

STATE BOARD STRUGGLING TO BALANCE COVERAGE, AFFORDABILITY IN NEW PLANS

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BOSTON, JAN. 19, 2007....The authority charged with introducing health insurance plans affordable to about 160,000 uninsured individuals indicated today that plans submitted to date that meet minimum coverage standards are too expensive.

The plans are targeted for individuals who are not eligible for publicly subsidized insurance programs that have been rolled out in recent months in accordance with last April's universal health care law.

According to Bob Carey, director of planning and development at the Connector Authority, monthly premiums from submitted plans that met the state's minimum coverage requirements would cost \$380, on average. Submitted premiums ranged from \$250 for a 28-year-old to \$580 for a 56-year-old.

"That's something we need to think about. At the end of the day, do we want to put something for Minimum Creditable Coverage for \$380?" said member Bruce Butler.

The average rate is about \$100 higher than what board members had initially expected to be.

The news today sent members of the Connector Authority board back to the drawing table. Board members said they will recommend on Monday that lower insurance policy standards be put out for public hearings.

The Connector Board had requested proposals from insurance companies that would deliver 60 percent of the benefits of top-notch insurance plans and, based on the results, discovered the cost of such plans would far exceed the ability of individuals to pay, leaving them vulnerable to bankruptcy when the state's insurance mandate kicks in on July 1.

The subcommittee of the Connector that met today is charged with establishing the Minimum Creditable Coverage, which defines the basic necessities of plans that would meet the state's requirements under the new law. If individuals are enrolled in health plans that do not meet the minimum coverage, residents will face financial penalties.

The subcommittee decided to lower the minimum standards for health plans, from the 60 percent threshold to 55 percent and recommended regulations that health plans are required to meet to receive the Connector's approval.

"Our job is to protect people from bankruptcy," said board member Jonathan Gruber, who said he did not want to be "too prescriptive" when defining the regulations.

He favored limiting the regulations by capping maximum out-of-pocket costs and deductibles only.

Another board member said the panel needs to stay focused on insurance coverage and quality.

"This is not about affordability, this is about what kind of plan we can call a health insurance," said member Dolores Mitchell. "I may not like it."

Butler said the Connector regulations should not lose sight of the affordability, financial protection and quality of care for individuals.

Some members wanted prescribed generic drugs covered while some suggested covering brand name drugs only. Member Celia Wcislo pushed to define the number of doctor visits that insurance plans should cover.

"I'm getting a little nervous . . . to come up with choices, I mean we're not experts," said Executive Director Jon Kingsdale, adding providers may not be able to meet all the requirements by July. "We have to be confident that what we're doing is doable."

Gruber said he thought members were "micromanaging too much" and limiting the options available to insurers.

"I don't think we should be sitting here trying to outsmart these guys. I think they may have thought of something that we didn't have," said Gruber.

At the end, the committee agreed to recommend to the full board on Monday to cap the out-of-pocket maximum to \$5,000 for individuals and \$7,500 for families, cap the deductible to \$2,000 for individuals and \$4,000 for families and have prescribed drugs count toward the out-of-pocket maximum. Other recommendations included coverage of brand name drugs only and coverage for some doctor visits.

Eric Linzer, vice president of the Massachusetts Association of Health Plans said his organization is concerned the regulations will be "too prescriptive."

"We want to have the flexibility so consumers have enough choices and decide what is affordable and what it not," said Linzer.

The Connector is scheduled to vote on the draft regulations for minimum coverage on Monday. The regulations will then go before a public hearing on Feb. 16 and a final vote is scheduled to take place on March 8.

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