

MINUTES

Wednesday, February 22, 2006

State Planning Project for the Uninsured Advisory Council Meeting

Lake Ontario Room, State Library
702 W. Kalamazoo Street
Lansing, MI 48909

Members Present: Elaine Beane, Michigan Public Health Institute (ex-officio member); Jan Christensen, MDCH; Vernice Davis Anthony, Greater Detroit Area health Council; Paul Duguay, Michigan Association of Health Plans; Rob Fowler, Small Business Association of Michigan; Larry Horwitz, Economic Alliance; Mary Ellen Howard, Free Clinics of Michigan; Jan Hudson, Michigan League for Human Services; Marjorie Mitchell, MI Universal Health Care Action Network; Joan Moiles, Department of Labor and Economic Growth; Colette Scrimger, Access to Care Community Coalition; Kevin Seitz, BCBSM; Amy Shaw, Michigan Manufacturer's Association; Kim Sibilsky, Michigan Primary Care Association; Kimberly Singh, Michigan Association for Local Public Health; Sebastian Wade, Detroit Regional Chamber; Lody Zwarenstyn, Alliance for Health

Alternates Present: Ben Bodkin, Michigan Association of Counties for Tim McGuire; Sarah Fink, Michigan Health & Hospital Association for Spencer Johnson; Bob Stampfly, MSU Institute for Health Care Studies for Denise Holmes; Lynda Zeller, Alliance for Health, Jane Zwiers, Free Clinics of Michigan, Pooja Naik, Michigan State Medical Society for Kevin Kelley, Sandy Hudson, Detroit Wayne County Health Authority for Chris Allen

Members Absent: William Black, Michigan Teamsters Joint Council #43; Debra Brinson, School-Community Health Alliance Martin Dodge, Kalamazoo Regional Chamber of Commerce; Beverley McDonald, Michigan Consumer Health Care Coalition; Susan Sevensma, Michigan Osteopathic Association; Stephen Skorcz, Greater Flint Health Coalition.

Others Present: Dave Cluley, Michigan Association of Health Underwriters; Jackie Doig, Center for Civil Justice; Eileen Ellis, Health Management Associates; Del Malloch, Jackson Health Plan Corp-3-Share; Michelle Munson-McCorry, Complete Compassionate Care; Rick O'Donnell, Spectrum Health. Don VeCasey, MCHCC; Gary Benjamin, Michigan Legal Services; Valerie Przywara, Henry Ford Health System; Tameshia Bridges, Paraprofessional Healthcare Institute; Margaret Meyers, Trinity Health; Denise Morrow, Department of Community Health; Greg Cline, Trinity Health; Sheryl Lowe, Blue Cross Blue Shield of Michigan; Rick Nowakwaski, Wayne County Four Star; Robert Meeker, Spectrum Health

MDCH Staff: Lonnie Barnett, Ken Miller, Angela Awrey, Umbrin Ateequi, Ellen Speckman-Randall, Bill Hart.

- I. **Welcome and Introductions:** Co-chairperson Kevin Seitz called the meeting to order and welcomed all attendees. Introductions were made around the room.
- II. **Approval of Agenda:** The agenda was approved by consensus. The goals for the meeting were outlined as: discussing the areas of agreement the Advisory Council has reached to date; discussing the document entitled "Getting from Here to There"; reaching agreement on the parameters for the cost commission; and examining reports and documents the Advisory Council requested previously.
- III. **Review of previous meetings/Project Update:** Kevin Seitz indicated that the Advisory Council would not vote on approval of the minutes from the February 8th meeting until the next meeting, because the Council members had just received them. The minutes from 1/18, which were amended and approved by consensus at the 2/8 meeting, were provided to the members.
- IV. **Review and Discuss:**

"Green Light" document: Jan Christensen reviewed the "Green Light" document that was included in the meeting packet. The "green light issues" are areas of agreement, the "yellow light issues" are topics that need

to be discussed further; and the “red light issues” are deal breakers that were identified by various council members at earlier meetings.

