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The Government Affairs Group at Murtha Cullina LLP is pleased to provide information about current topics of interest.

David J. McQuade*
860.240.6141
dmcquade@murthalaw.com

Janemarie W. Murphy*
860.240.6143
jmurphy@murthalaw.com

Michael J. Martone*
860.240.6109
mmartone@murthalaw.com

Kylene A. Fredrick*
860.240.6040
kfredrick@murthalaw.com

Jason K. Crisco*
860.240.6185
jcrisco@murthalaw.com

* Not an Attorney

WHAT IS SUSTINET?

By overriding Governor M. Jodi Rell's veto of the SustiNet act, the Connecticut General Assembly took the first step in moving the state to a "system of universal healthcare" for all its citizens. As approved, Public Act 09-148, "An Act Concerning the Establishment of the SustiNet Plan," calls for the creation of a new self-insured health plan to provide health services to a gradually expanding pool of individuals in this state. Starting with the "voluntary" enrollment of non-state public employees, nonprofit groups, and small businesses, the SustiNet Plan requires the state to include all clients of state supported health plans, including HUSKY A and B, Medicaid and the state-administered general assistance program; eventually expanding services to state employees and retirees, the uninsured and larger employers. The act establishes July 1, 2012 as the target date for initial enrollments.

Establishment of the Plan

Following a series of guidelines provided in the act, the SustiNet Plan will be developed by a nine-member board of directors. They are as follows:

- The State Comptroller (serving as co-chair)
- The Healthcare Advocate (serving as co-chair)
- A nurse or allied health professional (appointed by the Governor)
- A primary care physician (appointed by the Senate President Pro Tempore)
- A representative of labor (appointed by the Speaker)
- An individual knowledgeable with small business health benefit plans (appointed by the Senate Majority Leader)
- An individual with expertise in health economics or policy (appointed by the House Majority Leader)
- An individual with expertise in health information technology (appointed by the Senate Minority Leader)
- An individual with expertise in actuarial sciences or insurance underwriting (appointed by the House Minority Leader)

The board of directors has until January 1, 2011 to submit legislation to the General Assembly's Appropriations and Finance, Revenue and Bonding Committees establishing procedures to implement the Sustinet Plan. The board is charged with creating a plan that will improve the health of state residents, improve healthcare quality and access, increase healthcare coverage options, restrain healthcare costs and reform the delivery of healthcare in Connecticut. In designing the Sustinet Plan, the board is authorized to create a public authority with the power to establish health insurance guidelines under the plan, contract with insurers and providers, appoint advisory committees, evaluate mandates, raise funds from public and private sources, enter into interagency agreements, and, if the federal government enacts national healthcare reform, submit recommendations to the General Assembly for implementing Sustinet not later than sixty days after the enactment of federal healthcare reform.

Sustinet Plan Committees Established

The Sustinet Plan board of directors is required to establish a number of committees to address the delivery and coordination of healthcare under the plan. These are as follows:

Health Information Technology Committee

The Health Information Technology Committee is charged with developing an electronic health records system to support Sustinet members and participating providers. This committee is responsible for designing an information technology plan, providing approved software, integrating subscribing provider medical record systems and developing incentives to encourage providers to adopt electronic medical records by July 1, 2015.

Medical Home Advisory Committee

The Sustinet act requires the establishment of a medical home advisory committee composed of physicians, nurses, consumer representatives and other qualified individuals. The committee is charged with developing a "medical home" program for Sustinet Plan members. Traditionally, a medical home has been defined "as an approach to providing comprehensive primary care that facilitates partnerships between individual patients and their personal physician." A medical home seeks to provide better access to healthcare, more preventative screenings, higher quality healthcare and fewer disparities in the delivery of these services for all ethnic and social groups. The committee will make recommendations on the individuals and entities that can serve as medical homes. Under the act, a medical home might be a licensed healthcare provider, a group practice or community health center and, in some cases, a specialist or a healthcare provider overseeing a temporary medical condition. The committee also must make recommendations on the appropriate reimbursement level for this service, recognizing the added value provided Sustinet Plan members who have patient-centered medical homes.

Healthcare Provider Committee

The act requires the establishment of a Healthcare Provider Committee made up of healthcare consumers and providers to develop care and safety guidelines for Sustinet Plan providers. In selecting the guidelines, the committee is required to choose from existing nationally and internationally recognized healthcare standards. The committee is charged with recommending peer review practices, quality of care standards, healthcare audits and performance programs, safety and performance standards for hospitals and pharmacies and medical device usage.

Preventive HealthCare Advisory Committee

The act requires the establishment of a Preventive HealthCare Advisory Committee which must include providers, consumers and other individuals chosen by the Sustinet Health board of directors. The committee is mandated to draft recommendations for submittal to the board of directors by July 11, 2010, and annually thereafter, supporting medical improvement programs in the areas of nutrition, sleep, physical exercise, and tobacco and addictive substance prevention and cessation. Additionally, the board of directors must recommend that Sustinet health insurance plans sold to employers and individuals cover community-based preventive care programs including immunizations and healthcare screenings.

Task Forces Created

In addition to the various healthcare committees created under the act, the new law requires the establishment of three task forces - the Obesity Task Force, the Tobacco Use Task Force and the HealthCare Workforce Task Force. Each task force is required to submit a report and recommendations on its subject area to the Sustinet board of directors and the relevant committees of the General Assembly by July 1, 2010. Appointments to the task forces will be made by the legislative leaders, as required in the act.

Office of Healthcare Advocate - New Duties

The act makes the state's Office of Healthcare Advocate (OHA) responsible for establishing an independent information clearinghouse to provide Sustinet Plan and private health information to employers, individual consumers and the general public. Further, the OHA is required to develop, and periodically update, model healthcare benefit packages based on both medical outcome research and an examination of the premium cost for a "typical" private, employer sponsored insurance policy in the Northeast. The act requires the OHA to furnish the Sustinet board these model healthcare benefit packages which may be used to modify the Sustinet standard healthcare package.

Additional Responsibilities

In addition to the other responsibilities contained in the act, the Sustinet board is required to develop education and outreach campaigns on the Sustinet Plan through community based organizations, to work with state and municipal agencies to identify uninsured individuals, and to consult with the state Departments of Education and Social Services to identify children eligible for state healthcare programs.

Observation

The creation of the Sustinet Plan in Connecticut follows the work of the HealthFirst Connecticut Authority which, over an eighteen-month period, made a series of recommendations on principles and strategies for achieving universal healthcare coverage in this state. The directors of Sustinet Health are now charged with attempting to implement many of these recommendations through legislative proposals prepared and forwarded to the General Assembly by January 1, 2011. Key to passage and development of these proposals will be the availability of state financial resources. With the existing FY09 deficit standing at \$900 million and the projected 2010-2011 state budget shortfall expected to be \$8.5 billion, healthcare reform advocates will be severely challenged to find the necessary financial support to make Sustinet work. As Governor Rell indicated in her veto message, the likely cost of Sustinet reforms will be approximately \$1 billion a year. While a solution to this spending/revenue problem may come from Washington in the form of national healthcare reform, it now appears we will have to wait until September to see if Congress is willing to patch the hole in the state's healthcare bucket, or maybe provide us with a brand new, federal bucket.

If you have any questions about the issues addressed here, please feel free to contact David McQuade, Senior Government Affairs Consultant, at 860-240-6141 / dmcquade@murthalaw.com, or your attorney.