

CT's health care “system” and readiness for reform

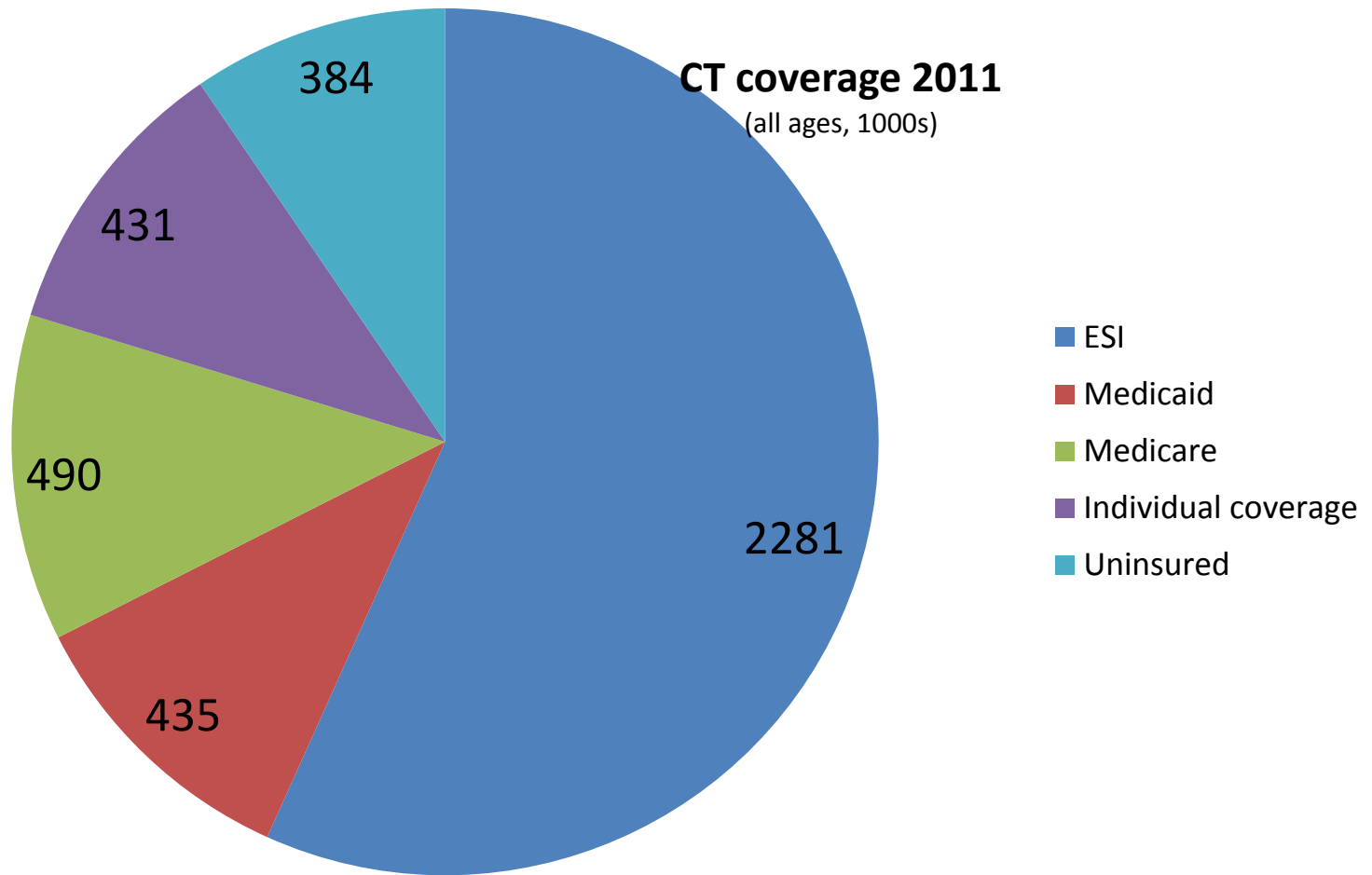
Ellen Andrews, PhD
CT Health Policy Project
October 1, 2012
andrews@cthealthpolicy.org



