

Health Insurance Coverage Initiatives to the CMS Direct Service Workforce Demonstration Grants 2003 and 2004

	Indiana Arc Bridges, Inc.	North Carolina Pathways for the Future, Inc.	Virginia Department of Medical Assistance Services	New Mexico Department of Health, Long Term Care Services Division	Maine Governor's Office of Health Policy and Finance	Washington Home Care Quality Authority
Approach	<i>Subsidizing Employer-Sponsored Insurance</i>			<i>Reimbursement Arrangement</i>	<i>Outreach Initiative</i>	
Health Care Intervention	Offer \$50 per month to Direct Support Professionals (DSPs) for a cafeteria plan. Employees can use this money to reduce their share of their agency-sponsored health insurance plan or to cover or reduce the cost of a range of other benefit options.	Subsidize the employee share of health care premiums up to \$108 per employee per month.	Pay employer share of employer-sponsored health insurance plan for 75 workers, plus \$100 per child for workers who choose family coverage.	Offer a health care reimbursement arrangement package that includes three components: a basic health insurance plan, a prescription drug card, and monthly cash contribution of \$60 per month to a tax free health savings account.	Outreach to home care agencies to promote Dirigo Choice, Maine's new state subsidized health insurance program and other options for providing health coverage to direct-care workers.	Educate workers about the health care plans they are eligible for and assist them in enrolling in these plans through Referral Workforce Resource Centers (RWRCs). Workers have a choice of either a Multi-Employer Health Benefits Trust Plan (a Taft-Hartley Plan) or the Washington Basic Health Plan (BHP is a state-administered plan).
Target Population	251 eligible DSPs employed by Arc-BRIDGES, Inc.	300 home care workers employed by four partner agencies who were already offering insurance.	Up to a total of 75 direct-service workers employed by four home care agency.	350-400 DSWs employed by seven developmental disability service provider agencies who were not previously offering insurance. Can be used for family coverage.	26 home care agencies	6,027 independent providers (IPs) contracted to provide Medicaid funded services who are potentially eligible for health coverage based on the number of hours they work and who live in counties served by the 4 existing RWRCs. ²
Eligibility	DSPs with at least 30 core scheduled hours per week who have been employed with the agency for 31 days	Home care workers who work a minimum of 30 hours per week	Employees of pilot agencies	DSWs who are not already insured through a spouse or public insurance program. Monthly cash contributions to personal accounts are 50 percent less (\$30) for workers who work 29 hours per week or less.	Small businesses (2-50 employees), self-employed, sole proprietors, and uninsured individuals, hours eligibility determined by each employer (must be an average of at least 20 hours per week).	IPs who work at least 86 hours per month for three consecutive months and are who are not eligible to receive other health care benefits. BHP also has income eligibility requirements.
# Direct Care Workers Enrolled / Covered	91 of the 239 DSPs who elected to receive the \$50 payment use it to reduce their share of their employer-sponsored health insurance plan's premium. The others use the money to reduce or cover the cost of other options under their cafeteria plan. ¹	187	None (difficulty identifying employees to participate due to waiting periods, other coverage)	249	Not available	4,641 (4,091 in the Trust Plan, 550 in the BHP)

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Benefits	Comprehensive benefit plan, including preventive care, prescription drugs, and mental health services.	Range from major medical (comprehensive coverage) to mini medical (limited reimbursement for limited benefits) depending on which plans the four participating agencies offer and which the workers choose.	Potentially modeled after state of Virginia Blue Cross plan.	Basic health insurance offers limited reimbursement (less than rates charged by providers) for certain health care events; drug card provides 10% or greater discounts on prescriptions and other medical equipment needs. Full-time workers receive \$60 per month to be deposited in a monthly cash benefit account to pay for allowable medical expenses not covered by the basic health care insurance or the perscription benefit. No deductible but also no catastrophic coverage.	Comprehensive benefits package including preventive care, prescription drugs, and mental health services.	Both plans offer a comprehensive benefits package that includes prescription drugs, preventive care, and mental health services. Only Trust Plan includes dental and vision; only BHP is open to family coverage.
Administration	Private insurance - Anthem Blue Cross Blue Shield	Private insurance - several different carriers	Private insurance	All three components are private insurance products. Workers must pay up front for medical expenses and then submit claims to the basic health insurance plan. Workers receive an immediate discount with their drug card but must pay up front for the cost of prescriptions that exceed the discount. Workers do not own their personal accounts and there are no carry over provisions. Funds left over at the end of each plan year revert to the project (grantee).	Public-private partnership between state of Maine and Anthem Blue Cross/Blue Shield of Maine	The Trust Plans are private plans administered by Premera Blue Cross or Kaiser Permanente; BHP is a Public-Private Partnership between Washington State / Kaiser Foundation Health Plan of the Northwest and other regional providers.

