A FRAMEWORK FOR HEALTH CARE REFORM IN INDIANA

DRAFT FOR PUBLIC DISCUSSION

ACCESS

Strategy 1: Achieve universal health insurance coverage for all Indiana residents and ensure the financing of the system is sustainable, equitable, and reflects shared participation by all.

Recommendation 1.1. Establish a mandate that all Indiana residents must obtain a minimum level health insurance, supported through personal income tax penalty for non-compliance and preferential premium treatment for continuous enrollment.

Recommendation 1.2. Establish a minimum benefit package that is available and affordable to all Indiana residents and establish a scientific and ethical advisory commission to review the package annually.

1.2.a. The minimum benefit package should include coverage for: chemical dependency services, chronic disease management, dental care, emergency and outpatient urgent care, home healthcare services, hospice and palliative care, inpatient hospital care, mental health care, obstetrical services, outpatient services, pediatric care, prescription drugs, preventive care, rehabilitation services, supplies, transportation to care facilities, and other benefits as determined by the governing board.

1.2.b. Establish a state-level quasi-independent scientific and ethical advisory commission, composed of health care providers and community leaders, to assist the State in establishing the limits and monitoring the formulary of services, pharmaceuticals, and medical treatments and devices covered under the minimum benefit package. The commission will make recommendations regarding covered services and products based on evidence regarding their scientific and clinical efficacy and cost-effectiveness. The commission also will be responsible for establishing public standards of insurance affordability and recommending revisions in eligibility criteria for all state sponsored programs.
Recommendation 1.3. Ensure insurance coverage is affordable for individuals and families with incomes below 300% of the FPL by providing publicly-financed subsidies to purchase private insurance and/or direct coverage through state-funded plans.

Recommendation 1.4. Develop targeted outreach programs, in coordination with healthcare providers, schools, public health, welfare and other social service organizations, and have an enrollment process that ensures individuals enroll in publicly and privately financed programs for which they are currently eligible.

Recommendation 1.5. Facilitate the pooling of risks in insurance markets for those who do not have access to employer-based health coverage through one or more of the following:

1.5.a. Create a state-managed program to assist small employers and individuals who do not have access to employer-based health coverage to purchase health insurance. Private insurers participating in the program would be required to offer policies covering at least the minimum benefit package, to adhere to a policy of guaranteed issue, and to meet minimum medical loss ratio targets.

1.5.b. Include an option to buy-in to state-funded plans, such as the HIP, for individuals not otherwise able to access the health insurance market.

1.5.c. Support state-supported and private insurance plans through risk adjustment methodologies and/or reinsurance to manage catastrophic losses to promote affordability of insurance products.

1.5.d. Enhance the Indiana Long-term Care Insurance Program (e.g., the Partnership) to expand enrollment and reduce the cost of long-term care insurance premiums.

Recommendation 1.6. Employers should be assessed a payroll tax, with tax credits for those who provide employer-based coverage.

Recommendation 1.7. Patients should contribute through a system of tiered co-payments (waived if low income and/or severe illness).

Recommendation 1.8. Health care providers should be assessed a tax (set to recover some portion of the expected cost savings attributable to health care reform).

Recommendation 1.9. Levy a surtax on specialty hospitals that do not contribute to the health care safety net.

Recommendation 1.10. Use a combination of targeted sales and personal income tax to support community-based health care reform.
Recommendation 1.11. Require that administrative authorities and health insurance providers spend no less than 85% of premium revenues collected in Indiana on health care services for participants.

PUBLIC HEALTH

Strategy 2. Expand existing and undertake new proven public health initiatives to impact key morbidity challenges so that cost and demand for health services can be decreased.

Recommendation 2.1: Fund high impact public health initiatives, particularly smoking cessation and other lifestyle modification programs.

2.1.a) Provide the resources necessary to implement Tobacco Cessation and Prevention programming and legislation consistent with the CDC’s evidence based recommendations

2.1.b) Support the implementation of proven obesity reduction programs.

Recommendation 2.2: Enhance existing and establish new training programs to ensure that the workforce needed to implement these programs is available.

DELIVERY SYSTEM

Strategy 3. Improve the quality and efficiency of the health care delivery system through the widespread adoption of a “medical home” care model and the development of local integrated public and private delivery systems.

Recommendation 3.1. Create financial incentives for patients to select a medical home and adopt healthy behaviors (e.g., medication adherence, weight reduction).

Recommendation 3.2. Create incentives for primary care providers to establish medical homes and provide care coordination services in addition to primary, preventive and other health care services.

Recommendation 3.3. Create incentives to establish regional integrated public and private health care delivery systems that provide easy access to a complete range of health care services.

Recommendation 3.4. Offer additional targeted incentives for the development of integrated delivery networks that provide access to health care for residents in rural and other underserved areas of the State.

Recommendation 3.5. Increase the number of community health centers and support existing centers in their efforts to become federally qualified.
Recommendation 3.6. Reform the payment system to align reimbursement of providers with the priorities of health care reform, including:

3.6.a) supporting primary, behavioral health, and preventive care, care coordination, and chronic disease management, and

3.6.b) achieving performance benchmarks.

Recommendation 3.7. Expand the Indiana Health Information Exchange as the state pipeline to connect all local health information exchanges in Indiana and to create a vehicle for sharing key medical information.

Recommendation 3.8. Support the expansion of a state-wide quality improvement and monitoring initiative and integrate quality-related data collection within the state-wide information system.

Recommendation 3.9. Develop the necessary workforce to support the medical care home, particularly for underserved areas, throughout Indiana by:

3.9.a) expanding training capacity for critical-shortage health care professions including primary care physicians (family physicians, general internists, pediatricians), nurses, physician extenders (nurse practitioners and physician assistants), and pharmacists;

3.9.b) establishing a school of rural and community health outside of the Indianapolis metropolitan area to train primary care providers, including primary care physicians, nurse practitioners, physician assistants, and nurses; and,

3.9.c) offering targeted financial aid and training opportunities for health care professionals who commit to serving rural and other identified areas where there is a critical shortage of health care services.

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