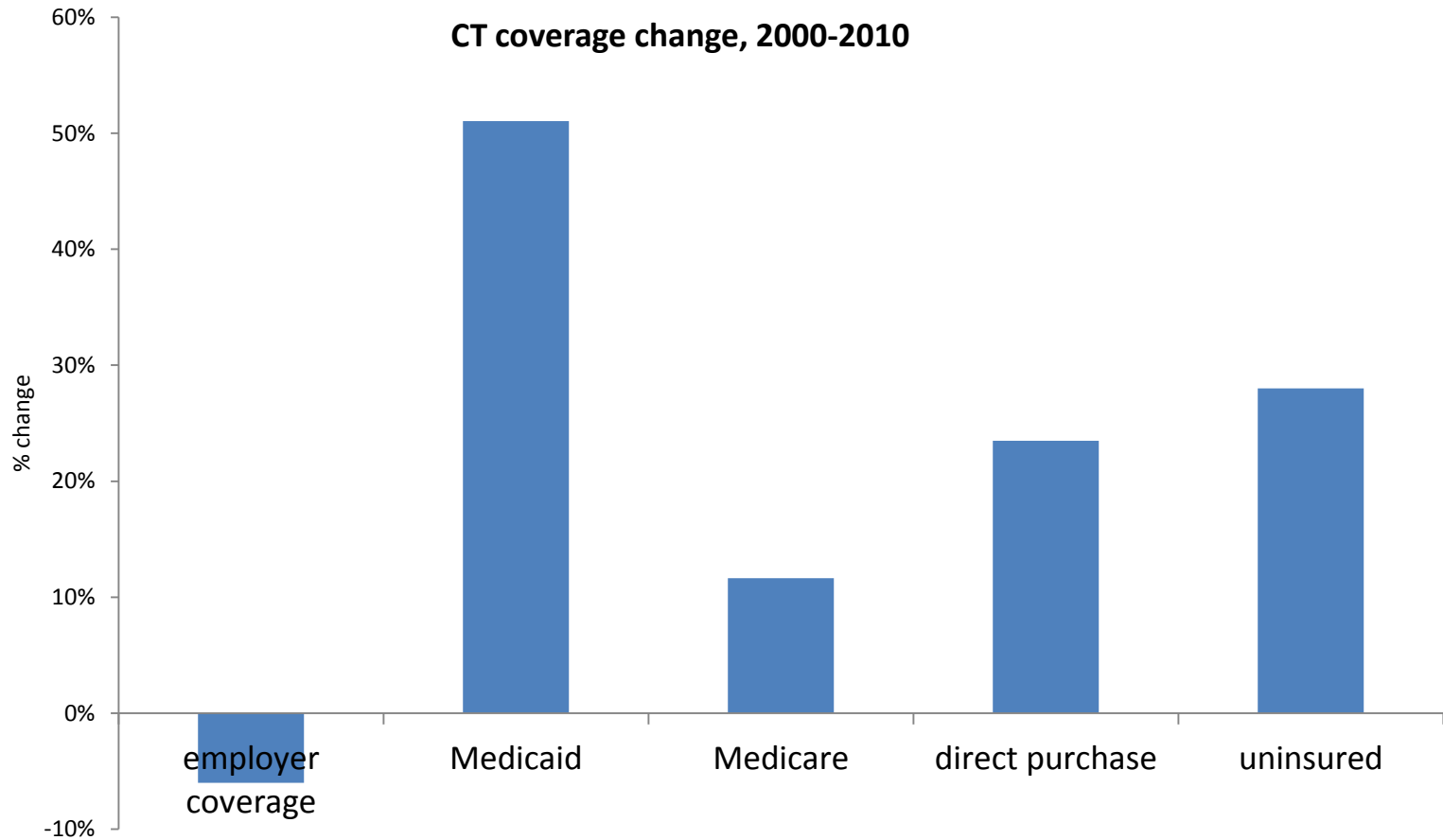
CT landscape

- Insurance Capitol of the World
 - Very very strong lobby
- Small physician practices, fragmented systems
- Expensive health care
- Medicaid backwater, but improving
- Consumer advocates well organized but out-gunned
- Healthy population, but share growing problems with rest of nation
- Poor data collection, HIT and system planning
- We are late innovating, but catching up in some areas
 - State employee plan a bright spot
- Current administration eager to implement reform, very friendly toward insurance industry

what it looks like depends on where you are sitting

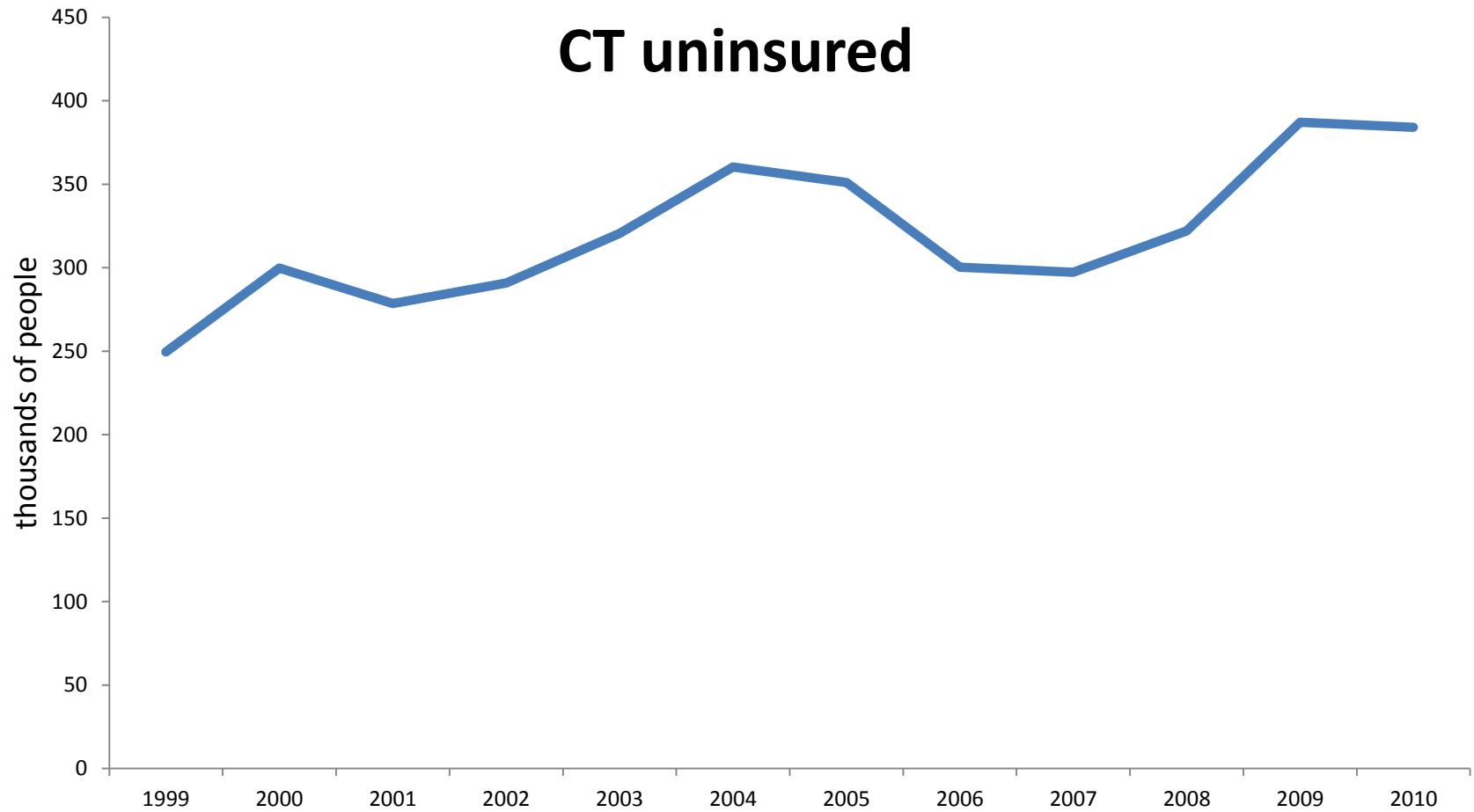


seats are changing



Source: US Census

who is left out?