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Total Premium Costs	High. Range from \$367 to \$543 per member per month depending on the size of the deductible.	Varies. Ranges from \$132.68 per employee per month for the mini-medical insurance to between \$142 and \$419 and as high as \$585 per member per month for major medical plans, depending on the level of coverage that agencies offer and employees choose. <input type="checkbox"/>	Not yet determined	Low. Together, the three components cost \$111 per month per person (basic insurance plan \$40, prescription card \$5, cash contribution to accounts \$60, plus \$6 admin fee for account provider).	Medium. Range from \$313 to 338 per member per month.	Medium. Range from \$237 per member per month (BHP) to \$497 (Trust Plan).
Cost to Employees	High. Employees pay 50% the cost of the premiums, which after the \$50 benefit is applied range from \$133 to \$222 per member per month (higher for spouse and family coverage). Employees also pay co-pays and deductibles. Some employee costs can be reduced by other cafeteria plan benefits.	Varies. Ranges from no premium costs for direct care workers who choose mini medical or other plans that require an employee contribution that is less than the subsidy (\$108) to greater amounts for employees who choose plans that require an employee premium greater than the subsidy. The subsidy cannot be used to cover the cost of co-pays and deductibles.	Not applicable	Varies. Workers pay no monthly premiums but they do face significant although reimbursable up-front expenditures. Workers carry the risk of very high costs if they have medical expenses that exceed the amount of money accrued to their accounts.	Varies - Employees pay from 0 to 40% of the monthly premium plus co-pays and a deductible. Discounts based on income and family size reduce both monthly premiums and maximum out of pocket costs by 20 to 100%. No out of pocket costs for those at or below 200% of the federal poverty level (\$17,960 for an individual; \$36,800 for a family of four).	Low. \$17 per month premium, plus modest co-pays, \$150 deductibles and 20% co-insurance with some variation by plan.
Cost to Employers	Medium. Employers pay 50% of the cost of the premiums, which range from \$183 to \$272 per member per month.	Varies. In the range of \$120 per member per month for agencies offering mini-medical plans and higher for agencies offering comprehensive plans, depending on what level of employee contribution they require. <input type="checkbox"/>	None. Original intent was to fully subsidize employer share.	None. There is currently no cost to employers.	Medium. Employers pay 60% of the cost of monthly premiums or in the range of \$188 - \$203 per member per month.	High. The state, the employer of record for the purposes of collective bargaining, pays \$500 per employee per month. ³
Cost to Other payers	CMS grant covers 100% of the \$50 per member per month cafeteria benefit.	CMS grant covers 100% of the \$108 per member per month subsidy.	Original intent was for CMS to pay 100% in year 1, 67 percent in year 2, and 33 percent in year 3.	CMS grant covers 100% of the total cost of \$111 per member per month.	<u>Outreach</u> : CMS pays for 100% of the outreach program to the 26 agencies. <u>Coverage</u> : The state of Maine, through the Dirigo program, pays for the discounts on employee costs, or up to 40% of the cost of the premiums.	<u>Outreach</u> : CMS grant pays for 100% of the outreach work carried out through the RWRCs. <u>Coverage</u> : As noted under <i>Costs to Employers</i> , all insurance costs except the \$17 worker contribution are covered by the state.

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Outreach	Individual meetings with workers; written communications.	No uniform plan for outreach. Partners meet each month to brainstorm. Grantee provides an information template that can be formatted and individualized by each agency. Agencies are using newsletters, staff meetings and announcements with paychecks.	Limited outreach: identified employers through existing state relationships.	Individual meetings with workers, on-going staff meetings and written communications.	Outreach targets agencies, rather than workers directly. Grantee is partnering with a non-profit organization in Maine that works to increase access to affordable health coverage to provide information to employers individually, through group meetings and written materials. Have established a 1-800 hotline to answer questions about this plan and other coverage options.	The union, SEIU 775, and the Trust distribute information and enrollment forms to all newly eligible workers. In addition, four RWRCs managed by the Health Care Quality Authority provide written and verbal information about the plans, explain options and help workers fill out applications. ⁴
Sustainability of Insurance Coverage	Uncertain. The agency is looking for funding so that they can continue the \$50 cafeteria benefit.	Uncertain. Securing state funding to sustain the subsidies will be difficult. The larger agencies may have sufficient resources to continue the subsidies themselves (and keep employee premium costs at these levels).	State is refocusing - considering focus groups with employees; survey of employers; and identifying potential insurance plans.	Uncertain. It may be possible to continue the arrangement if provider agencies and DSWs both contribute to the cost.	Certain for now. The program is new and controversial. However, it is strongly supported by the Governor who is running for re-election. As long as the political climate doesn't change dramatically Dirigo will likely continue but may be redesigned.	Certain. Strong political support and union advocacy assure continuation of health coverage although form of coverage could change.
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Endnotes:

1. Cafeteria options include: vision coverage, dental coverage, accident insurance, hospital confinement indemnity insurance, cancer
2. Statewide, there is a total of 26,000 IPs and 35% of this workforce or 9,100 IPs are potentially eligible for health coverage based on the number of hours they work.
3. Medicaid consumer-employers have a statutory right to recruit, hire, supervise and terminate their own IPs but do not have any responsibility for paying for their health care coverage.
4. Trust application is simple 1-page paper application. BHP application is 7 pages.