

**INSTITUTE FOR HEALTH POLICY SOLUTIONS**

**EXPERT ROUNDTABLE ON LOW-INCOME SUBSIDIES,  
MANDATES AND EMPLOYER COVERAGE**

**December 20, 2004**

**Hyatt Regency Hotel, 1209 L Street, Sacramento, California**

**Big Sur Room**

**AGENDA**

And Agenda Notes

8:30 a.m.	<b><u>Continental Breakfast</u></b>
9:00 a.m.	<b>A. <u>Participant Introductions; Meeting Purpose and Structure</u></b> Rick Curtis, IHPS
9:30 a.m.	<b>B. <u>A Mandatory Coverage Environment: Background Data and Estimates in the SB2 context</u></b>  <i>Brief overview of pertinent provisions and uncertainties; potential similarities and distinctions re: individual mandates</i>  Rick Curtis, IHPS  <b>Current and SB2-mandatory population and employer coverage and cost data</b>  Susan Marquis, RAND <i>Clarifying Questions</i>  <b>State program budget considerations and estimates</b>  Ed Neuschler, IHPS <i>Clarifying Questions</i>  <b>Brief data on key “off budget” financing issues:</b> <ul style="list-style-type: none"><li>• Federal tax subsidies</li><li>• Impact of employer coverage financing on low-income workers</li></ul> <i>Questions, Comments, Implications</i> Participants (Suggested lead-off for questions: Kim Belshé)
10:30 a.m.	<b><u>Break</u></b>

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10:45 a.m.	<p><b>C. <u>Eligibility for Public Programs (or Premium Assistance)</u></b></p> <p><b>Current policy and rationale re: previous coverage status and subsidies for employer coverage.</b></p> <p>Leslie Cummings/Sandra Shewry</p> <p><b>Should such distinctions be maintained if coverage is mandatory?</b></p> <p><u>Lead Discussants:</u> Lucien Wulsin, Tom Davies</p> <p><u>Respondents:</u> Pat Butler, Michael Johnson</p> <p><u>Discussion:</u> Other Participants</p>
11:30 a.m.	<p><b>D. <u>Who Can, Should and Would Contribute How Much?</u></b></p> <p><b>Current public program policy and rationale:</b></p> <p>Sandra Shewry/Leslie Cummings</p> <p>Liane Wong</p> <p><b>If participation is mandatory, should contribution requirements change? If so, how and why?</b></p> <p><u>Lead Discussants:</u> Larry Levitt, Jack Lewin</p> <p><u>Respondents:</u> Peter Long, Bob DiPrete, Jill Yegian</p> <p><u>Discussion:</u> Other Participants</p> <p><b>Should (net) contribution amounts vary for public program enrollees vs. those with employer coverage (assuming “wrap” coverage where needed)?</b></p> <p><u>Respondents:</u> Lucien Wulsin, Marian Mulkey, Ruth Liu</p>
12:15 p.m.	<p><b><u>Lunch</u></b></p>
12:45 p.m.	<p><b>E. <u>Who Can, Should and Would Contribute How Much?</u></b></p> <p><i>Continued Group Discussion</i></p> <p><b>What are important factors and considerations for deciding what is fair and affordable for families and workable for government (and other parties)</b></p> <p><i>Facilitated Group Process</i></p>
2:00 p.m.	<p><b><u>Break</u></b></p>

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2:15 p.m. F. **Issues raised by an alternative SB2 scenario with premium assistance and Healthy Families Plans available for all low-income workers of “Pool” employers**

*Brief outline of the scenario and estimated pool and budget implications*

IHPS/RAND

**Can enrollment in Healthy-Families-participating health plans be greatly expanded at existing premium and provider-payment levels?**

*And would providers be more willing to participate and be more accessible for expanded low-income populations than for higher income groups?*

Lead Discussant: Leslie Cummings

Respondents: Ruth Liu, Jack Lewin, Liane Wong

**Assuming a pool is established or designated to assure affordable access for employer groups**, and assuming premium assistance and Healthy Families plans are to be made available for low income workers and families:

- Should these plans and subsidies be available through the employer pool or, as in SB2, only through referral to the Healthy Families program (or Medi-Cal)?

Lead Discussants: John Grgurina, Pat Butler

3:00 p.m. G. **In the context of mandatory coverage, what systemic changes might make premium assistance for more people more workable?**

*How Premium assistance is cumbersome, and some ideas to make it simpler via health plan rules re: family tiers, actuarial value, employee contributions: IHPS*

Responses and other ideas : Bob DiPrete, Michael Johnson, Tom Davies, Larry Levitt; other Participants

3:50 p.m. **Concluding Remarks and Adjourn**

## AGENDA NOTES

**PLEASE NOTE:** To help assure that key issues and insights are on the table, we have designated participants to lead off the discussion on particular issues. If you would prefer not to comment on the issue(s) assigned to you, please let me know by return email, or see me or Bob DiPrete during the continental breakfast before the meeting. Lead Discussants should take up to 4 or 5 minutes each, indicating what they believe to be key considerations and most sensible approaches. Designated Respondents should take up to 2 to 3 minutes to either present new points or to comment on their predecessor's observations. Rather than preparing a formal presentation, the expectation is that you will apply your ample pre-existing knowledge and acumen to the discussion.

### **Substantive Focus of Meeting**

The discussion will focus on the eligibility for subsidies, publicly funded premium assistance or public program coverage, and associated personal contribution levels, within a mandatory coverage framework such as SB2. Most of the issues discussed would also pertain to an individual mandate environment.

For those eligible for MediCal or Healthy Families, SB2 called for premium assistance and for supplemental coverage, if needed, to pay the employee's contribution towards employer coverage. If their employer "paid" into the pool, those who applied would be referred to MediCal or the Healthy Families programs.

Under current Healthy Families policy, children who already have employer coverage are ineligible for the program, and no premium assistance is available. It is not clear how such policies should be adapted to a mandatory coverage environment.

If a mandatory coverage approach is adopted, many children would be brought into employer coverage either because their working parent previously declined employer coverage available to them or (in the case of an employer mandate) was previously ineligible. Would it make sense to extend eligibility for public assistance to such families who did not previously participate in employer coverage while denying assistance to a lower income parent who already participated in family coverage through the same employer?

The rationale for current eligibility and contribution policy was largely that many of the uninsured, or parents of the uninsured, would not participate in coverage unless it is virtually free. Under a mandatory coverage construct, this would no longer be true.

Conversely, current policy also reflects the view that those who already have coverage have demonstrated that they will pay for that coverage, even if the costs are disproportionately high compared to their income. But since coverage is voluntary, they have an option to drop participation if, for any of myriad possible reasons, they could no longer afford it. Under a mandatory coverage construct, this would no longer be true.

At the beginning of the meeting, we will inform the discussion with data from the RAND/IHPS analysis of SB2 program implementation issues. But we expect the ensuing discussion to focus more broadly on financial access and fairness questions raised by a mandated coverage approach: who should be eligible for what kind of assistance, and conversely, who could and should be expected to contribute how much.

We will then discuss some other key issues raised by SB2 but also pertinent to other mandatory coverage approaches.

We expect this will be stimulating exchange that provides important new insights for the effective design of measures to successfully cover California's many uninsured.