CT's uninsured larger than

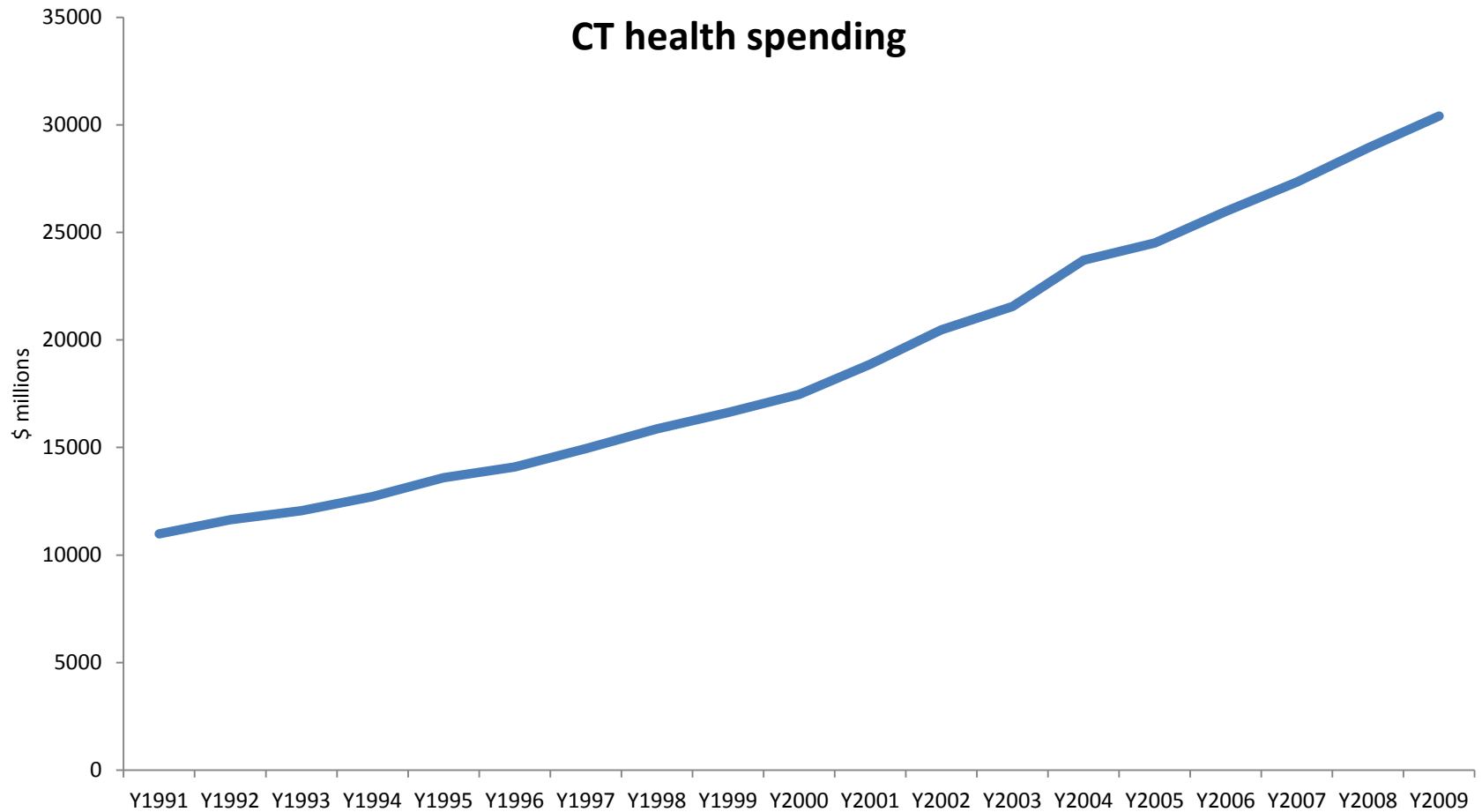
The number of accountants, auditors, computer programmers, architects, economists, chief executives, social workers, clergy, lawyers, judges, librarians, writers and authors, photographers, dentists, doctors, pharmacists, registered nurses, veterinarians, dental hygienists, fire fighters, security guards, crossing guards, chefs and cooks, waiters and waitresses, dishwashers, janitors, tree trimmers and pruners, hairdressers, child care workers, insurance sales agents, travel agents, file clerks, mail carriers, electricians, painters, bakers, butchers, machinists, tool and die makers, commercial pilots, air traffic controllers, bus drivers, parking lot and service station attendants, fitness trainers, health educators, actors, dancers, funeral directors, budget and financial analysts, loan officers, chemists, historians, reporters,

PLUS legislators in CT

who are CT's uninsured

- Most uninsured adults are working
- Most family incomes \$12,000 to \$45,000/year
- Tend to be single, young adults age 19 to 29
- Nine out of ten do not have a college degree
- Hispanics in CT are >3 times more likely to be uninsured
- Most uninsured workers are employed at small firms (<50 workers)
- For 6 in 10, their employer does not offer coverage
- Another 14% are not eligible for health benefits at work
- Half are temporary or part-time workers

