

Adequate Health Care Task Force  
Steering Committee  
Meeting Minutes  
Tuesday, October 17, 2006  
9:00-10:30 a.m.

Via Conference Call

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*Illinois Public Act 93-0973, formerly House Bill 2268, creates the Health Care Justice Act and encourages the State of Illinois to implement a health care plan that provides access to a full range of preventive, acute, and long-term health care services; maintains and improves the quality of health care services offered to Illinois residents, and meets other criteria. The Illinois Department of Public Health (IDPH) is required, subject to an appropriation or availability of other funds, to enter into a contract with an "independent research entity" experienced in assessing health care reforms, financing, and care delivery models. The provisions of this legislation establish an "Adequate Health Care Task Force" with 29 voting members: five to be appointed by the Governor, and six appointments made by each of the four leaders of the General assembly (the Speaker of the House and the House Minority Leader, and the President of the Senate and the Senate Minority Leader). The Directors of the Departments of Public Health, Public Aid, Aging, and Insurance, along with the Secretary of the Department of Human Services, are to be invited to meetings of the "Adequate Health Care Task Force," but are not included in the Task Force's membership. The Department of Public Health is required to be "the primary agency in providing administrative support" to the Task Force.*

*This legislation provides for public hearings in each Illinois Congressional District, and a website detailing the work of the Task Force, accessible through the Governor's internet home page, is to be established and maintained. Printed copies of Task Force information are to be made available for persons who lack access to the Internet website. A Task Force report, detailing recommendations for a health care access plan as specified within the legislation, is to be submitted to the General Assembly by March 15, 2006. The bill encourages the General Assembly to consider legislation enacting the Task Force recommendations by December 31, 2006. The Act took effect July 1, 2004.*

**Steering Committee Members Present:** Dr. Wayne Lerner, David Koehler, Ruth Rothstein, Joe Roberts

**Task Force members Present:** Jan Daker, Jim Duffett, Mike Murphy, Tracey Printen, Elena Butkus (for Kenneth Robbins).

**Staff/consultants present:** David Carvalho, Sherry Sherman, Elissa Bassler, Gwyn Davidson, Candace Williamson, Lynn Taylor

The meeting was called to order by Dr. Lerner at 9:05 a.m.

Gwyn Davidson briefed the Steering Committee on the issues before them: additional sub-group meetings were scheduled to discuss the benefit package and IHERC, and members of the Employer Assessment/Individual Mandate

subgroup desired another meeting. The Consulting team had prepared a matrix for the steering committee that summarized the results of the subgroups, which fell into two categories: recommended changes to the hybrid model, and proposed additional analysis to be done by the Consulting Team. The matrix described the time it would take to make the change/conduct the analysis, and the impact on the Consulting Team's budget. The Steering Committee needed to make decisions about which recommendations/additional analyses to accept, and change the Task Force timeframes accordingly.

The Steering Committee reviewed the matrix and discussed each recommendation and considered the following motions:

**Provider Supply:**

Motion: Lerner, Second (none)

*Accept the recommendation of the provider supply group: modified hybrid should build on two pre-existing programs – the Illinois Medical Student Scholarship Program and the Rural Medical Illinois Assistance Program to increase providers of color and providers serving underserved areas, with the possibility that scholarship programs be converted to loan programs.*

**4 Aye, 0 Nay, Motion carried.**

**Source of Funding**

**Motion: Rothstein, Second: Roberts**

*Accept the recommendation of the Source of Funding Group: Fund proposed coverage expansion through general revenue using the broad-based revenue sources available to the State.*

**Vote: 4 Aye, 0 Nay, Motion Carried.**

Steering Committee discussed whether it was advisable to delay the Task Force completion by 2-4 months in order to do the requested study of the effect of making no change to the current health care system.

**Motion: Rothstein, Second: Roberts**

*Motion as amended: Accept the recommendation of the Source of Funding Group: Fund proposed coverage expansion through general revenue using the broad-based revenue sources available to the State. Recommend to full Task Force to include in the final report a recommendation to the General Assembly that such a study should be conducted as it deliberates.*

**Vote: 4 Aye, 0 Nay, Motion Carried.**

## **Provider Payment**

### **Motion: Koehler, Second: Rothstein**

*Accept the subgroup's recommendation that for the current Medicaid/SCHIP program and any services covered under Medicaid/SCHIP-related expansions included in the modified hybrid model, increase provider payments to 100 percent of costs and require the State to pay providers within 30 days.*

After discussion of potential conflicts with federal upper payment limits, motion revised to:

*Accept the subgroup's recommendation that for the current Medicaid/SCHIP program and any services covered under Medicaid/SCHIP-related expansions included in the modified hybrid model, increase provider payments to 100 percent of costs, **or as close to 100% as possible within upper payment limit constraints**, and require the State to pay providers within 30 days.*

*While the cost estimates will use Medicare payments as a proxy for physician services, the recommendation will state that physician payments rates would initially be set at Medicare's rates and then be adjusted annually (i.e., not be tied to specific Medicare rates each year).*

**Vote: 4 Aye, 0 Nay, Motion Carried**

## **Other (Additional Subgroup meetings):**

### **Motion: Koehler, Second Rothstein:**

*The Steering Committee approves the addition of an IHERC sub-group call and benefit package call.*

**Vote: 4 Aye, 0 Nay, Motion Carried**

## **Employer Assessment/Individual Mandate**

The subgroup has requested more information/analysis.

### **Motion: Roberts, Second: Rothstein**

*Accept the subgroup's recommendation to conduct an analysis (#1) of Illinois employers that identifies Illinois employers by firm size (1,000+ employees, 500 - 1,000 employees, etc.) and provide the following information for each firm size: percent of payroll currently spent on health insurance, the percentage of employers that offer coverage and the proposed employer assessment. Indicate in the report the need to consider the issues raised by proposed analysis (#2): tabulate the uninsured individuals in the model by income level, employer size (under or over 25 employees) and coverage option accessed. This breakdown*

*would also show which individuals the model estimates would not access coverage and their characteristics.*

Discussion:

The first analysis would push the TF calendar back because it would require an additional subgroup and steering committee meeting. However, the issue of the impact on employers is going to be a major one in the debate over implementing a comprehensive access initiative. The second analysis, which would cause further delay, is probably unnecessary as we already know a lot about the characteristics of the uninsured.

Davidson indicated that the analysis would need an assumption about when employers would be subject to the assessment. The steering committee directed the Navigant Team to conduct the analysis using a range of benchmarks (e.g., no assessment if an employer has an 80% take-up rate on the insurance it offers), and confer with the subcommittee about their recommendation on which benchmark to recommend to the Steering Committee.

**Vote: 4 Aye, 0 Nay, Motion carried**

### **Insurance Market Changes**

Davidson reported that the requested additional analysis would take several additional months and be of high cost.

#### **Motion: Roberts, Second Rothstein:**

*Reject the subgroup's recommendation for (Option 1): Comparative analysis of Illinois market and markets in other states that have regulations similar to the ones proposed for Illinois. This analysis would include NAIC data and would specifically examine carrier entry and exit from the market, as well as detail on insurer size and market trends and (Option 2): Detailed analysis of the impact of the proposed regulations using Illinois carriers' enrollment and premium information and (Option 3): Analysis of multiple years of NAIC information for the state of Illinois (similar to the table of information regarding the individual market prepared for the August 15th meeting) to understand the stability of the medical loss ratios observed in 2001-2005 in both the individual and small group markets. Recommend in final report that the General Assembly study these issues in their deliberations.*

Discussion: Given the high cost in time and money for this recommendation and the non-existence of any truly comparable state (i.e., where the proposed insurance regulatory revisions have been coupled with an individual mandate and employer assessment), the Steering Committee felt that it was not possible to conduct this analysis. The Steering Committee suggested that the Task Force

consider inclusion of a section in the final report describing the further studies/analysis that the Task Force recommends.

**Vote: 4 Aye, 0 Nay, Motion Carried**

### **Benefit Package:**

**Motion: Koehler, Second: Rothstein**

*Direct Navigant to include in the final hybrid model a cap on out of pocket expenses (co-pays, premium cost sharing) for those eligible for premium assistance (under 400% FPL); set cap at 4-6% of income.*

Discussion: though the subgroup recommended additional analysis and consideration of the cost of this, the Steering Committee felt that whatever the incremental additional cost, this was a worthwhile revision of the model and should simply be incorporated.

**Vote: 4 Aye, 0 Nay, Motion Carried**

### **New Schedule:**

**Motion: Rothstein, Second Roberts:**

*Steering Committee will meet by conference call on November 6, 9-10:30, to review the results of the employer assessment analysis and call, and the IHERC and benefit package calls.*

*Task Force will meet Thursday December 7<sup>th</sup>, 10:30 -2:30 to consider final recommendations.*

*The November 20 meeting is cancelled.*

*Date for submission of minority reports and the date for the final Task Force meeting to approve the final report will be discussed at the November 6<sup>th</sup> Steering Committee meeting.*

**Vote: 4 Aye, 0 Nay, Motion Carried.**