

STATE COVERAGE STRATEGIES: EVOLVING WITH TIME, EFFORT

Following is a timeline of the highlights in state health reform over the past five years.

2009

Oregon passed comprehensive health reform, Colorado enacted a major coverage expansion, and Connecticut established a road-map for comprehensive reform. In addition, 18 states enacted or implemented legislation to expand Medicaid and CHIP programs.

Alabama—Over Governor Bob Riley's veto, CHIP eligibility increased from 200 percent to 300 percent FPL.

Colorado—Expanded its CHIP eligibility levels for children to 250 percent FPL; enacted a bill that will use a fee assessed on hospital services to provide a medical assistance program to childless adults with incomes up to 100 percent FPL; passed legislation that requires the state to establish a process for online and telephone re-enrollment of Medicaid and CHIP beneficiaries; passed a bill that prohibits insurance companies from using gender as a factor in determining rates and benefits for individual health plans; and expanded coverage to lawfully residing immigrant children.

Connecticut—The legislature overrode Governor M. Jodi Rell's veto to establish the SustiNet Plan—a framework for universal health coverage and health system delivery innovations. The bill appoints a nine-member board and multiple committees and task forces to produce implementation recommendations in the form of legislation by January 2011, with the plan ultimately taking effect in 2012.

Iowa—The legislature approved a \$7.5 million CHIP expansion to include children and pregnant women in families with incomes up to 300 percent FPL, and expanded coverage to lawfully residing immigrant children.

Kansas—Passed a state budget that includes funding for a CHIP expansion from 200 percent to 250 percent FPL.

Massachusetts—In response to 2008 legislation, several Massachusetts commissions issued reports. These included: *Recommendations of the Special Commission on the Health Care Payment System* (July); *Roadmap to Cost Containment: The Massachusetts Health Care Quality and Cost Council Final Report* (October); and a *Framework for Design and Implementation by the Massachusetts Patient-Centered Medical Home Council* (November).

Minnesota—Awarded grants to 39 communities to support local, sustainable public health grants to promote system-wide changes that would prevent and reduce obesity and tobacco use. Over two years, the program will award \$47 million to 86 communities around the state. The Statewide Health Improvement Program (SHIP) grants are projected to save the state \$1.9 billion by 2015.

New Jersey—Used state income forms for express lane eligibility for Medicaid and CHIP (Iowa and Maryland also did this).

Ohio—Passed legislation that requires dependent child coverage up to age 28 in group health plans, reduces rates that insurers can charge people who have preexisting conditions, and requires employers to offer uninsured employees the opportunity to purchase coverage through Section 125 cafeteria plans. The Ohio Health Care Coverage and Quality Council is created through an executive order.

Oklahoma—Enacted legislation that requires the Oklahoma Health Care Authority and the Insurance Department to create a new coordinating entity, the Health Care for the Uninsured Board (HUB).

Oregon—Enacted two pieces of legislation that will extend health insurance to nearly 200,000 previously uninsured Oregonians through the Oregon Health Plan and a newly created "Kids Connect" plan (the legislation includes a CHIP expansion from 185 percent to 200 percent FPL); merged a number of government departments into a new entity, the Oregon Health Authority, that will oversee efforts to reduce health care costs and improve efficiency and quality; and expanded coverage to lawfully residing immigrant children.

Pennsylvania—Launched three multi-payer regional initiatives to support primary care and improve chronic care in the state. This is in addition to the first regional roll-out that occurred in May, 2008, and it will be followed by three more regions in 2010, for a total of seven regional projects throughout Pennsylvania. The demonstration program includes support and training for delivery system reform and performance-based add-on payments for primary care practices.

Texas—Passed legislation that will create the Healthy Texas program, a reinsurance-based initiative designed to provide affordable health insurance to small business owners, their employees, and their families.

Utah—Established the Utah Health Exchange. It was piloted in the fall of 2009 and will be open to all eligible enrollees in the spring of 2010. The exchange will target small businesses and will enable employees to choose plans from a menu of options. These options will reflect those available in the open market. Risk rating is allowed, but there will be some risk-sharing between plans participating in the exchange.

Washington—Issued a request for proposals (RFP) for large and small practices to join a Patient-Centered Medical Home Collaborative. The practices for the collaborative were selected and training began.

Wisconsin—Expanded coverage to childless adults with incomes not exceeding 200 percent FPL through the BadgerCare Plus (BCP) program. Due to budget constraints, they were forced to suspend enrollment on October 9, 2009 and institute a waiting list.