Health care costing CT more



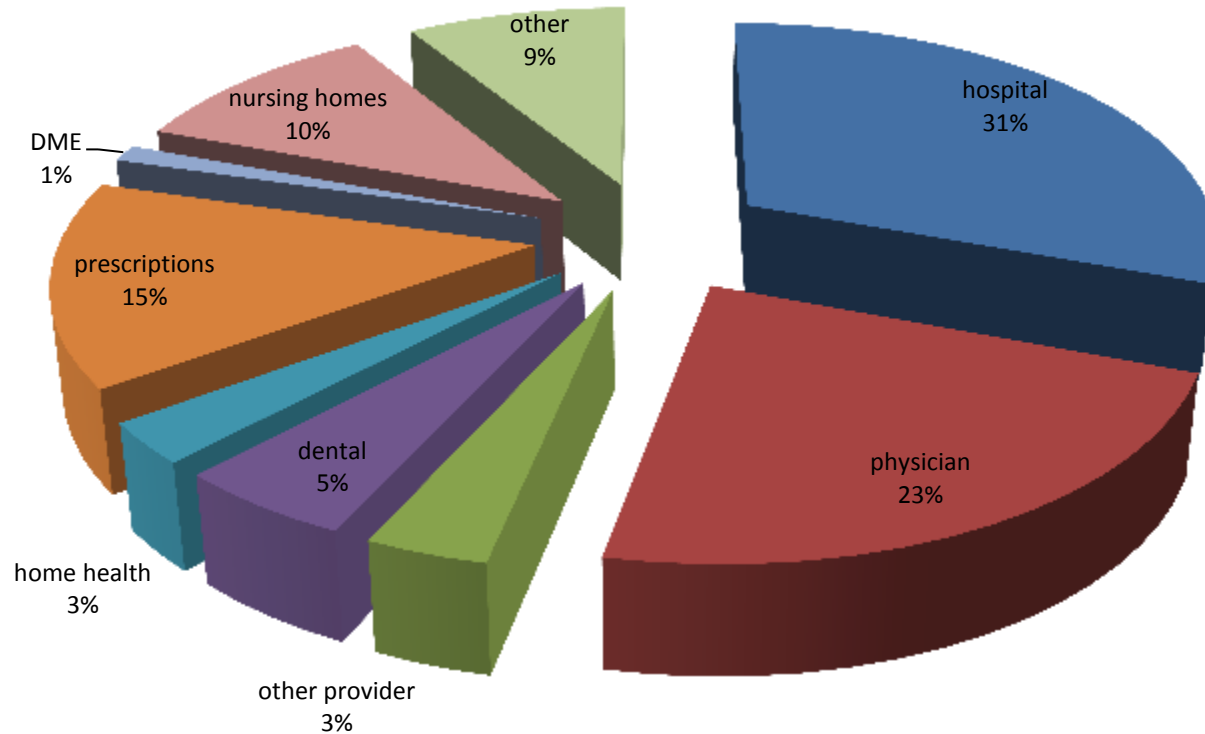
Source: CMS

CT is expensive to start with

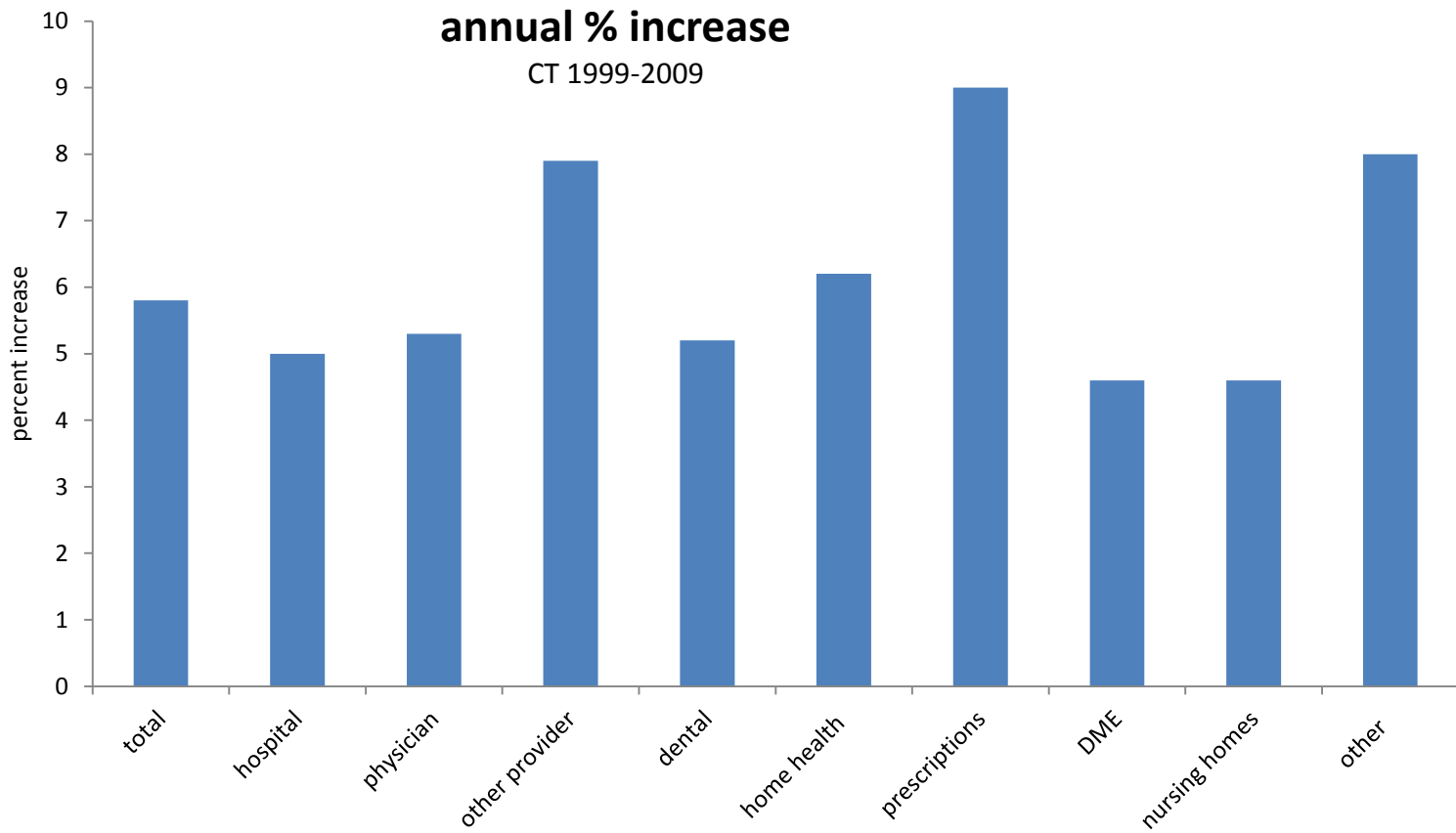
- CT third highest spending state per capita
 - Behind only MA, AK
 - 2009
- Ninth highest in single health insurance premiums
- Fifth highest for family premiums
 - 2011

Where does the money go?

CT health care spending, 2009



Where does the money go?