Red Light issues:

- Should people who make over \$75,000/year, be allowed to choose to be uninsured or should they be required to take employer-based coverage if it is offered? If required to take insurance, it would be an individual mandate of sorts. There was general agreement that when we talk about an individual mandate, we are referring only to those with higher incomes and not to low-income wage earners.
- Delete individual mandate from the red light list.
- Should the Council include “increasing the number of uninsured” under the red light section since increasing the numbers of uninsured is unsustainable and unacceptable?

Green Light issues:

- #4 - should talk about the impact of cost shifting on families and individuals. Also take out “long term” before “solutions” and strike the second sentence.
- #6 should state that we should “rely” on federal dollars not just “maximize” them since the Council has not agreed to expend state dollars.
- Include the cost shifting language from the 2/8 motion in this document
- Strengthen the language in the document to say the Council will support 100% coverage.
- The reference to inadequate reimbursement in #4 was appreciated.

Yellow Light issues:

- #2 refers to those who are eligible but not enrolled in Medicaid. Michigan First would transfer those who are currently on Medicaid spend-down to Michigan First so those funds could be reprogrammed to cover other individuals or services.
- #5 is redundant and should be combined with #1.
- Include individual responsibility with incentives, perhaps with a policy statement such as “as a society it is each individual’s responsibility to have coverage”.
- Look at including individual mandate/responsibility for only catastrophic coverage.
- #2 we can’t talk about Medicaid being unsustainable without talking about the costs of Medicaid. We should talk about costs, not numbers of people covered. It makes sense to expand coverage to the extent it is feasible and affordable and to the extent that we get kids and parents on the same policy. It was agreed, however, that this would be a reallocation, not an expansion without addressing provider reimbursement issues. Enrollments aren’t unsustainable, the costs are, so we need to look at how we can provide the most good for the dollars we spend.
- Look at provider reimbursement issues separate from any Medicaid expansion discussion.

Michigan First – Michigan is optimistic about getting the waiver. The feds are currently looking at our proposal. More information about Michigan First will be available at the March 15 meeting. One component of getting the waiver is to show widespread support within the state for it and support from the Advisory Council would be helpful in negotiations with the feds.

It was the consensus of the group that the motions in the minutes of 2/8 be combined with the Green Light document, that other changes be made as noted above and the document be brought back to the Council.

The idea that everyone has a responsibility to have coverage be it through their employer, government or themselves seems to be accepted by most members. We need to look at incentives and maybe have disincentives for people who don’t have health insurance.

The council would like to discuss cost shifting and the Stu Altman charts that Kevin Seitz has.

Kevin Seitz asked for closure on the green, yellow and red light document. We have rewording on one of the sections, and three yellow section modifications/additions, one about individual responsibility, one dealing with

Medicaid expansion and the last one about provider reimbursement as a separate issue. Staff will get members a rewrite of the Green Light document incorporating motions from 2/8/06 and this discussion.

“Getting from Here to There”:

Ellen Speckman-Randall did a quick run through of “Getting from Here to There”. Kevin Seitz asked council members to articulate the elements that we should consider from this document.

One issue is that the document assumes savings to the system, which many feel could be available to cover more of the uninsured. Businesses may feel the savings belong to those who pay the premiums, which will hopefully increase at a slower rate. Others felt the savings could be shared, with business getting some of the savings and the rest being leveraged with federal funds to provide health care for the uninsured, thus reducing costs of uncompensated care. It was noted that capturing the savings and matching it is a problem. The point is that different constituencies have different ideas as to what should happen to savings.

Commission issues:

- The larger the mission of the commission, the less likely it is to be successful. Rob Fowler is having someone from Pennsylvania Commission come to Michigan and his association will make this individual available to the Council.
- Whatever is done has to have direct incentives and benefits for everyone. All parties need to be at the table supporting the commission to insure health care funds are spent wisely and for everyone’s benefit. We need strategic planning.
- We need to look at what can be done at the state level relative to cost containment and what needs to be done regionally. Local issues impact the situation. We may need regional commissions.
- A commission with all parties represented could sell ideas to the public that government alone can’t sell.
- Can be a place where people can be heard so we can build political will for universal coverage.
- The commission will need to engage in public education, make recommendations to increase and maintain coverage, improve affordability of both public and private coverage, and look at issues of cost containment, quality and access.
- The commission should be advisory, not regulatory.

