

HEALTH REFORM ADVISORY COMMITTEE MEETING
August 5, 2010
North Carolina Institute of Medicine, Morrisville
9:00-12:00
Minutes

Members: Lanier Cansler (co-chair), Wayne Goodwin (co-chair), Tom Bacon, Louis Belo, Kennon Briggs, Barbara Morales Burke, Bonnie Cramer, Sam Cykert, Allen Dobson, Victor Dzau, Jeffrey Engel, Allen Feezor, Laura Gerald, Greg Griggs, Bobbi Hapgood, Alan Hirsch, Phyllis Horns, Rep. Verla Insko, Al Koehler, Tara Larson, Ken Lewis, Alan Mabe, Ben Money, John Price, William Pully, Sen. William Purcell, Adam Searing, Robert Seligson, Steve Shore

Steering Committee: Julia Lerche, Rose Williams, Jean Holliday

NCIOM Staff: Kimberly Alexander Bratcher, Catherine Liao, Sharon Schiro, Pam Silberman, Berkeley Yorkery

Other interested persons: Kari Barsness, Katherine Davis, John Dervin, Lisa Harrison, Jeff Horton, Ruth Petersen, Ben Popkin, Lendy Pridgen, Chris Skowronek, Tork Wade, Elizabeth Walker, Walker Wilson

WELCOME AND INTRODUCTIONS

Lanier Cansler, CPA

Secretary

North Carolina Department of Health and Human Services (DHHS)

Wayne Goodwin, JD

Insurance Commissioner

North Carolina Department of Insurance (DOI)

Commissioner Godwin welcomed the members. He noted that we will need everyone's expertise to implement the national health reform legislation. He reminded the participants about the potential for conflicts of interest and the importance of transparency during this process. The Advisory Committee and each of the workgroups need to focus on implementation strategies that benefit the state as a whole rather than any specific interest group.

Secretary Cansler also welcomed the group. He talked about the importance of the work ahead, and the need to develop an implementation plan that best meets the needs of all the people of North Carolina.

OVERVIEW OF HEALTH REFORM

Pam Silberman, JD, DrPH

President & CEO

North Carolina Institute of Medicine

Dr. Silberman gave an overview presentation of the main provisions in the Patient Protection and Affordable Care Act (“Affordable Care Act or ACA”) and the charge to the different workgroups. Click here to view her presentation: [Implementing Health Reform](#).

Selected questions/comments related to the Affordable Care Act:

- Q: Who is in charge of creating the health benefit exchange (HBE)?A: The North Carolina General Assembly (NCGA) will ultimately decide which state agency will implement the health benefit exchange, or whether the state would rather have the federal government implement the HBE.
- Comment: People will show choice fatigue if there are too many options.
- Q: Who can obtain catastrophic coverage? Is this the same as the bronze plan?A: Catastrophic plans are limited to individuals who are younger than age 30 (because the compression in the age band rating may lead to increased prices for younger adults). Anyone who purchases coverage in the health benefit exchange can purchase a bronze plan.
- Q: Do the out-of-pocket limits only apply to people who receive a subsidy?
A: No. Everyone has an out of pocket limit; but people who qualify for a subsidy through the HBE have lower out of pocket limits.
- Q: How will the work of this group relate to the work of the health information exchange (HIE)?
A: Sec. Cansler is chair of both groups and can help bring HIE updates to the Overall Advisory Committee. Alan Hirsch answered that he will help provide updates to the groups.
- Q: If a person chooses not to buy coverage, how do they pay penalty?
A: It is an annual cost collected through the IRS, based on the number of months uninsured.
- Q: Has there been discussion among small businesses about penalty versus coverage?
- A: There has been concern among insurers about businesses and individuals choosing not to buy coverage and rather pay the penalties.
Comment: Massachusetts is the only state that has had experience with an employer or individual mandate. Massachusetts requires individuals to have insurance and employers to offer insurance or pay a smaller financial penalty than envisioned under the Affordable Care Act. Overall, more people enrolled in coverage in Massachusetts after the bill passed (more individuals and more employers enrolled). However, we do not know if the experience in Massachusetts will reflect the experience under the ACA. Some consultants are

working with businesses to help them determine the financial consequences of offering or dropping coverage.

Selected questions/comments about the work of the workgroups:

- Q: The workgroups are scheduled to meet through December. Do we expect that all the work will be done by then?

