

Vermont Exchange Advisory Group Meeting 3

May 9, 2011

MINUTES

Present: Joe Normandy (Vermont Insurance Agents Association, VIAA), Glenn Mink (VIAA), Donna Sutton Fay (VT Campaign for HCS), Trinka Kerr (VT Health Care Ombudsmen), Tasha Wallis (Vermont Retail Association) Don George (Blue Cross and Blue Shield of Vermont), Floyd Nease (Vermont Association for Mental Health), Denis Barton (Bi-State Primary Care Association), Andrea Cohen (Vermont Businesses for Social Responsibility), Senator Claire Ayer, Sonia Tagliento (MAXIMUS), Bill Little (MVP), Heidi Tringe (McLean, Meehan and Rice for MAXIMUS), Russell Greene (Connecture) Heather Shouldice (William Shouldice and Associates LLC), Theo Kennedy (Otis and Brooks for PhRMA). Bea Grause (Vermont Association of Hospitals and Health Systems)

Staff and consultants: Mike Davis (Banking, Insurance, Securities and Health Care Administration, BISHCA), Kevin Veller (Department of Vermont Health Access, DVHA) Betsy Forrest (DVHA), Robin Lunge (BISHCA), Nolan Langweil (Legislative Council), Beth Waldman (Bailit), Joshua Slen (Bailit), Brendan Hogan (Bailit), Curtis Mildner (Market Decisions)

I. Introductions

Robin Lunge 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. Updates on H202

Robin Lunge reported that H202 passed in both the Senate and the House. A signing ceremony is being scheduled. In addition to creating a framework for Universal Access to health insurance in Vermont, H202 establishes a health insurance exchange framework. A series of reports are in H202 that will be presented to the legislature next January. H202 can be found at

<http://www.leg.state.vt.us/database/status/summary.cfm?Bill=H.0202&Session=2012>

III. Findings from Uninsured and Underinsured Focus Groups, Small Employer Survey, and Interviews with Non-Profits and Brokers - Curtis Mildner

Curtis Mildner from Market Decisions summarized findings from a series of focus groups with the uninsured and underinsured, a survey of small businesses and interviews with non-profit agencies and brokers.

Small Business Survey

Market Decisions completed 107 telephone surveys with small businesses. Small businesses indicate that they believe that using websites and direct mailing is the best approach to getting information out to the public. There are many reasons why people are uninsured including and not limited to: they are healthy, they don't use the health care system, they do not want to get assistance from a government program, and the insurance they could get access to is unaffordable as they make low wages (\$8-10 per hour).

Focus Groups

4 Focus groups with the uninsured and 4 focus groups with the underinsured occurred in Rutland, Burlington and St. Johnsbury. Each focus group had approximately 30 people in attendance.

Uninsured Focus Groups

Focus groups indicated that the federal choice of marketing plans – such as Gold or Silver or Bronze was a bad decision. They felt that it was a class distinction and that the Platinum or Gold plans were for wealthy people and Bronze plans were for poor people. Uninsured individuals varied in terms of demographics ranging from young children all the way up to pre-Medicare age beneficiaries in their 50's and 60's. Individuals in the focus groups indicated that they wanted more information and would need assistance from a Navigator to help with making decisions about health insurance in the future. Getting individuals who are uninsured to sign up for insurance will be difficult as some individuals are currently eligible for government sponsored programs but have not signed up for a program, typically because they believe it is not affordable.

Underinsured Focus Groups

This group of individuals varied in terms of age, but primarily consisted of individuals in their 50's who were working part-time and/or were self-employed. Of the roughly 16,000 individuals who are underinsured, 30-40% had very high deductibles (\$4,000 per person deductible and above). Underinsured individuals are very savvy consumers of healthcare as they are paying out of pocket and are carefully watching what they spend on healthcare.

A question was raised about why someone can't buy an individual health insurance policy if their employer sponsored health insurance policy only had a high deductible option. If someone is financially eligible for VHAP and has an ESI plan available in which the person is not enrolled, the state does a cost-effectiveness test between VHAP and the ESI plan, and if the ESI plan is cost-effective, the person enrolls in the ESI plan and receives premium assistance. If the person is over the VHAP income limit but under the Catamount income limit, the cost-effectiveness test is between the ESI plan and Catamount. If someone is over the Catamount limit and has access to ESI, he or she is not eligible for Catamount. If someone is already enrolled in an ESI plan, he or she is ineligible for VHAP or Catamount, regardless of the cost of the plan or income level.

Non-Profit Agencies Interviews

People want assistance with making an individual choice in terms of purchasing a health insurance policy. No one organization can serve all Vermonters that are going to need assistance with the new health care insurance options through the Exchange. Interviewees believed that navigator services should be provided at the point of purchase of health insurance. Effective navigators need to be well trained and knowledgeable and have the time and motivation to provide effective one-on-one consultation.