Expansion Options:

- The Council seemed to generally agree that incremental change is advantageous. There also appeared to be some consensus that the Council should adopt Phase I of “Getting from Here to There” including public education, getting all Medicaid eligible individuals enrolled and creating a commission.. It was generally agreed that a forum like a commission to discuss health insurance expansion, cost containment, quality and access is needed. We, don’t have consensus to support all the phases right now, but the commission would give us the forum for such a discussion.
- Refer the “Getting from Here to There” document to the new commission.
- The goal of the council is to develop a plan to cover everyone.

Staff will provide language to include what the council feels should be duties of the commission. Eileen Ellis will provide a list of Medicaid expansions that the council may wish to support including costs, how many people would be covered, etc.

Health Care Cost Containment:

Umbrin Ateequi gave a quick overview of the cost containment issue paper that lists factors that increase health care costs and impact on quality and access per the Council’s request. IT, medical errors, evidence-based medicine, reduced prescription drug costs, strengthening CON, and encouraging healthy life styles are

all issues the commission could look at. There was concern that the list of issues wasn’t general or broad enough since for example prescription drug cost control is part of a broader issue and redundant technologies and technologies that have marginal value were missing. Standards of practice present major inefficiencies since different areas use different criteria. End of life costs are an issue. More individuals are going to hospice at the end of life and that has a lot to do with how costs are allocated at that stage but getting physicians to let go

is a problem. The commission should look at connections between supply and costs, not just CON. Utilization is an issue, especially use of the ER and access to proper levels of care. Where does collaboration as opposed to competition fit in? Supply won't go away, even if demand leaves. We won't get cost reductions of 23% if people live healthy life styles even though unhealthy life styles cost that much. Reimbursement drives costs and standards of care. We need to look at where the financial incentives are in the system. We need to follow the dollar to find savings. One driver is expectations that are unrealistic so the commission needs to determine a way to change expectations of the public.

One of the first thing to go after would be building on existing efforts of continuous improvement from Keystone. If public reporting is instituted then we have to be careful that we don't get unintended incentives that create negative consequences.

The Council wants to follow up on the Patient Safety Council and the Governor's Economic Council Reports

Target Population Expansion Options: Young Adult Coverage – It is necessary to get information about the availability of inexpensive insurance options to young adults. Young adults or their parents may be interested in picking up coverage, yet don't know how to purchase the product they need since insurers don't know how to market individual products. To get everyone covered, we need to increase participation in existing options such as the young adult individual coverage that is available for less than \$50/month from various carriers.

Children's Coverage - Some employers offer coverage only for employees and not their children. Parents in this situation are finding it difficult if not impossible to find coverage for children that don't qualify for MICHild or Medicaid since, as we heard at town hall meetings, there are no child-only policies in Michigan. Oregon has a child-only plan. Such a policy should be created and marketed in Michigan. Additionally, public education, outreach, promotion and referral may help parents find insurance options for children who are uninsured due to divorce, separation, or due to other situations.

Issues:

- Employers who offer coverage could be required to offer insurance for dependents, even if they don't pay anything toward it.
- OFIS could be required to provide information about insurance options.
- We should look at insurance programs that are underutilized such as Four Star in Wayne County. With all the uninsured, we need to link people with current resources and find out why some programs aren't successful
- A greater outreach by insurers and enhancing information distribution channels about individual policies is needed.
- Insurers could be required to inform parents of other options when they notify them their kids are no longer eligible as a dependent.

Staff will put something together on the above issues.

Cover the Uninsured Week (May 1-5, 2006): Ellen Speckman-Randall briefly went over statewide plans for that week.

Public Comment: None

Other Business/Meeting Evaluation:

Adjourn: Meeting adjourned at 3pm.

Next Meetings: **March 15, 2006**
 10am to 4pm
 MMA

April 19, 2006
in conjunction w/AHCC
MMA