

Overall Observations Regarding Effectiveness and Efficiencies of Different Program Components

A. Program features resulting in broad coverage

1. Auto-enrollment of State's population
2. Individual coverage mandate
3. Extensive new voluntary coverage options with high subsidies

B. Program features that support broad coverage and minimize State costs

1. Broad distribution of payment burden that minimizes new State costs – i.e., use of employer and employee payroll taxes to fund entire program
2. Involvement of extensive funding from non-State sources
 - a. Employer and individual mandates that increase employer and individual commitments
 - b. Employer and employee taxes that spread cost of care across population
 - c. Section 125 "cafeteria plans" to encourage individuals to participate in employer sponsored insurance
 - d. Medicaid and State Children's Health Insurance Program expansions to increase federal matching funds (i.e., childless adults up to 100 percent of the federal poverty level)

C. Program features designed to increase affordability of coverage and care

1. Providers
 - a. Provider reporting of profits and losses
 - b. Global budgets
 - c. Increased bargaining power with providers through pooling of individuals or employers (i.e., bulk purchasing)

2. Insurer health plans
 - a. Insurer reporting of profits and losses
 - b. Limits on administrative overhead
3. Individuals
 - a. Individual cost-sharing
 - b. Increased use of consumer-engaged options
 - c. Published information about provider and insurer health plan cost, benefits and quality

D. Program features that support access to care and are not coverage-related

1. Rural health initiatives
2. Increasing availability of providers who accept Medicaid/SCHIP patients via:
 - a. Rate increases
 - b. Prompt payment
3. Consumer education
 - a. Resources to help educate consumers on different health insurance options
 - b. Public awareness campaigns to educate individuals on the availability of public coverage
4. Home- and community-based options in lieu of institutional care

E. Program features that promote quality of care

1. Pay-for-performance
2. Public reporting of quality measures

F. Program features that target the uninsured, but have a relatively small impact on overall coverage

1. Small employer programs – generally speaking, it is hard to incent small non-offering employers to take-up coverage. As a result, programs that target small employers by offering employee or employer subsidies have to achieve a very high level of subsidies to substantially increase the offer rate.
2. Purchasing pools or State-run health insurance plans – generally effective only to the extent that these provide coverage at rates lower than the individual market, or provide substantial subsidies to incent individuals to take-up the new plan.
3. Vouchers for individual coverage – voucher amount must generally be very high to induce take-up.