controlling Costs Study Group. The study group had a lively discussion and will learn a lot from each other; the group's goal is to develop a concrete outline for both long-term and short-term approaches to controlling costs.

The study group initially identified four areas of interest for further discussion:

1. Reduction of administrative costs in the billing/claim processes
2. Reimbursement/rate reform-- reasonable reimbursement to providers for services
3. Reduction of prescription drug costs/growth rate
4. Incentives to change behavior to avoid medical care cost--prevention

The study group intends to discuss these areas further to develop specific policy proposals. The task force acknowledged that reducing costs is needed, but a healthier population is the "silver bullet" for addressing costs in the long-term.

Update from the Public Options Study Group

Sen. Gratwick described the discussions of the Public Options Study Group; the group had the opportunity to meet twice before this meeting. Based on these initial discussions, the study group needs significant time to develop a concept for a new model of models for providing health care coverage to residents of Maine.

The study group has identified several important principles that must be incorporated into any model moving forward, including:

- ❖ System must be simpler and predictable
- ❖ Funded through contributions from all residents, including those receiving public benefits
- ❖ Coverage for all residents—everybody in
- ❖ Oversight through a centralized government trust or authority
- ❖ Coverage provided through existing carriers---retain competition among carriers on service and consumer engagement in health and wellness
- ❖ Provide agreed-upon “basic health plan” or uniform benefits package with supplemental coverage and benefits available
- ❖ Changes in reimbursement/payment model for health care providers to eliminate/reduce cost-shifting
- ❖ Reinsurance and risk adjustment for carriers
- ❖ Cost containment measures needed to bring down costs, including administrative costs and prescription drug costs
- ❖ Implement system for electronic sharing of individual health care data among carriers and providers---facilitate access to medical records/coverage information through single ID card

The study group acknowledged that any model would need careful actuarial analysis and study. The group also recognizes the difficult politics surrounding the enactment and implementation of such a model. Despite those challenges, the study group believes the system needs large scale and long-term reform.

Next Meeting

The next meeting will be scheduled sometime in May after further discussion by the chairs. Subsequently, the meeting was scheduled for May 23, 2018 at 1:00 pm.

The meeting adjourned at 3:25 pm.