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2008

Minnesota passed comprehensive delivery system reform legislation. Maryland implemented Medicaid expansion and established a small business premium subsidy program. Several states pursued strategies to cover all children, including Iowa, New Jersey, New York, Wisconsin, Illinois (2006) and Pennsylvania (2007).

Alaska—Governor Sarah Palin established the Alaska Health Care Commission to provide recommendations for and enable the development of a state-wide plan to address the quality, accessibility, and availability of health care.

Colorado—Enacted an SCHIP expansion to 225 percent FPL from 205 percent FPL for Colorado's Child Health Plan Plus (CHP+).

Connecticut—Released a draft report, authored by the HealthFirst Connecticut Authority, that makes recommendations for expanding coverage and transforming the delivery system.

Florida—Governor Charlie Crist signed into law Cover Florida and Florida Health Choices. Cover Florida calls for the state to negotiate with insurers to provide a low-cost insurance product for the uninsured. Florida Health Choices expands the number and types of plans available to the uninsured.

Iowa—Enacted health reform legislation to address the quality and affordability of health care among Iowans. The legislation expanded coverage for children up to 300 percent FPL by 2010. It also created the Iowa Choice Health Care Coverage Advisory Council to develop a plan to provide health coverage to all state residents within five years.

Kansas—Passed a health reform bill that includes an expansion of Health-Wave (Medicaid and SCHIP) for children from the current level of 200 percent FPL to 225 percent FPL beginning in 2009, and to 250 percent FPL by 2010—once federal funding becomes available.

Louisiana—Enacted an SCHIP eligibility expansion for children up to 250 percent FPL from 200 percent FPL.

Maryland—Implemented a Medicaid expansion from 30 percent FPL to 116 percent FPL for parents and a premium subsidy program for small businesses. This legislation is expected to cover approximately 100,000 previously uninsured Maryland residents.

Massachusetts—Law enacted to promote cost containment, transparency and efficiency in the delivery of quality health care. The uninsurance rate fell to 2.6 percent.

Minnesota—Passed a broad and historic health reform bill focused on the improvement of health care coverage and affordability. It included payment reform, expanded price and quality transparency, chronic care management, administrative efficiency, and public health. The reform requires that health

care cost savings be measured against projected costs without reform. The bill also expanded public coverage for childless adults from 215 percent FPL to 275 percent FPL.

New Hampshire—Enacted a health insurance plan designed to make coverage more affordable to small businesses by emphasizing wellness programs and prevention.

New Jersey—Governor Jon Corzine signed into law a health reform bill which requires all residents 18 years old or younger to have health insurance coverage and which legislative sponsors describe as the first phase in guaranteeing health coverage for all New Jersey residents. This bill also included an increase in eligibility for parents in the FamilyCare program from 133 percent FPL to 200 percent FPL.

New York—After CMS denied its waiver request, New York implemented an SCHIP eligibility expansion from 250 percent FPL to 400 percent FPL with state funds alone.

North Dakota—CMS approved North Dakota's request to expand SCHIP eligibility from 140 percent FPL to 150 percent FPL.

Ohio—An advisory group appointed by Governor Ted Strickland produced a comprehensive report that included recommendations to reduce the number of uninsured Ohioans by half and to increase the number of small businesses able to offer coverage to their workers.

Oklahoma—The Oklahoma State Coverage Initiative team, a group of state leaders representing the state legislature, government agencies, the private sector, and tribal organizations, released their Blueprint for Oklahoma report with draft recommendations for ensuring that all Oklahomans have access to high quality health care and affordable health insurance.

Oregon—Released a comprehensive plan authored by the Oregon Health Fund Board to create a world-class health system for Oregon.

Utah—Early in the year, created a task force to develop recommendations for health reform. Drafted recommendations included various insurance market reforms; streamlining and standardizing various aspects of provider, insurer, and consumer interactions and communications; and requiring certain contractors who do business with the state to offer health insurance to their qualified employees.

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2007

Both Massachusetts and Vermont began implementing their new reforms. California worked towards comprehensive reform while a number of states continued developing proposals or refining models hoping to enact new reforms in 2008 and 2009.

California—Governor Arnold Schwarzenegger announced a comprehensive health care reform proposal, prompting significant state and national debate. Special session of the state legislature convened to address health care reform; revised proposal introduced. Assembly passes reform bill. (Note: Senate fails to pass bill.)

