TO: MEMBERS OF THE JT. SELECT COMMITTEE ON HEALTH CARE REFORM OPPORTUNITIES AND IMPLEMENTATION

FROM: TRISH RILEY, CHAIR STEERING COMMITTEE ON HEALTH REPORT

RE: UPDATE – OCTOBER 19, 2010

DATE: OCTOBER 19, 2010

1. Grants Awarded to Date Under Affordable Care Act (ACA) (Attachment A)
   - Exchange Planning

2. Summary of Advisory Council on Health Systems Development Discussion re: Exchange (Attachment B)

3. MaineCare / ACA Update

4. Dirigo Health

5. Schedule for Steering Committee & Advisory Council on Health Systems Development to complete work

Attachments: - Grants Awarded to Date under ACA – 10/1/10
   - Summary of Advisory Council on Health Systems Development Discussion re: Exchange

cc: Karynlee Harrington
   Brenda Harvey
   Anne Head
   Mila Kofman
   Ellen Schneider
## Funded Grants for Maine under the Affordable Care Act (ACA)
### Current as of 10/1/10

### Grant/pilot/demonstration

<table>
<thead>
<tr>
<th>Amount</th>
<th>Recipient</th>
<th>Timeframe</th>
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</thead>
<tbody>
<tr>
<td>$17,000,000</td>
<td>Dirigo Health Agency</td>
<td>2010-2014</td>
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<tr>
<td>$1,000,000</td>
<td>Bureau of Insurance</td>
<td></td>
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<tr>
<td>$309,820</td>
<td>Dept. of Labor Iberdola, MEA, MaineHealth, TexTech, Portland Water District, University of Maine System &amp; UNUM Group</td>
<td>2010-2014</td>
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<tr>
<td>$184,071</td>
<td>DHHS/OES, SMAAA &amp; MaineHealth, Aging &amp; Disability Resource Center</td>
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<td>$125,000</td>
<td>Passamaquoddy Tribe</td>
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<tr>
<td>$1,758,786</td>
<td>Maine State Department of Health and Human Services State of ME Grants to Help Consumers Navigate their Health and Long-Term Care Options</td>
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<td>$306,394</td>
<td>Term Care Options</td>
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<td>$1,877,632</td>
<td>See Below</td>
<td>5-year cooperative agreement program entitled,</td>
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<td>$250,000</td>
<td>State of ME</td>
<td>2010-2014</td>
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<td>$1,000,000</td>
<td>Governor’s Office of Health Policy and Finance</td>
<td>2010-2014</td>
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### Maine Health Professional Grants (total: $309,820)

#### City
- Advanced Education Nursing Traineeship Grants
  - Husson College
    - University of New England
      - Bangor
        - $28,457.00
      - Biddeford
        - $8,641.00
  - University of Maine System, acting through University of Maine
    - Orono
      - $24,469.00
    - Portland
      - $21,936.00
  - Nurse Anesthetist Traineeship Grants
    - University of New England
      - Biddeford
        - $12,223.00
  - University of Southern Maine

#### City
- Geriatric Education Center Grants
  - Biddeford
    - $208,111.00

### State Health Professional Grants (TOTAL: $1,887,632.00)

#### City
- Expansion of Physician Assistant Training Program
  - Award
    - $208,111.00
University of New England
State of Maine, Department of Health and Human Services
Maine Jobs Council

Biddeford
Personal and Home Care Aide State Training Program
Augusta
$990,000.00

State Health Care Workforce Grants: Planning
Augusta
$747,632.00

$150,000.00

Grant
Specific Grantee

CDC HIV Surveillance Grant
Maine
$60,000

CDC Tobacco Quitlines Grant
Maine Department of Health
$53,098

CDC Epidemiology & Laboratory Capacity/Emerging Infections Program Grant
Maine Department of Health and Human Services
$337,410

SAMHSA Primary Care & Behavioral Health Grant
Community Health And Counselling Service
$496,820
Attachment B - Summary of Advisory Council on Health Systems Development
Discussion re: Exchange
## Current State Infrastructure

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Design</th>
<th>HDJJ1</th>
<th>DG1</th>
<th>State Employee Plan</th>
<th>State HIE State</th>
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<tbody>
<tr>
<td>Detention Public Program</td>
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<tr>
<td>Detainee procedures for private insurance</td>
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<td>Detainee employee volunteers</td>
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<td>Detainee employee volunteers</td>
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<td>Detainee eligibility process</td>
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<td>Detainee eligibility access</td>
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<td>Info applicable to other programs</td>
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<tr>
<td>Benefits and Plan Information</td>
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<td>Contact with Co-ops</td>
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<td>Standard benefit categories by actuarial value</td>
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<td>State Qualified Health Plans</td>
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<td>Health quality through market-based incentives</td>
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<td>Design quality rating to plan</td>
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<td>Conducted adjustment</td>
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<td>Customer service</td>
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<td>Email options</td>
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<td>Print materials</td>
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<td>Maintain website with easy and quality information</td>
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<tr>
<td>Provide cost estimator</td>
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<td>Premium Payment Collection</td>
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<td>Key Issues</td>
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<td>Eligible program</td>
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<td>Pay premiums to carriers</td>
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<td>Aggregate premium from multiple sources</td>
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Draft 5 - for discussion