Health care eating more of our economy

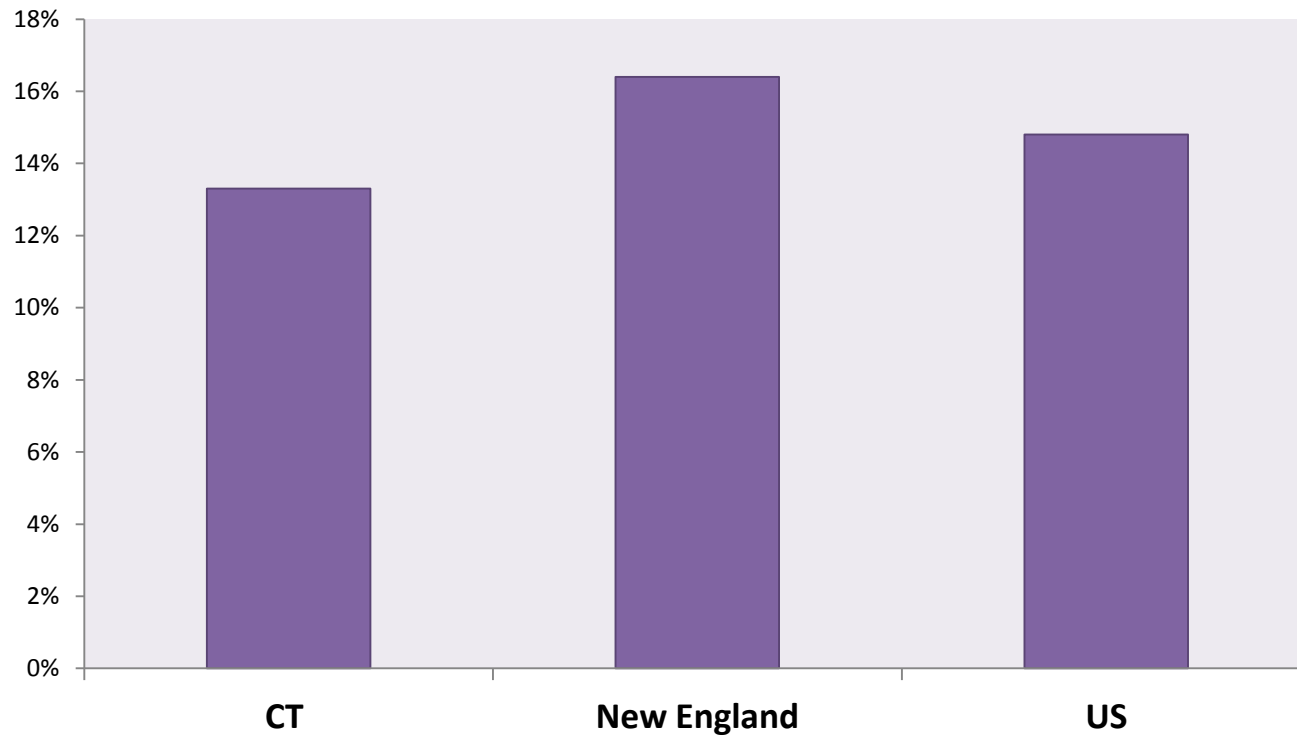
health care as % GDP, CT



Source: National Health Accounts, CMS

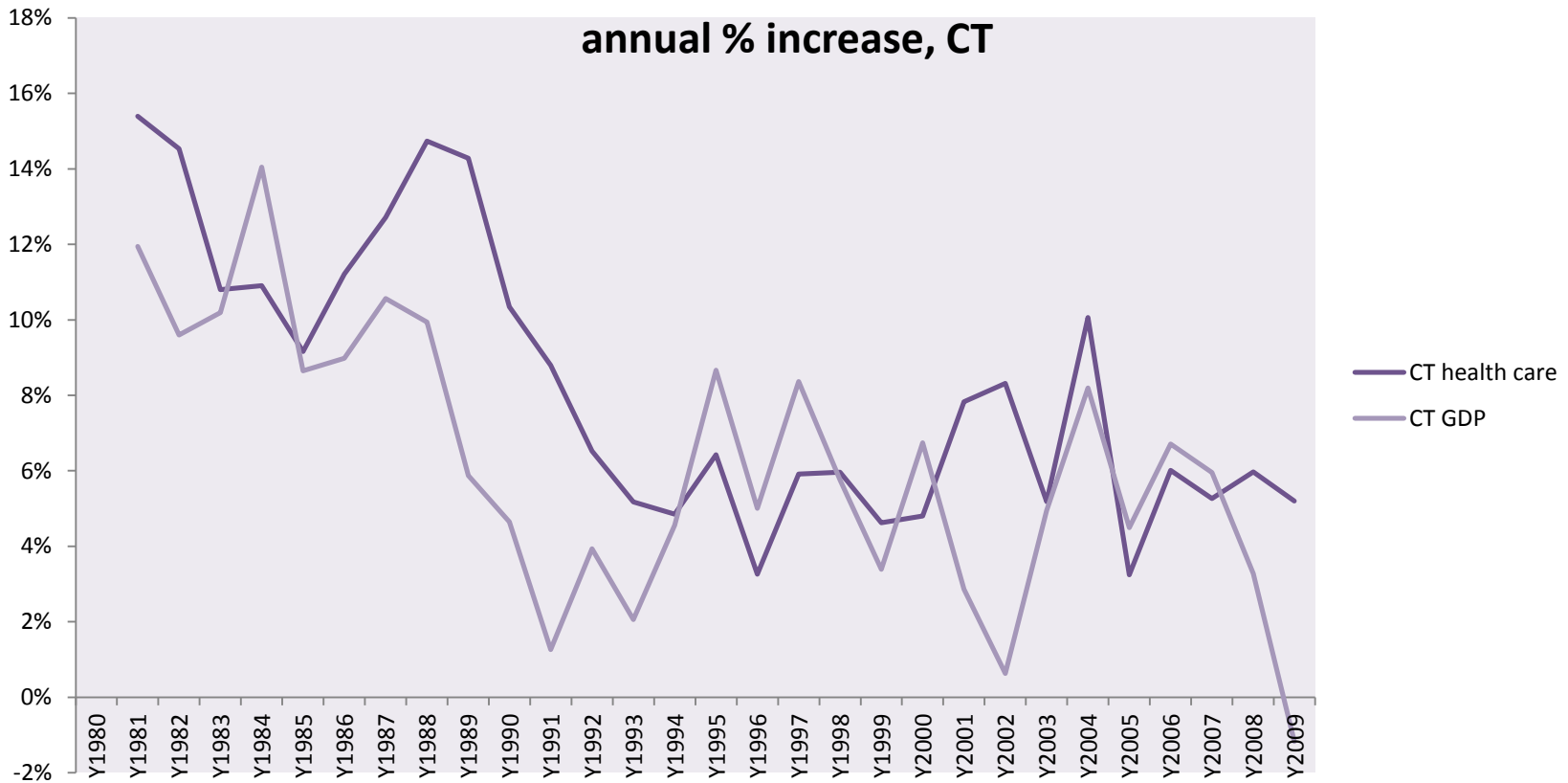
Could be worse

health care as % GDP, 2009



Source: National Health Accounts, CMS

Health care tracks rest of CT economy

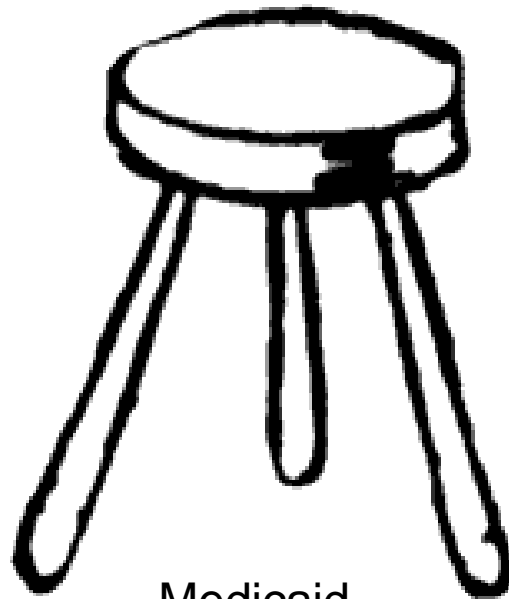


Source: National Health Accounts, CMS

health care critical to CT's economy

- 13 cents of every dollar spent in CT goes to health care
- One out of eight CT workers is employed in health care services
- While CT employment dropped 4.3% from 2008 to 2009, health care employment was up 1.7%
- Ten major drug and 22 biomedical companies as well as six major HMOs have large facilities in Connecticut
- CT hospitals had combined annual revenues of over \$9 billion in 2010
- Every dollar spent on Medicaid in CT creates \$2.09 in business activity; Medicaid generates 31,695 CT jobs and \$4.5 billion in CT wages