Colorado—The Blue Ribbon Commission for Health Care Reform approved a set of recommendations, which would require state residents to purchase health insurance or face a tax penalty, and would expand eligibility for the state's public programs.

Connecticut—Passed reform bill increasing Medicaid reimbursements for physicians and hospitals, expanding eligibility levels for pregnant women and children, and requiring automatic enrollment of uninsured newborns in HUSKY, the state's Medicaid and SCHIP program. New authorities charged with developing recommendations for overall health reform and for strengthening the safety net.

Hawaii—Passed several bills that expand health coverage to infants and children, raise the reimbursement rate for Medicaid providers, and reestablish insurance rate regulation provisions.

Illinois—Following the collapse of agreement with the legislature, Governor Rod Blagojevich attempts to implement through executive authority an expansion of the state's FamilyCare plan and other reforms.

Indiana—Reforms enacted that increase tobacco taxes, providing funding for immunization programs, Medicaid expansions, increased Medicaid reimbursement rates, tax credits for employers that establish Section 125 plans, and tobacco prevention and cessation programs. The state received federal waiver approval for the Healthy Indiana Plan.

Kansas—Passed a bill that creates a phased-in premium assistance program that provides subsidies to Kansans who make below 100 percent FPL for purchasing private insurance actuarially equivalent to the state employee health plan. The Kansas Health Policy Authority presented health reform recommendations to the legislature.

Maine—Governor John Baldacci signed a bill allowing the DirigoChoice program to be self-administered.

Maryland—Governor Martin O'Malley signed into law a bill that will expand Medicaid eligibility and offer subsidies to small businesses to offset the cost of providing coverage to employers.

Massachusetts—Massachusetts' individual mandate to obtain health insurance took effect July 1. Minimum creditable coverage and affordability standards were determined by the Connector board.

Missouri—Passed a reconfigured state Medicaid system called MO HealthNet. The Legislature restored coverage and benefits to some populations whose services were eliminated two years ago.

Minnesota—Governor Tim Pawlenty announced his Healthy Connections proposal to make the state's Medicaid program more affordable for children, and expanding eligibility. Other features include rewards for healthy behaviors, a requirement that small businesses establish Section 125 plans, and a Massachusetts-style Connector.

New Mexico—Governor Bill Richardson unveiled a comprehensive reform proposal that would require all state residents to purchase coverage.

New York—Finalized a budget that will expand health insurance coverage for children by raising eligibility from 250 percent FPL to 400 percent FPL, the nation's highest ceiling for SCHIP eligibility.

Oklahoma—Governor Brad Henry signed legislation expanding income eligibility from 185 to 200 percent FPL under the Insure Oklahoma program, which provides health insurance subsidies to businesses.

Oregon—Governor Ted Kulongoski signed the Healthy Oregon Act, providing a timeline for comprehensive health reform recommendations, and established the Oregon Health Fund Board. Ballot Measure 50 failed, leaving in question funding for a children's coverage expansion.

Pennsylvania—Under his "Prescription for Pennsylvania" plan, Governor Ed Rendell began pursuing an ambitious coverage expansion, alongside health systems improvements and efforts to promote healthy behavior.

Rhode Island—Launched HealthPact RI plans that encourage small businesses to offer health coverage to workers. Initiated a series of stakeholder meetings designed to result in recommendations to the 2008 General Assembly related to cost containment and affordable coverage for uninsured residents.

South Dakota—Legislature enacted a law that established the Zaniya Project Task Force, charged with developing a plan, including action steps and timelines, to provide health insurance to uninsured South Dakota residents.

Tennessee—Launched Cover Tennessee program which includes several expansions to cover children, uninsurable adults, low-income workers, and small businesses.

Vermont—Vermont began enrolling eligible residents into Catamount Health on October 1, 2007.

Washington—Passed several bills to provide access to coverage for all children in the state by 2010, and to create a Connector-like program called the Washington Health Insurance Partnership.

Wisconsin—Increased the cigarette tax by \$1 per pack, providing funding to expand health care coverage to nearly all children in the state through the state's new BadgerCare Plus program.

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2006

Massachusetts and Vermont demonstrated that bi-partisan compromise and comprehensive reforms are possible at the state level. Several other states approved or began implementing coverage initiatives focused children and working uninsured adults. Several states also took advantage of the flexibility outlined in the Deficit Reduction Act to redesign their Medicaid programs.

