

**Vermont Exchange Advisory Group Meeting 2  
April 4, 2011**

**MINUTES**

**Present:** Paul Harrington (VMS), Bill Little (MVP), Susan Gretkowski (MMR for MVP), Senator Claire Ayer, Senator Jane Kitchel, Senator Sally Fox, Senator Anthony Pollina, Andrea Cohen (VBSR), Mark Hage (VTNEA), Donna Sutton Fay (VT Campaign for HCS), Trinkia Kerr (VT Health Care Ombudsman), Don George (BCBSVT), Denis Barton (BSPCA), Glenn Mink (VIAA), Floyd Nease (VAMH), Sunaina Metawat (Maximus), Heidi Tringe (MMR for Maximus), Jamie Feehan (PPEC for Hickock & Boardman), Anthony Otis/Theo Brooks (O&BPC for PhRMA) , Rep. Michael Fisher (by phone), Rep. Mark Larson (by phone)

**Staff and consultants:** Betsy Forrest (DVHA), Hunt Blair (DVHA, by phone), Robin Lunge (BISCHA), Anya Rader Wallack (Governor's office), Nolan Langweil (JFO), Beth Waldman (Bailit), Joshua Slen (Bailit), Brendan Hogan (Bailit), Erica Garfin (Bailit)

**Guests:** Michael Tutty (UMass Medical School, by phone)

**I. Introductions**

Beth Waldman convened the meeting and participants introduced themselves. A PowerPoint presentation was used as the basis for the presentations that followed. It is available on the Exchange website at <http://dvha.vermont.gov/administration/health-benefits-exchange>).

**II. Update on H202**

Robin Lunge reported that H202 is currently in the Senate Health and Welfare Committee. It is likely that the Senate Finance Committee will also look at the portions of the bill that relate to the Exchange.

**III. Overview of the interactions between the Exchange, Medicaid, and Insurance**

Beth explained that PPACA creates significant overlap between the Exchange and Medicaid, and between the Exchange and commercial insurance. Vermont is looking at the integration of the Exchange with both Medicaid and insurance, and anticipates the need for ongoing efforts by the state to develop a functioning Exchange that does not

conflict with, and to the extent appropriate, collaborates with Medicaid and insurance policies and procedures.

#### **IV. Overview of the Innovator Grant and its potential for Vermont**

Michael Tutty of the University of Massachusetts Medical School joined the meeting by phone to talk about the New England States Collaborative Insurance Exchange Systems (NESCIES) grant. The Center for Consumer Information and Insurance Oversight (CCIIO) at CMS has awarded grants to seven "innovator" states to develop health insurance exchange IT systems that will serve as models for other states. UMass Medical School is the grant recipient and manager for the lead state of Massachusetts. The NESCIES grant is unique because it is the only award that offers a formal, regional learning collaborative. All of the New England states are involved in the collaborative.

The NESCIES project will create a health exchange information technology system for Massachusetts, not for all of New England. However, once the technology components have been identified, they will be built so they can be adapted and used by the other states. Through the learning collaborative, other potential opportunities will be identified, which might include joint procurements, leveraging specific technology components built in Massachusetts and other states, and building the PPACA-required connectivity with the federal government.

#### **V. Discussion of findings from the Insurance Market Study**

Brendan Hogan thanked BISHCA and BlueCross Blue Shield of Vermont, CIGNA, and MVP for their willingness to provide information and data for the insurance market study. He noted that the report is a work in progress. As he walked the group through the highlights of the study to date, a number of questions and clarifying points were raised. BCBS and MVP have indicated their willingness to offer their coverage through the Exchange, and CIGNA is holding off on its decision until the final rules have been issued. The insurance companies will provide data to supplement data that is available from BISHCA. This will enable the actuary to model the consequences of the different paths the state can take based on various permutations of factors such premium levels and group size.

#### **VI. Discussion of the integration work plan**

Brendan explained that the purpose of this aspect of the planning work is to determine the relationship, roles, and responsibilities of the Exchange, DVHA, and BISHCA, with an eye towards both the requirements of the Exchange implementation grant application and the state's goal of integrating all insurance into a single payer system. A checklist of the requirements for the grant proposal will be measured against an inventory of what is currently being done in the state in order to plan for business processes that will need to be developed or changed.

## **VII. Basic Health Program**

Beth explained that under PPACA states have the option of offering a Basic Health Program for people from 134-200% FPL that is outside of the Exchange. The Basic Health Program can be thought of as a step between Medicaid and commercial insurance that resembles commercial insurance but retains some of the greater protections provided by Medicaid. Individuals eligible for the Basic Health Program would not receive subsidies through the Exchange. There are both potential advantages and disadvantages to the state and to the individuals who would participate in the program. Additional analysis needs to be done before any conclusions can be drawn about whether such a program would benefit Vermont from funding and programmatic perspectives. Beth invited comments and asked for feedback from the group about whether the analysis should go forward. It was the sense of the group that it should. Any additional comments can be sent to Robin Lunge.

## **VIII. Essential Health Benefits**

Beth explained that PPACA requires state Medicaid plans and health plans offered through an Exchange to meet a minimum set of benefits, called Essential Health Benefits. The Act specifies the required categories of benefits but the specific benefits in each category will not be defined and fleshed out until the regulations are issued in late 2012. Federal subsidies for coverage within the Exchange will be developed based on the projected cost of services that fall within the Essential Health Benefits. If any of Vermont's state-mandated benefits are not included within an Essential Health Benefits category, then the state must bear the cost to continue to require that mandate. Bailit recommends that an analysis commence now that looks at the cost of mandates by some level of priority so the state will be prepared in late 2012 to decide whether to remove any mandates that are not included in the Essential Health Benefits or to appropriate state funds or allocate other resources to pay for the additional benefits.

## **IX. Next Steps**

The next Advisory Group meeting is Monday April 25 from 1:30 to 3:30 p.m. in the Pavilion Building 4<sup>th</sup> floor conference.

There was no objection to continuing to meet beyond the four initially scheduled meetings.