



UNIVERSAL
HEALTH CARE
FOUNDATION
of CONNECTICUT

What Federal Reform Means for Connecticut

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Overall structure of the new federal law

- Early deliverables, 2010
 - Young adults on parental policies
 - No pre-existing exclusions for children
 - High-risk pool
 - Reinsurance for early retirees with chronic illness
 - Tax credits for small firms
 - 100% Medicaid reimbursement for SAGA population



Main event is in 2014

- Health insurance exchanges
 - Run by state agency, nonprofit or federal government
 - Consumers can choose among multiple health plan
 - Access by:
 - Consumers not offered ESI
 - Small firms, and at state option, large firms



Basic design, continued

- Subsidies
 - Medicaid up to 133% FPL
 - Tax credits, other subsidies up to 400% FPL
- Shared responsibility
 - Individuals must buy coverage, with exceptions
 - Employers with >50 FTE workers pay a penalty if they don't offer coverage
- Delivery system reform encouraged in many ways
 - prevention, IT, medical home, quality



Starting in 2014, SustiNet is offered in the exchange

- Starting now, SustiNet can pursue newly available federal resources to implement delivery system reforms
 - \$5 billion in reinsurance for early retirees coverage
 - \$10 billion for care innovation demonstrations
 - 90% Medicaid match for medical home demonstrations
 - SustiNet as state/regional hub for primary care medical home



SustiNet's basic idea

- Implement best practices for a 21st century health care system
 - Incentives to promote health, implement IT, improve prevention, coordinate care for the chronically ill, etc.
 - Start with state employees/retirees & public programs
- SustiNet becomes an option for individuals & employers to buy
- 2009 SustiNet law created process for laying the foundation



SustiNet takes a real stab at health care costs.

- CT can do a better job at getting improved return for our health care dollar
 - Address state health care spending in context of state budget crisis
 - Stimulate spending: reduced health care costs, more discretionary dollars to households
 - Stimulate entrepreneurial activity and job creation
- If SustiNet slows premium cost growth, it may stimulate similar response in the private insurance market
- SustiNet positions CT to attract new federal resources available under reform



What's next?

- SustiNet Board of Directors must issue
 - 5/30/10 report analyzing federal reform legislation
 - 12/32/10 report proposing state legislation for 2011
- SustiNet committees & task forces present recommendations by 7/1/10



The Bottom Line

SustiNet:

- Fits well within federal reform
- Positions CT to attract new federal dollars