Arkansas—CMS approved a waiver to allow Arkansas to receive federal Medicaid funds for a program that will provide low-cost health coverage to small businesses.

Idaho—Taking advantage of the state plan amendment process provided in the Deficit Reduction Act, the state split the Medicaid and SCHIP population into three major benefit plans.

Illinois—AllKids program implemented. Many other states propose similar plans to cover all children.

Kentucky—Moved forward on their Medicaid redesign plans after receiving approval for their state plan amendment under the DRA.

Maryland—Legislature over-rode Governor Bob Ehrlich's veto of the 'Fair Share Act.' Later in the year, the U.S. District court struck down the bill, declaring the measure was pre-empted by ERISA. The state appealed the decision.

Maine—Blue Ribbon Commission on Dirigo Health established to evaluate components of the state subsidized coverage program for the uninsured, particularly Dirigo's funding mechanism.

Massachusetts—Legislature passed a landmark comprehensive bill designed to cover 95 percent of the uninsured in the state within the next three years.

Oklahoma—Legislature approved expansion of O-EPIC program to cover businesses with 50 or fewer employees.

Pennsylvania—Legislature approved funding for Cover All Kids, a program allowing families to purchase health insurance on a sliding scale basis based on income. Implementation began January 1, 2007.

Rhode Island—Legislature passed a number of new health initiatives including several coverage expansions focused on providing premium relief for small businesses.

Tennessee—Legislature passed Cover Tennessee program, which includes several expansions to cover children, uninsurable adults, low-income workers and small businesses.

Utah—Revamped its Covered at Work program and introduced the new Partnership for Health Insurance program, which provides subsidies for low-income workers who are enrolled in coverage provided through their employers.

Vermont—Vermont Legislature and Governor Jim Douglas reached agreement on Catamount Health. The program includes an employer assessment and a new insurance product with subsidies for individuals below 300 percent FPL.

West Virginia—Moved forward on Medicaid redesign plans after receiving CMS approval for their state plan amendment.

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2005

Financial conditions continued to improve for many states and more proposed or implemented coverage initiatives. During this time, the foundation for comprehensive reforms was being laid in Massachusetts and Vermont. Maryland passed “Fair Share” legislation, sparking interest in several states about employer responsibility. Spurred by continued budget challenges and the threat of federal changes to the Medicaid program, many states also developed Medicaid reform proposals.

Florida—Received CMS approval for Medicaid redesign plans to be piloted in two counties.

Georgia—Legislature passed minimum benefit legislation.

Illinois—Legislature passed All Kids program, expanding coverage to children above SCHIP levels. The state continued to phase in an expansion of coverage for parents up to 185 percent FPL.

Iowa—In exchange for giving up \$66 million in Inter-Governmental Transfers, the state received a waiver from CMS to provide a limited set of Medicaid benefits to adults up to 200 percent FPL.

Kansas—Governor Kathleen Sibelius announced the Kansas Health Care Authority, which streamlined all major health care programs in the state to improve efficiency and allow the state to plan for reforms.

Kentucky—Legislature passed minimum benefit legislation.

Maine—Enrollment began in DirigoChoice.

Maryland—Legislature passed the “Fair Share Act,” requiring large employers to spend at least 8 percent of their payroll on health care. The bill was vetoed by Governor Bob Ehrlich.

Massachusetts—Several health care reform proposals were introduced and each house in the legislature passed its own version of comprehensive reform. State received approval for MassHealth waiver extension establishing a Safety Net Care Pool.

New Mexico—State Coverage Insurance program, which is available to low-income, uninsured working adults with family incomes below 200 percent FPL, is implemented.

Montana—State implements Insure Montana, an initiative using tax credits and a purchasing pool to help small businesses afford the cost of health insurance.

Oklahoma—The Oklahoma Employer/Employee Partnership for Insurance Coverage (O-EPIC) program waiver is approved by CMS.

Pennsylvania—Signed an agreement with Blue Cross Blue Shield insurance plans to spend close to \$1 billion in surplus funds over six years on different health programs in the state, including adultBasic.

Tennessee—Granted a waiver amendment to end coverage of uninsured and uninsurable adults in the TennCare program and began disenrolling approximately 320,000 individuals.

Vermont—Governor Jim Douglas vetoed the Green Mountain Health bill, which would have provided primary and preventive services to the uninsured. The state also received approval for their ‘Global Commitment to Health’ waiver.

West Virginia—The Small Business Plan began enrollment. The state also established the WVAccess high-risk pool.