Reform is a 3 legged stool

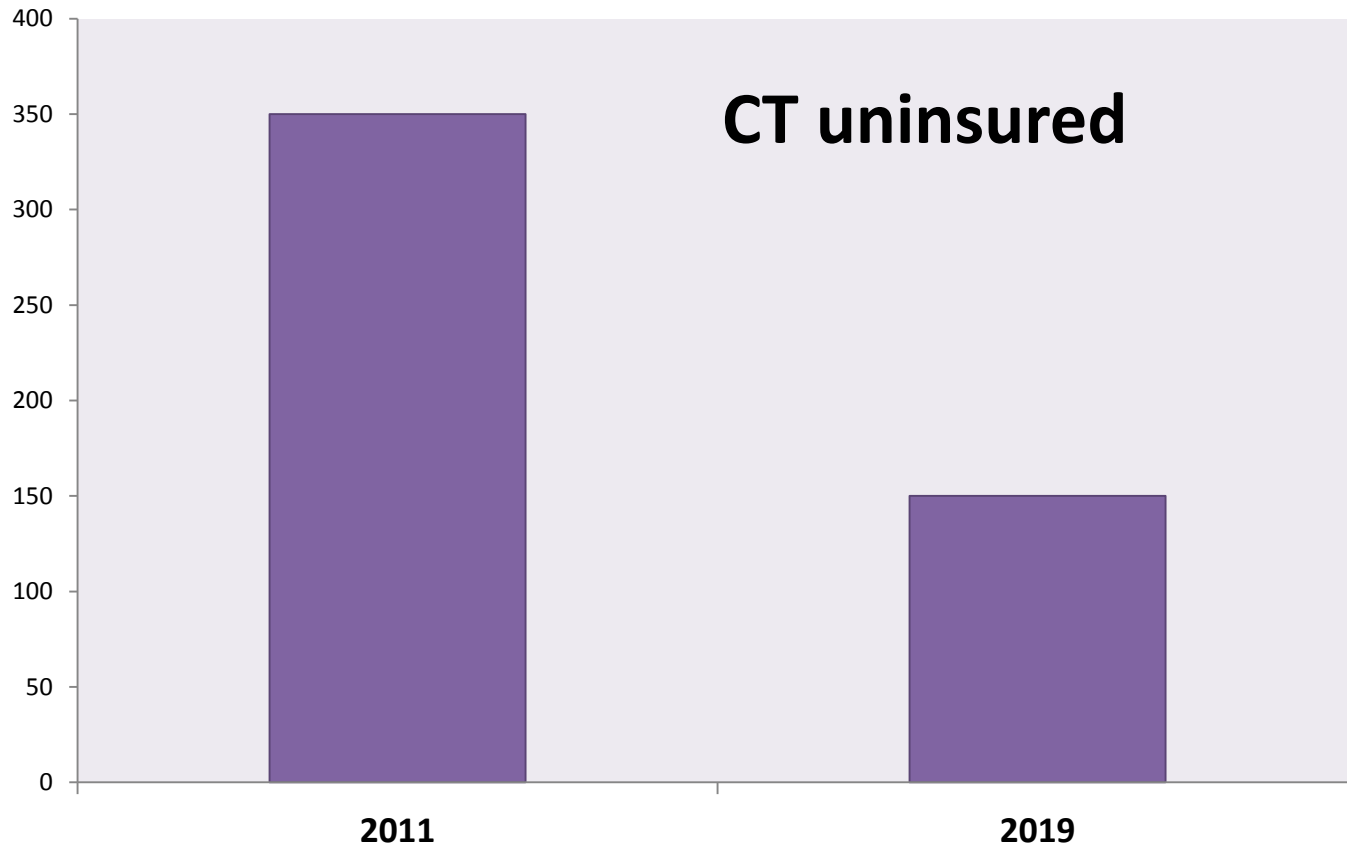


Medicaid

Employer
sponsored
coverage

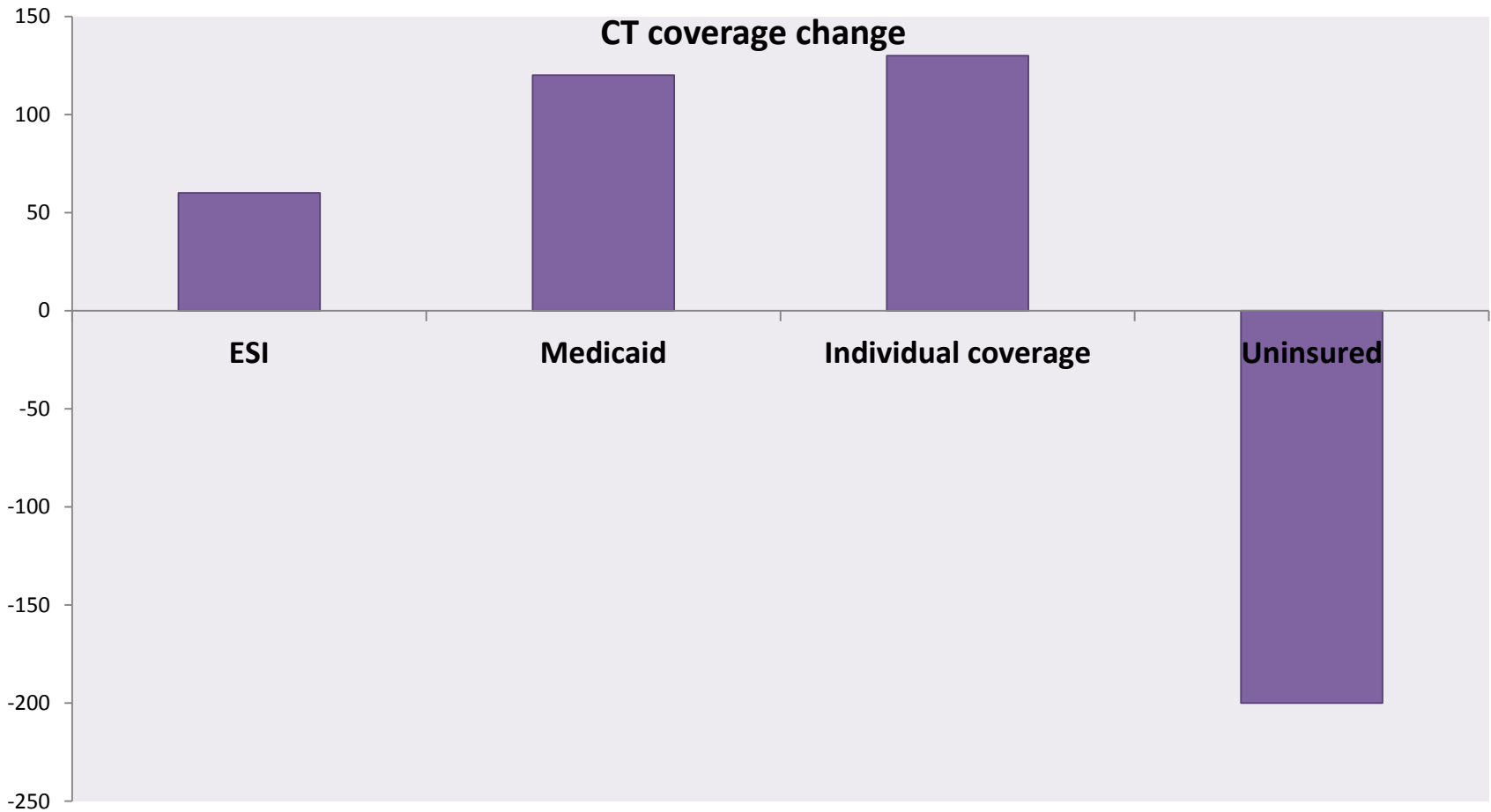
