

Executive Summary

SustiNet: Health Care We Can Count On

Universal Health Care Foundation of Connecticut presents to the people of the state a public policy proposal for how, working together, we can:

- Guarantee all Connecticut residents access to their choice of high quality health coverage and health care;
- Control costs so that health care is affordable and sustainable for individuals, families, businesses, and taxpayers;
- End residents' worries about losing access to care when they change jobs, finish school, start a business, experience other life changing events or have pre-existing conditions;
- Prevent illness and disease where possible and improve health; and
- Eliminate racial and ethnic disparities in health care and health outcomes.

There is widespread agreement among Connecticut residents statewide, policy makers and business, health care labor, and elected leaders, clergy and consumer advocates that the health care system as we know it is unsustainable.

With ideas and feedback from all of these perspectives, the foundation developed this policy proposal. We call it SustiNet, the Latin word for *sustains*, adopted from the Connecticut state motto to reflect the proposal's commitment to health and sustainability. The proposal offers a vision and a blueprint from which to start on the road to a high performance health system.

SustiNet rebuilds health care delivery in Connecticut.

Under the SustiNet proposal, every patient has a "medical home." The medical home promotes healthy behaviors and management of chronic illness. Care coordination, patient empowerment and timely access to care are the essential elements of the medical home. Physicians and other health care providers are paid for these services.

SustiNet sets high standards for health care quality through quality improvement measures and recognizes providers of the highest quality of care. Clinicians play a central role in determining standards of care.

Provider and patient communication improves, costs associated with duplicative tests decline and medical errors are prevented through widespread implementation of electronic medical records. Technology experts, health care providers and the state of Connecticut collaborate to ensure that the systems that are adopted are effective; and that financing and technical support is available and patient privacy is protected.

Health care delivery improvements are supplemented by investment in public health programs to promote healthy behaviors, prevent the development of chronic illness, and ensure an adequate health care work force supply.

SustiNet provides a new health coverage option.

People satisfied with their existing private coverage can keep it. SustiNet builds a new plan from health coverage already funded by Connecticut taxpayers. It merges state employees and retirees with HUSKY and SAGA¹ participants into a self-insured² pool. Three other groups can enter the pool:

- people without access to employer sponsored insurance, including sole proprietors and other self employed individuals;
- people offered employer sponsored insurance that does not provide affordable access to essential care; and
- employers, starting with small businesses, nonprofits and municipalities, but ultimately including any employer in the state.

SustiNet is distinguished by key coverage features:

- Comprehensive health benefits give SustiNet participants the care they need when they need it. Along with benefits typically included in large employer sponsored coverage, SustiNet will also cover medical home services, mental health and dental care.
- All applicants are accepted, regardless of pre-existing conditions.
- Income limits for HUSKY eligibility increase. Those not offered coverage through their employers and others whose employer sponsored insurance does not adequately meet their needs can enroll in SustiNet.
- Premiums and co-pays are subsidized based on income.
- Providers receive fair compensation for the care they provide to those eligible for HUSKY. This reduces unreimbursed costs and increases access to care for lower income people.
- Automatic enrollment, adequate affordability subsidies and informed consent are used as mechanisms to achieve universal coverage.

SustiNet brings much-needed transparency to the health care system.

It makes informed health care purchasing decisions possible for employers, families, and individuals by making cost and quality of care transparent through an independent information clearinghouse.

¹HUSKY, Healthcare for Uninsured Kids and Youth, is the portion of the Medicaid program that provides health insurance for children and their parents. Currently, HUSKY A serves lower-income families: those below 185 percent of poverty. HUSKY B covers children in families between 185 percent and 300 percent of poverty. SAGA is the state's general assistance program for low-income adults. Adults currently enrolled in the Medicaid program that covers the elderly, blind, and disabled will remain in that program and would not be covered by SustiNet.

²Companies such as Pratt and Whitney and Pitney Bowes are self-insured; that is, they pay their employees' health claims directly, negotiate rates with health care providers and implement health enhancement and cost-control initiatives of their choice. Insurance companies may serve as the third-party administrators of these benefits, but they do not assume risk in covering these employees. The state will convert its employees' and retirees' coverage program to a self-insured plan and will contract with an insurer or other third-party administrator to manage claims processing and provider and customer relations.

SustiNet is governed by a specially appointed public-private board to represent Connecticut residents, the health care professions, hospitals, small and large businesses, and organized labor. The SustiNet board will:

- set policy goals and ensure they are achieved;
- spearhead required reforms to the health care delivery system;
- identify health care workforce challenges and ensure they are addressed;
- select and monitor the administrator of the SustiNet self-insured pool; and
- report quality and cost outcomes to the public.

Health care spending declines and employers and households save money.

The foundation worked with The Urban Institute and Dr. Jonathan Gruber, a prominent health economist at the Massachusetts Institute of Technology to identify the coverage and economic impact of the SustiNet proposal.

Delivery system innovations and coverage enrollment will be phased in over 5 years, from 2011 to 2016. Coverage expansion begins January 2011. By 2014, 98 percent of the population is insured.

Employers and households will see significant savings in premiums and out-of-pocket costs because:

- Employers will pay more affordable premiums for their workers' coverage.
- Cost-effective health care delivery measures and the leverage and efficiencies possible with hundreds of thousands of covered lives will bring premiums down.
- Fewer uninsured people and higher payment rates to providers will reduce the cost shift to private insurers, which is today reflected in higher premiums charged to employers.
- Households will have lower personal health care costs and more discretionary income.

We can do this in Connecticut.

Our proposal addresses the root causes of the problems with our health system – poor health outcomes, out of control costs, inadequate access to care and uneven quality of care.

SustiNet is also designed to make the marketplace better, not to reduce competition or replace private options for coverage. With measures to improve health and reduce costs, plus hundreds of thousands of covered lives, it leverages the purchasing power of the state to deliver a better health care system to all Connecticut residents.