JOINT SELECT COMMITTEE ON HEALTH CARE REFORM OPPORTUNITIES AND IMPLEMENTATION

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THE BASIC HEALTH PLAN OPTION FOR STATES

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1. Introduction

2. Overview of the Basic Health Option

   - Legislative Background
   - Section 1331 of the Affordable Care Act
   - Details that are left for federal guidance and regulations
   - Details that are left to states to decide

3. How Basic Health fits with Medicaid, CHIP, premium credits, and employer coverage

   - In general
   - In Maine

4. Potential advantages of Basic Health for Maine and how advantages could be realized:

   - Could strengthen state’s ability to negotiate with managed care plans and other insurers
   - Could increase ability to innovate and better coordinate care
   - Could simplify transition to Medicaid expansion and premium credits in 2014
   - Could provide more affordable and comprehensive coverage for beneficiaries
   - Could lower administrative costs for MaineCare and the new exchange
   - Could decrease the potential for gaps in coverage and disruptions of care for beneficiaries

5. Potential disadvantages of Basic Health for Maine if not structured appropriately:

   - Would decrease participation in health plans offered in the exchange which could make it harder to attract insurers and to pool risk
   - If not carefully planned, another layer of coverage could actually increase gaps and disruptions in coverage

6. Possible next steps for Maine

   - Estimate potential per capita payments that would be made available to the state under Basic Health
   - Discuss how Basic Health would fit within the current managed care initiative
   - Discuss state’s interest in Basic Health with federal officials who are developing guidance and regulations