

**Recommendations concerning the uninsured, health care access  
and affordability, and affordability of health insurance in Illinois**  
*Presented on May 9, 2006 by members of the AHCTF who are associated with the insurance industry*

**Guiding Principles**

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1. Preserve health plan and provider choice
2. Build on the respective strengths of the private market and government
3. Maximize the employment-based system of providing health insurance
4. Engage consumers in taking a more active role in their health and utilization of health care
5. Recognize the diversity of the uninsured

**Recommendations**

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**Framework for Solutions for Reducing the Number of Uninsured**

1. **Medicaid reform and reaching the public program eligible:**
  - a. **HIFA waivers and block grants:** Through the use of HIFA waivers or block grants expand eligibility to the population of single childless adults with incomes at 100% or below of the federal poverty level and who have been uninsured for more than one year and have no access to some forms of private insurance coverage.
  - b. **Increase portability of coverage** through vouchers that allow Medicaid eligible beneficiaries to enroll in their employers' plans.
  - c. **Personal Health Accounts (PHAs)** should be provided to Medicaid beneficiaries who enroll in a consumer-engaged (i.e. "consumer-driven") option, with the use of such accounts being restricted to the payment of health care expenses and health insurance premiums. This would empower these beneficiaries to manage some of their own health care dollars and get them more engaged in managing their health and utilization of health care.
  - d. **Managed care Medicaid:** Medicaid enrollees who do not choose not to enroll in a consumer-engaged option should "default" to enrollment in a state-run managed care Medicaid program.
  - e. **Long term care partnerships:** Implement long term care partnerships in Illinois in view of the recently passed (February, 2006) federal budget reconciliation law.
  - f. **Public program outreach:** Enroll eligible low-income individuals into currently available public programs to significantly reduce uninsurance among people who are eligible for coverage but are not currently enrolled. The State of Illinois should also research and evaluate the feasibility of implementation of an aggressive public education/outreach program as a means of maximizing public program participation.
2. **Reaching the non-afforders:** Public policy should be advanced that allows carriers to more readily develop coverage opportunities for small business and individuals who wish to purchase private coverage but for whom the cost is out of reach.
  - a. Encourage the further development of Health Savings Accounts and Consumer Directed Health Care.
  - b. Provide tax incentives to individuals, employers and carriers to help make coverage more affordable.
3. **Reaching the voluntarily uninsured:**
  - a. Encourage product innovation in the private sector to expand choices of lower-cost options.

- b. Develop a multi-faceted public awareness campaign to educate individuals on the availability of coverage, and to educate small employers on the tax treatment of insurance, rate protections, and the availability of coverage in our state on a guarantee issue basis (be it because of SEHIRA, or through CHIP and HIPAA-CHIP).

4. **Reaching the chronically uninsurable:**

- a. Maintain appropriate funding and management of Illinois' high-risk pools (HRPs).
- b. Limit coverage provided through HRPs and implement a mechanism to mainstream high-risk individuals into the private health insurance market.
- c. Require the two principal CHIP pools (Sections 7 and 15) to offer a CDHP (consumer-drive health plan) option that incorporates an HSA-compatible high deductible health plan (HDHP).

**Improve Quality and Make Coverage More Affordable**

5. **Improve quality of care and patient safety** - Accelerating adoption of health information technology (HIT) and establishing an HIT infrastructure are needed to improve quality, patient safety and efficiency.

- a. Reduce treatment variation
- b. Base more reimbursement on Pay-For-Performance
- c. Improve health literacy

6. **Increase consumer involvement in health care decisions**

7. **Reduce excessive, unnecessary regulation and litigation**

8. **Consider the use of reinsurance pools as a means of achieving greater affordability of health insurance:** Evaluate the cost-effectiveness and feasibility of a voluntary, federally-subsidized individual and/or small group reinsurance pool set up strictly to handle the financial side of insuring high-risk individuals. Reinsurance pools, if administered correctly, have the potential to become important market-stabilizers.

**Other**

9. **Health savings accounts should be used as a “bridge” option for citizens moving from public to private programs.**

10. **Inventory current public insurance and medical assistance programs** to determine such things as 1) enrollment, 2) costs (overhead and costs of care), and 3) overlap with other programs, and determine which current state government-sponsored programs could be modified or even eliminated as part of an overall streamlining and consolidation initiative.

11. **“Health insurance and medical assistance” decision tree:** The Division of Insurance’s Ombudsman program has a database application that phone counselors use in steering citizens to insurance, public health, and medical assistance programs that are available at state, county, and township levels in Illinois. It should web-enable this same application and provide a “health insurance and medical assistance” decision tree. Citizens should be able to enter information about themselves (e.g., name, address, date of birth, marital status, information about dependent children, gross household income, etc.), and receive a “report” showing ALL the programs they are eligible for that includes hyperlinks to websites, addresses, and phone numbers where one may turn for further assistance and counseling.