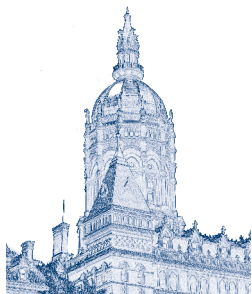


The Capitol Update

SEPTEMBER 2012

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An update on Connecticut State Government and Politics from The Government Affairs Group of Murtha Cullina LLP.

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CLIENT ALERT: NAVIGATING HEALTH CARE REFORM EFFORTS IN CONNECTICUT

Connecticut, like many other states, is actively working on efforts to increase access to health care for its residents, and there are a large number of stakeholders working on health care reform efforts through a variety of workgroups and executive boards. The two main vehicles for health care reform efforts in Connecticut are the Health Care Cabinet (the Cabinet) and the Health Insurance Exchange (HIE or the Exchange). The Cabinet and Exchange, similar entities in many ways, were created to increase access to quality, affordable health insurance for citizens of Connecticut. Both entities have a variety of subgroups tasked with working on specific policy issues and both are chaired by Lieutenant Governor Nancy Wyman, reporting directly to the Governor. The Cabinet, however, has a much broader scope of health reform activities than the HIE which was created by state law to implement the Federal Affordable Care Act (ACA) passed by Congress in 2010.

Health Care Cabinet

The Health Care Cabinet was established by Public Act 11-58 also known as the Sustinet Health Care Cabinet. Public Act 11-58 was Connecticut's landmark legislation to increase access to health care for its residents. In addition to creating the Cabinet, Public Act 11-58 allowed cities and towns and not-for-profit organizations to buy into the state health insurance plan, extended insurance coverage for children under their parents' plan from age 21 to 26, and established the Office of

Health Reform and Innovation (OHRI) in the Office of the Lieutenant Governor.

The Cabinet is tasked with advising the Governor, Lieutenant Governor and OHRI on creating an integrated health care system in Connecticut, as well as issues associated with the ACA. These issues include identifying opportunities to expand health insurance coverage and an examination of the gaps in coverage in the delivery system created by federal health care reform. The Cabinet created six (6) workgroups to carry-out its mission including: an all-payer claims database advisory group; a basic health plan work group; a business plan development work group; a consumer advisory board; a delivery system innovation work group; and a health technology work group. Each work group is advising the Cabinet on its area of expertise to help create policy proposals for the Cabinet's report to the Governor. The workgroups are currently submitting their recommendations to the Cabinet for their consideration for the report to the Governor, expected to be presented by the end of the year.

Health Insurance Exchange

The Health Insurance Exchange was created by Public Act 53-11 as a quasi-public agency charged with

implementing the federal ACA by creating a marketplace for Connecticut residents to purchase quality affordable health care while reducing cost. Health care coverage will be offered to individuals and small businesses through an online medium by January 1, 2014, the roll-out date for the Exchange.

Connecticut has been planning and setting-up its exchange over the past year, creating a consumer outreach and marketing plan, determining business and information technology processes, defining the state's essential health benefit plan and hiring staff to run the marketplace.

The Connecticut HIE has received two rounds of federal funding for planning for the implementation of the ACA, the most recent round awarded in August totaling \$107 million. Much like the Cabinet's work groups, the HIE has formed advisory committees to help create policy in specific issue areas. The Exchange's advisory groups include: consumer experience and outreach; health plan benefits and qualifications; brokers, agents and navigators; and the small business health option programs.

The Cabinet and the Exchange Working Together

The Exchange is tasked, in cooperation with the Cabinet, with evaluating the potential for Connecticut to create a basic health plan option. The basic health program allows states to leverage federal resources to expand health insurance coverage for low income adults and families who do not qualify for Medicaid and could not afford any of the health plan options sold through the exchange. The basic health program would be offered through a private insurer and would have to offer minimum coverage equal to the essential health benefit plan as defined by the Exchange. The two entities are currently considering the possibility of offering a basic health program in Connecticut.

2014 and Beyond

With the countdown to 2014 underway, Connecticut is leading the states in its health care reform efforts. Each of the entities and their advisory committees and work groups are working to ensure more Connecticut residents have access to quality affordable health care. Many of the key coverage decisions and delivery system models are being developed. The Supreme Court decision to uphold many elements of the ACA, including the individual mandate requiring citizens to obtain health care coverage or incur a penalty, has ensured that the health care landscape in Connecticut and across the country will dramatically change in 2014.

The Capitol Update is a publication of the Government Affairs Group of Murtha Cullina LLP. For further information or assistance, please contact David McQuade at (860) 240-6141 or dmcquade@murthalaw.com.

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