A clarification was made about the distinction between agents and brokers. Agents are licensed to serve one insurance company and brokers are licensed to sell insurance for multiple companies. The majority of Vermonters access insurance through employment, and therefore may be (or their employer may be) served by agents and brokers. Several hundred agents actively work in Vermont; however, several thousand are currently licensed in Vermont.

IV. Discussion of Exchange Functions and Key Questions - Beth Waldman

Beth Waldman reviewed the key functions of the Exchange. Additionally, she reviewed that states will have some flexibility on some design elements but other elements are fixed by the federal government such as criteria for essential health benefits, criteria for uniform enrollment and enrollment periods, and standards for Navigators.

The group discussed the following Key questions

1. How can Vermont maximize enrollment in its public programs? Based on what you know about the remaining uninsured (younger, healthier, and working for small firms, primarily in construction and farming and lower wages) what activities can you suggest to successfully market and outreach to them? Are there lessons to be learned from Catamount expansion and outreach efforts?
2. What will the Exchange need to offer so small employers want to purchase through its distribution channel? Based on what you know about small employers who do not offer health insurance to their employees, what other than the tax credit will motivate them to offer coverage?
3. How should the Navigator role be established? Which organizations and/or people are best suited to the Navigator functions?

There was limited discussion of the second question. What follows are highlights of the discussion based on questions 1 & 3:

Marketing & Outreach

- How will enrollment work due to the mandate?
- We need to engineer the back of the house to make this simpler (meaning the operational aspects of the exchange)
- Complexity for this program will be a barrier as it was for Catamount
- Uninsured individuals do not choose to be uninsured
- We should target people who cycle through the current government run insurance system
- One entry point would be helpful
- One customer service call center with strong training and allow for no wrong door, meaning individuals will be able to access information regardless of where they first approach the health insurance system.
- Having an on-line chat option would be helpful
- Need to help plan for individuals expectations of immediacy and transparency

- Need to ensure that we maintain the people who are currently insured. We risk the potential to have an increase in the number of people who are uninsured.
- We need 2 different tracks for education, one for those who are currently insured and one for those who are uninsured. This information needs to be clear and connected to the future implementation of the Universal Access to Insurance law in Vermont.
- Need to have after-hours assistance to maximize enrollment and provide information when individuals can use it (not when at work).
- Need to determine the relative level of resources for uninsured and insured.
- Marketing and outreach should be focused on the big picture aspects of education while the Navigator functions and roles would be for one on one interactions.
- Get assistance and input from individuals and organizations that have done outreach in the past.
- Create a health care literacy campaign with a cadre of volunteers.
- Balance one on one with group marketing.
- Use grocery stores as a possible venue for outreach.
- FQHCs, Clinics for the Uninsured, Hospital outreach staff and others could assist.
- Print materials need to be in clear and written for audiences with low literacy levels.
- BISHCA could consider that licensing and education of agents and brokers needs to be updated to reflect changes due to the new federal and state laws.
- Exchange is not intended to put brokers/agents out of business.
- Need to explain the individual mandates and penalty provisions to Vermonters.
- Have a subgroup meeting with BCBSVT and MVP on Catamount health following up on coordinating the messages – what worked and what did not work.
- Look to families for assistance not just individuals purchasing insurance, need to educate families

Navigator

- Different market segments and can have multiple navigators, potentially insurance agents and non-profits
- Need to look at contracting process
- State should mandate a baseline of consistent information and keep a high bar for performance standards
- This role is ongoing; however, it will not be paid for beyond 2015 with federal funds; need to determine how to pay for it in the future.
- Meet with people after hours
- Brokers best interest is to serve existing customers
- Don't allow brokers to upsell other products
- Different market segments need different strategies to approach the Navigator work.
- Besides the tax credit – what else will get small employers into the door? Tax credit is only good for two years. .
- Need an insurance model/option for a person who works for multiple employers (several part time jobs)

- Approach this work as a campaign with a small army of navigators with volunteers that back up the navigators. They would build relationships with businesses and they would need to be trained in a varying amount of contingencies.
- Other ideas included – reaching out through schools about children’s health insurance options at Parent Teacher Conferences.

V. Next Steps – Beth Waldman – Meeting # 4 is June 6, 2011 from 1:30-3:30

The state will convene 3 different subgroup meetings between now and June 6th to follow up on the feedback received today.

The subgroup meetings topics will be:

1. General marketing meeting and understanding of lessons learned from Catamount Health
2. Uninsured public outreach meeting – lessons learned from what does and does not work today
3. Broker and Insurance company meeting – learn more about how insurance companies work with brokers and insurance companies today and how that could apply in the future under the exchange