A: No. Work may progress beyond then. It depends on the outstanding work of each workgroup. We need to make any recommendations that would go to the legislature by the end of the year. The NCIOM staff will be working with the staff of the state agencies to determine what issues need to be considered first, especially those issues which may need to be considered in the 2011 legislative session.

CURRENT STATE AGENCY IMPLEMENTATION EFFORTS

Jeffrey Engel, MD

State Health Director

Division of Public Health (DPH)

North Carolina Department of Health and Human Services

Dr. Engel reviewed some of the ACA grants that the DPH has submitted. Some of the grants are competitive and some are non-competitive formula grants that are distributed to states. Thus far, none of the grants have required a state match.

Tara R. Larson

Chief Clinical Operations Officer

Division of Medical Assistance (DMA)

North Carolina Department of Health and Human Services

The Division of Medical Assistance has been studying the provisions of the ACA. There will be a large number of people who become eligible for Medicaid in 2014. The ACA requires the state to establish a new eligibility and enrollment process that will greatly simplify the enrollment process for applicants. The state receives an enhanced match rate for newly eligibles but receives the same federal match rate for people who would have been eligible using the old eligibility rules (whether or not they were enrolled). The primary question is whether the state will have to determine eligibility for people using both the new and old rules (in order to determine who would have been eligible under the old eligibility rules). DMA is still waiting for further guidance on this.

DHHS was already exploring options to simplify and streamline eligibility and enrollment (based on some of the recommendations from the NCIOM Access to Care Study Group). In addition, DHHS is in the process of developing a new eligibility platform that would coordinate eligibility among all the different DHHS programs (NC FAST, Families Accessing Services Through Technology). Initially, Medicaid was not the first state program that would have been brought into this system, but the state is

planning on moving up the implementation of Medicaid and NC Health Choice into NC FAST (to meet the ACA timeline).

DMA is also examining the other requirements of the ACA that affect Medicaid, including new coverage mandates and/or options, options for home and community based services, provider payment policies, and fraud and abuse. Medicaid staff will be involved in all the different workgroups, as the focus of each of the workgroups will affect the Medicaid program.

Louis Belo

Chief Deputy Commissioner

North Carolina Department of Insurance

DOI created a team to begin working on the ACA as soon as the bill was passed. DOI is also working with committees of the National Association of Insurance Commissioners (NAIC) around different provisions of the bill.

Last session the NCGA gave Inclusive Health (North Carolina's high risk pool) the authority to run the federal high risk pool. The General Assembly also gave the DOI authorizing language to implement the insurance-related requirements of the ACA, along with additional staff positions.

DOI is actively pursuing three grants: premium and rate review, ombuds program, and a grant to begin planning the Health Benefits Exchange.

ADVISORY COMMITTEE DISCUSSION

Selected comments/questions:

- Q: How can we educate the public about the ACA and about what to expect? What are the most common questions that people have about the ACA?
A: The Public Information Officers from the NC DHHS, Careline and NC DOI have been meeting to coordinate information given to the public, and to help ensure that people are directed to the right agency to answer questions. However, we need to do more work to think about a broader outreach and education effort.
Comment: We also need to educate health care professionals about the new provisions in the ACA.
- Q: How can we encourage collaboration in grant making? Given the number of grant announcements that have been released in recent months, how can we educate different partners about grant opportunities, encourage collaboration, and ensure that North Carolina submits high quality grants?
A: We need to do more thinking on this. The NCIOM does not have the staff to be able to coordinate grant seeking.
- Comment: The NC Community Health Center Association (NCCHCA) received funding from the Kate B. Reynolds Charitable Trust to work with communities interested in applying for ACA funds for federally qualified health centers (FQHCs). NCCHCA has been focusing its work in communities that do not

already have a community health center. The federal grant process gives priorities to those applicants that have an existing infrastructure (health centers must be operational within 180 days of being awarded the grant). Priority is also given to applicants with other sources of funding, and those with strong collaborative partnerships with other health care providers and community agencies.

- Comment: We should try to learn more from the Massachusetts experience. We also want to learn from other states as they begin to implement the ACA.
- Comment: The Congressional Budget Office estimated that there will still be 23 million people who are uninsured in 2019. We need to think about our outreach and enrollment process to ensure we cover as many of the uninsured as possible, and also need to think about how we can meet the needs of the uninsured as we move forward in implementing the ACA.
- Comment: The true strength of NC is the collaboration around the table and across the state.

PUBLIC COMMENT PERIOD

Commissioner Godwin asked for public comments. There were none and the meeting was adjourned.