Insurance
exchange

CT and reform



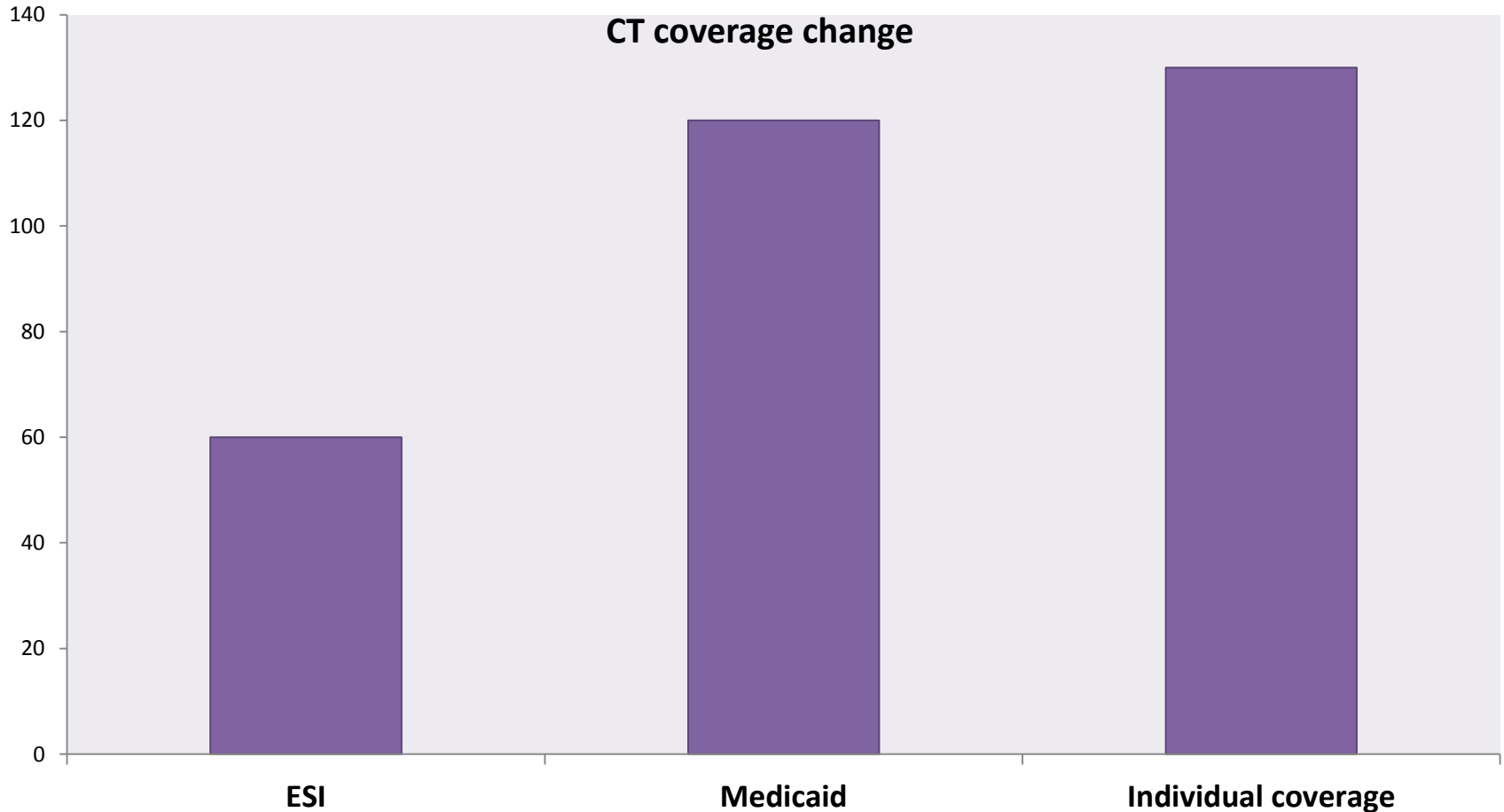
Source: RAND microsimulation

Where do CT's uninsured go after reform?