## Planning Framework Issue 1: Maine Should Manage its own Exchange

**Pros:**
- Maine will have more control and flexibility.
- Exchange will focus on Maine’s priorities and goals.
- Maine has existing state infrastructure with core competencies.
- More efficient for state agencies to coordinate with each other than to separately coordinate with a federal or regional exchange.
- Implementation timelines are very ambitious; takes longer to coordinate with other states.
- Maximizes legislative oversight.
- Federal planning and implementation grants available to state.

**Cons:**
- Resource intensive for state to administer (time and personnel).
- Difficult to estimate the administrative costs and whether the Exchange can be sustainable.
- May not realize economies of scale that could potentially be realized through a regional or national Exchange.

Draft 5 - for discussion
Planning Framework Issue 2:
Maine should create one Exchange serving both Individuals and Businesses

- Pros:
  - Individuals move between employer and non-group coverage, having one Exchange will make it easier
  - Economies of scale in having one Exchange
  - Administrative costs more expensive with two exchanges
  - All covered lives in one Exchange (vs. 2) allows for larger pool and ability to have more impact on quality & cost
  - One Board/oversight body

- Cons:
  - May be difficult for one entity to balance differing priorities of Individual and SHOP Exchange
  - Different messaging and customer service needs for individuals and businesses

Planning Framework Issue 3:
Maine should have one Exchange serving the State

- Pros:
  - Maine’s population can be covered within one Exchange
  - Insurance carriers are statewide
  - Administrative efficiencies may be realized with centralized Exchange
  - Could coordinate with local offices of state government

- Cons:
  - Will require outreach in rural areas of Maine
  - Will require strategies other than the Internet for remote areas and populations without access
  - Will require governance reflective of geographic and other diversity of the state
Planning Framework Issue 4:
Maine should collaborate with New England states on Exchange functions

- Pros:
  - Procurement of IT and other resources might bring efficiencies and/or economies of scale
  - Allows for collaboration on specific issues given the tight implementation timeline
  - States can share best practices and learn what works

- Cons:
  - May be difficult to coordinate across states, particularly given on-going activities
  - Each state has its own procurement rules which may make collaboration difficult
  - States may have different goals that impact ability to collaborate on specific issues
  - Cost of multi state meetings/travel

Planning Framework Issue 5:
Maine’s Exchange should be housed in an Independent or Quasi-state agency.

Nonprofit Discussion 1 of 3

- Pros:
  - Least influenced by political environment
  - Most nimble as it will not be constrained by state procurement and HR rules
  - Potentially better able to compete for highly skilled staff
  - It’s not government so some may trust it more
  - Traditionally private functions may be easier to carry out*

- Cons:
  - Hardest entity to ensure that state priorities are carried out
  - May be difficult to coordinate across state and federal agencies
  - Difficult entity for sharing confidential information
  - Government still remains responsible for carrying out ACA yet Legislature and Governor have least accountability here
Planning Framework Issue 5:
Maine’s Exchange should be housed in an Independent or Quasi-state agency.

Independent/Quasi State Agency Discussion 2 of 3

Pros:
- Better site for state priorities
- Easier to coordinate with federal and state agencies
- Better accountability and more transparency
- Can appoint governing board composed of people with technical expertise
- Board appointed by Governor and Legislature
- Executive Director to serve at pleasure of the Board
- Flexibility from some state procurement and HR laws
- May be better able to interact with private sector than government agency

Cons:
- Sharing of confidential information may be problematic
- May carry stigma with consumers (Individuals and businesses) as governmental agency
- May be somewhat influenced by political environment
- Less able to ensure accountability and transparency to state government than full governmental entity
- Executive and Legislative branches of government have less control than over a state agency; more than over a non-profit

Planning Framework Issue 5:
Maine’s Exchange should be housed in an Independent or Quasi-state agency.

Existing Government Agency Discussion 3 of 3

Pros:
- Ensures state priorities and goals are met
- Easiest for coordination with federal and other state agencies
- Greatest opportunity to ensure accountability and transparency to state
- Confidential information more easily shared across state agencies
- Director appointed by Commissioner or Governor

Cons:
- Agency led by Commissioner that serves at the pleasure of Governor
- No diverse governing board to assist with technical and policy issues
- Don’t want to create new agency and Exchange functions may get lost or downplayed in existing agency
- May carry stigma as governmental agency
- Most influenced by political environment
- Less nimble as it must follow state procurement and HR laws
Next Steps

- Identify opportunities and barriers of working with other New England states in establishing an exchange
- Ask the federal government to provide details on how a federally-established Exchange would operate
- Begin to develop a “strawman” model of a Maine Exchange for stakeholder feedback
- Begin planning process for examining options for Maine to establish its own Exchange.