

Basic Health Non-Sub Briefing – Legislative Update

January 8, 2010

Purpose: Overview of HCA efforts to offer Basic Health Non-Subsidized coverage, effective July 1, 2010

Business Objectives:

- BH has an obligation to offer a non-subsidized product and given the lack of new enrollment into Subsidized BH is unable to direct citizens to an affordable option.
- The current waitlist is at 90,000 and is expected to grow to nearly 125,000 by July 2010.
- BH has developed a benefit offering which we believe will appeal to the low income population and serve the purpose of providing access to affordable health care at no cost to the state.

Benefit Design:

- BH Non-Subsidized benefit package is the same as BH Subsidized *except* for the following:
 - Maternity benefits – subject to a \$5,000 deductible if delivery occurs within the first 6 months of enrollment (deductible limit does not apply to preventative visits, pre- and post-natal visits, and well-child care post delivery). Applicants requiring maternity visits will be subject to an SMED screening and application process
 - In-Patient Facility Charge – 30% coinsurance (Subsidized - \$300 maximum facility charge per visit)
 - Maximum Annual Benefit Level for Non-Subsidized - \$75,000 (Subsidized – no limit)

Premium Costs:

- Benefit package is still under valuation with Milliman, anticipate average per member per month cost around \$100
- Premiums will be age rated, every 5 years for non-subsidized (every 15 years for subsidized)
- HCA admin fee of up to 10% will be assessed to compensate for administering program
 - Standard Health Care Questionnaire (SHCQ) to be administered through BH

Carrier Response:

- RFI process completed in December 2009 and 7 health plans have indicated interest
- Goal – 2-3 participating health plans per region (all state coverage possible)

Agency Operational Challenges:

- Significant system modification to adapt to new product and administer SHCQ
- Marketing outreach to 200,000 current and waitlisted members
- Processing of 50,000+ applications and SHCQ within 45 day period to ensure July 1st coverage
- Managing external concerns from perceived threat to current individual market

Timeline:

