

## Iowa Choice Health Care Coverage Advisory Council

### Adult Health Care Coverage Subcommittee

October 21, 2008

Meeting Minutes

The Adult Health Care Coverage Subcommittee convened shortly after 8:00 a.m. in the Insurance Commissioner's office with the following members present: Joe Teeling, Chair; Carrie Fitzgerald; Jan Laue; Representative Linda Upmeyer; and Commissioner Susan Voss.

The committee discussed the number of uninsured adults. The Lewin Report indicated that there are approximately 308,000, with 15% having incomes above 400% of the Federal Poverty Level.

The committee then focused on those who were employed, but did not have numbers on how many uninsured were employed or how many uninsured did not take advantage of their employer-sponsored health plan. Generally large firms with more than 1000 employees provide coverage; most firms with more than 100 employees provide coverage, but the smallest employers (those with less than 10 employees) either don't offer coverage or are dropping it. The committee would like to find incentives for 1) more employers to offer coverage and 2) employees to take employer-offered coverage.

Discussion then moved to state law requirements for small group insurance that tend to make it difficult for small employers. Is there a possibility that the current requirements could constitute a "gold" plan, but also allow for "silver" or "bronze" plans? Some problems we have currently are a lack of creativity, which more competition might help to cure, and steep discounting, which discourages new competition from entering the market. Affordability of small group insurance is a huge issue. The group discussed the possibility of reinsurance. This was discussed several years ago by a subcommittee in the Iowa House, but dropped due to the high cost of reinsurance for claims above \$50,000. It might be doable at a higher level. Currently an average plan costs \$8,000 for a family of 4, which is about 10% of the income of a family of 4 at 400% of FPL.

Other long term issues discussed were getting control of chronic disease and 3<sup>rd</sup> party payment of claims.

The committee discussed the possibility of expanding the Iowa Cares program. People in all parts of the state do not have the same access to routine care. Could other hospitals serve as satellites? Could other medical education dollars be used as a federal match? Iowa Cares might be used to improve statewide coverage of adults under 100% of FPL, however, the committee needs to have more information. Possible sources: LSA, DHS, and study by Child and Family Policy Center.

Recommendations for further study:

- Pursue Iowa Cares as option for the lowest income adults
- Examine potential incentives for individuals and small employers
- Request that the legislature re-examine mandates for small group insurance, possibly allowing waiver of some things in exchange for others, such as wellness coverage
- Focus on improving health for long-term cost containment
- Find solutions for part-time workers
- Find solutions for adults ages 50-65
- Continue to work on solutions for those who still won't be able to afford coverage without subsidies.