Source: RAND microsimulation

Where do the uninsured go

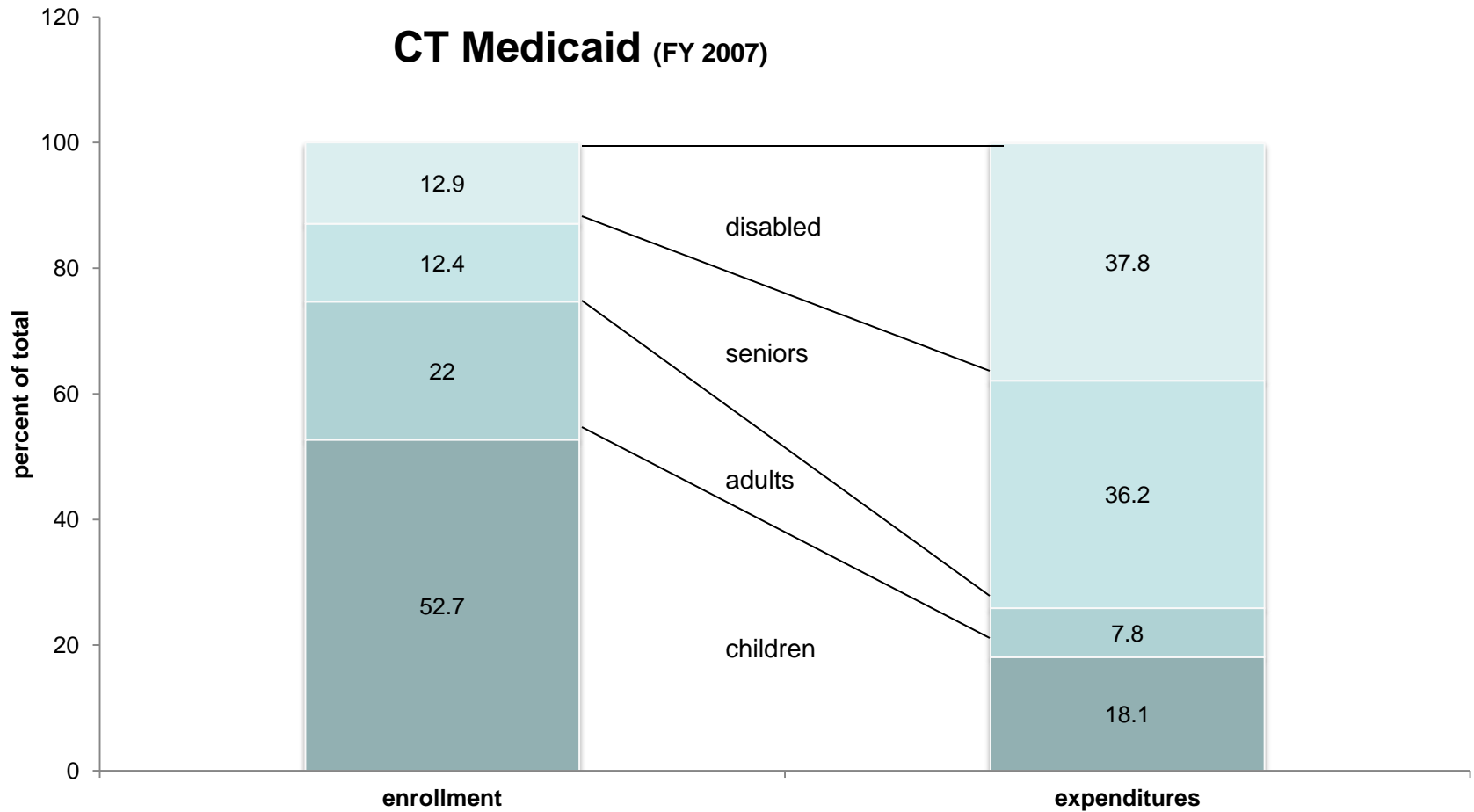


Source: RAND microsimulation

CT Medicaid

- 303,000 people, one in 11 CT residents now, will be one in five with reforms
- Troubled past, very high spending
- HUSKY capitated managed care plans fired in 2011
 - Costing us \$50 million/year more than other states
 - Freedom of Information contract change
 - Continual concerns about access to care, lower than other states
- Relatively high provider rates (5th highest in US) but very low participation (4th lowest rate in US)
- Administration is antiquated and unfriendly to both providers and members
- CT spends more on long term care than other states
 - Nursing homes 2nd highest cost in US
- Very few innovations or changes in decades

Enrollment vs. expenditure



CT Medicaid challenges

- Engage more providers
 - Especially adult medicine
- Update data systems, more workload online
 - Large procurement in the works
 - Not clear if it will be in place for January 2014
- Hire more caseworkers
 - Have hired 175 new, many more needed
- Effective outreach
 - Learn lessons of HUSKY
 - Must engage trusted, skeptical messengers
- Innovate
 - PCMH program
 - Health Neighborhoods

CT Insurance Exchange

- CT one of a growing list of states implementing
 - We were an early implementer with legislation in 2010
- Board insurance and politics dominated, no independent consumer advocates, weak expertise
 - Hostility to public input and consumer advocates
 - Very concerned about accommodating insurers
- Staff hired, all insurance backgrounds, no consumers
- Committees in place
- Essential health benefit package approved
- Navigator committee dominated by brokers
- Lots of advocate protests, scrutiny – past and future
- Active purchasing?

CT insurance market

- Very concentrated, little competition
- All for-profit, multi-state companies
- Co-op loan approved, rumors of new nonprofits entering market
- Very little regulation by CID
- CID not consumer-friendly, does not assess affordability, network adequacy, adverse selection
- CID resistant to public hearings on large rate requests
 - Very little public transparency or accountability
- [Office of Health Care Advocate](#) created as CID watchdog

CT good news

- Patient Centered Medical Homes gaining ground
 - New way to deliver medicine – person centered, team-based, coordinated care
 - Number up to 738 in CT, growing
 - Medicaid incentives, glide path payments especially for small practices
 - State employee plan generous incentives
- Medicaid Health Neighborhoods application
 - Coordinate care across providers, quality benchmarks, share savings from keeping people out of ER and long term care
- State employee Health Enhancement Program
 - Wellness incentives/disincentives
 - ER visits down, chronic illness medication compliance up
 - Early evidence of savings

CT status

- Insurance exchange board announced, meeting
 - Despite strong conflict of interest law, dominated by insurance interests
 - No voting consumer rep.s, despite federal regulations that consumer rep.s should be a majority of voting members
 - Advocates mounting challenges to insurance domination
- SustiNet/Governors Health Reform Cabinet starting work
- Medicaid reforms beginning
 - Move to ASO, Jan. 1st, CHN will administer
 - Patient-centered medical homes
 - Improvements to provider relations, recruitment
- State employees shift to non-risk last year
 - Wellness/value based purchasing being implemented Jan. 1st

SustiNet

- Was to be CT's public option
- Merge (in some form) Medicaid with state employee plan
 - Then include municipalities, nonprofits, and individuals – in that order
 - Completely voluntary
- Emphasizes, supports team-based patient-centered medical homes
- Emphasizes prevention
- Public health initiatives – tobacco, obesity prevention and treatment, disparities
- Rejected by Malloy administration
 - After supporting during the campaign
- SustiNet Health Reform Cabinet now meeting

For more information

To find out more about any of these topics:

www.cthealthpolicy.org

Follow our blog:

www.cthealthblog.org

CT Health Reform Dashboard, report card

www.cthealthreform.org

More resources

www.cthealthbook.org