

## Side by Side Comparison of Proposals

|                                     | <b>Senate Bill Catamount<br/>Version 3.1</b>   | <b>MA Plan</b>   |
|-------------------------------------|--|--|
| <b>Benefit Package</b>              | <p>Actuarially equivalent to BCBS Freedom \$200 ded/\$20co-pay PPO plan.</p> <p>(Selected as "midpoint" of coverage sold in small group (&lt;50 ees) and large group (50+ mkt). This skews to plans offered by largest employers.)</p> <p>Senate estimate \$350/mo - current cost Blue Cross \$465</p> | <p>Benefits not specified. Goal is "affordable plan." Target cost \$300/mo/pp. No deductibles allowed &lt;300% FPL. Max \$2100-ind/\$4000-fam deductibles for &gt; 300% FPL.</p> <p>Special basic plan (\$150/mo) for age 19-26. Allows restrictive networks - no "any willing provider."</p> <p>Allows HMOs to offer HSA-high deductible plans.</p> <p>Plans may limit mental health, infertility and other high cost items.</p> <p>Plans to be developed by carriers/health plans and certified "affordable" and "good quality" by Commonwealth Health Insurance Connector, a publicly governed "supermarket" for plans. (See Administration.)</p> |
| <b>Any willing provider</b>         | Yes  | No. Specifically authorizes plans to have limited networks.  |
| <b>Enrollees/Eligible</b>           | Currently uninsured individuals; 12 month waiting period; up to 300% of poverty  | Individuals up to 300% FPL (\$48,000/fam-3) and are not eligible for other public insurance. Employed individuals and businesses ≤50 employees may purchase plans thru Connector if employer pays portion of premium cost.   |
| <b>Premium Subsidies</b>            | Yes. Free to 200% FPL. Sliding scale (in legislation) to 300% of FPL.  | Yes. Free up to 100% FPL. Sliding scale (not in legislation) from 200-300% FPL. No subsidies >300%.  |
| <b>Employer Sponsored Insurance</b> | Study and analysis. Parameters to legislature by Jan 15 2007.  | Yes, allows individuals 200-300% FPL with employer plans to get subsidies if Health Connector certifies employer plan "high value and good quality." For plans purchased through Connector, more than one employer may contribute to premium for one employee.   |
| <b>Administration</b>               | Like Medicaid and VHAP, a "self-insured" government plan. Can be administered by state or by TPA under contract.   | Private health insurers will propose their plans to a public authority, the Commonwealth Health Insurance Connector, a new group created in Dept. of Administration and Finance. Connector governed by board of private and public members will decide if proposed private insurance plans meet quality and affordability standards. Will act as "clearinghouse" for enrollment, subsidies.  |

By Keller & Fuller, Inc.

Please contact us with questions or corrections:

802-864-6787

[jkeller@keller-fuller.com](mailto:jkeller@keller-fuller.com)

|  |   |   |
|--|---|---|
| <b>Provider Payments</b>               | Drs: Medicare + 10%;<br>Hospitals 100% of actual costs.   | New plan is all private sector health plans. Rates to providers will be the same as for any private insurance.  |
| <b>Medicaid Reform</b>                 |   | Raises income limit for children to access MassHealth from 200% to 300% FPL (\$38,500/yr fam-2).<br>Adds \$90 million to provider payments FY07, 08, 09 to make up for prior year underpayment.<br>Links rate increases to performance: quality, efficiency, reduction of ethnic/racial disparities, improved outcomes.   |
| <b>Individual or Employer Mandates</b> | January 1, 2008 individual mandate  | Individual mandate ONLY IF Connector certifies that "affordable" plans are available for individuals.   |
| <b>Funding</b>                         | Cigarette tax; Premiums; Global Commitment (federal matching funds)   | Funding adequacy unclear and being questioned. (Globe, 04-05-06). All that has been identified are:<br>- employer contributions to premiums<br>- "Fair Share" and "Free Rider" assessments on employers<br>- reprogramming funds from existing provider tax/federal match pool for uncompensated care   |
| <b>Chronic Care</b>                    | Expands scope of the Blueprint and chronic care to all state programs; accelerates timeline   |   |
| <b>Cost Shift</b>                      | Incr payments to hospitals 5% 1/1/07 and 5% every January thereafter.   | Adds \$90 million to government plan provider payments FY07, 08, 09 to make up for prior year underpayment. New plans are all private sector rates, so no new cost shift.   |
| <b>Non-Insuring Employers</b>          | NA  | \$295/FTE/yr. Also, "Free Rider Surcharge" 10%-100% fo state's cost of providing "free care" in hospital more than 3 times/yr to one employee, or 5 times/yr for any employees.   |
| <b>Other</b>                           | <b>Minimum Preventive Services:</b> free immunizations to anyone not on government-sponsored plan.<br><b>NonGroup Health Insurance Trust:</b> a reinsurance or high risk pool mechanism?. | <b>Market Reforms:</b> merges small and non-group markets July 2007, following actuarial study. HMOs allowed to offer HSA plans. Young adults may stay on parents plans until age 25 or loss of dependent status. Moratorium on any new benefit mandates until 2008.<br><b>Mandatory Sec. 125 Plans:</b> participating small employers must establish Sec. 125 plans to allow pre-tax funding of premiums and payment of medical expenses. (VT est: \$750 to set up, and \$95/mo plus \$4/ee/mo admin.) |

By Keller & Fuller, Inc.  
Please contact us with questions or corrections:  
802-864-6787  
jkeller@keller-fuller.com