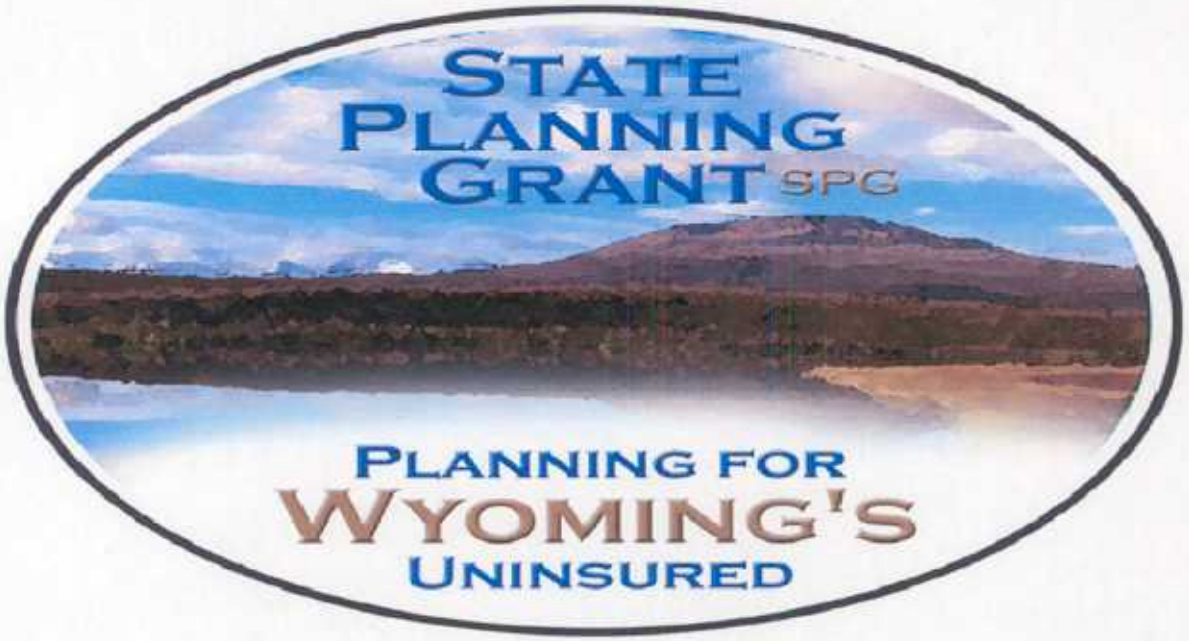


SPG Task Force Recommendations

Preliminary Report

November 2003

The State Planning Grant Task Force

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The State Planning Grant (SPG) Task Force met six times over the past year to provide direction to the Wyoming Department of Health State Planning Grant Project and to hear testimony from a number of organizations and individuals regarding health insurance cost and availability. Task Force members also participated in several Task Force committees formed to focus on a diverse range of strategies. Although the goal of the Task Force was to increase access to high quality affordable health insurance for all Wyoming citizens, the Task Force also examined access to health care and the direct care options available to the uninsured.

The final SPG Task Force meeting was held November 14. The attached preliminary report is a brief summary of the recommendations that will be outlined in detail in the final report produced for this project. The final report will also include a comprehensive review of all the SPG Project research that these recommendations were based on and a discussion of potential strategies that were considered and rejected.

The State Planning Grant Project (SPG) was funded by a grant from the Health Resources and Services Administration to the Wyoming Department of Health. The Department contracted with the Center for Rural Health Research and Education at the University of Wyoming to conduct a number of studies over the past year which were used by the Task Force to obtain a better picture of the uninsured in Wyoming including the causes, the public health concerns, and the economic consequences of not covering the uninsured.

The research study estimated that 70,217 individuals in Wyoming were uninsured at the time of study in 2002, which leads to serious economic consequences for individuals, families, and communities. The SPG Task Force recommends that the Health Care Commission continue to focus on short term and long-term strategies that will increase access to coverage for Wyoming citizens.

Questions about the SPG Project should be directed to Linda O'Grady, SPG Grant Administrator, Wyoming Department of Health at 307-777-5472 or by e-mail at lograd@state.wy.us

SPG Task Force Recommendations

- **Maintain access to affordable health insurance coverage for 9,000 uninsured children who are eligible for Kid Care CHIP by continuing to fund the program at a level sufficient to cover all 9,000 uninsured children who are eligible within the income level established by the Legislature.** Kid Care CHIP is the Wyoming version of the federal/state financed State Children's Health Insurance Program (SCHIP), The Legislature authorized an increase in the amount of income a family may have to obtain coverage for their children through this program in March 2003 and recreated the program as a private insurance program effective October 1st. An additional 6,000 children will be enrolled in this program when fully implemented which should contribute to a significant decrease in the number of uninsured children in Wyoming when fully implemented. It was also recommended that the State continue to explore an option to provide premium assistance if a family elects to purchase employer sponsored insurance when it is available.

- **Provide access to affordable health insurance coverage for up to 5,600 uninsured low-income parents by developing a SCHIP Health Insurance Flexibility and Accountability Initiative (HIFA) Demonstration Waiver.** This waiver would allow the state to offer a private insurance package similar to Kid Care CHIP (exclusive of dental and vision) and modified to cover adult services. Insuring parents was determined to be a good strategy because the absence of coverage can have serious consequences to the entire family if the parent's physical and mental health needs are not met. The annual cost of premiums when fully implemented is estimated to be $8,100,000 to cover 3,750 parents with family income under 133% of the federal poverty level or $11,652,000 to cover 5,600 parents with family income under 185% of the federal poverty level (state funds and matching federal funds.) The annual state share would be $3,240,000 to cover 3,750 parents or $4,660,800 to cover 5,600 parents depending the income level set for eligibility. The waiver request would include an option for the state to provide premium assistance if a family elects to purchase employer sponsored insurance when it is available.

- **Provide access to a limited benefit package for up to 8,000 uninsured low-income adults by developing a Medicaid 1115**

demonstration waiver. This strategy would emphasize prevention and the use of condition/treatment pairs to maximize improved health outcomes and will require some limited fine-tuning of current Medicaid program benefits and some redirection of funds from programs funded totally by state funds to meet the budget neutrality requirements of this waiver. The total annual estimated cost of this strategy including medical services and outcome tracking for 8,000 uninsured adults below 150% of the federal poverty level would be $6,200,000 (state funds and matching federal funds). The annual state share would be $2,480,000 to cover up to 8,000 individuals with this benefit. A pilot project was recommended which would implement the program on a small scale for employed adults.

- **Establish a Wyoming purchasing cooperative designed to make health insurance more available and affordable which would provide the convenience of multiple premium payers for a single coverage; choice at the individual level of carriers and plans; streamlined claims administration; and a provider agreement to manage claim costs**. This strategy will require additional study and a collaborative effort from a number of creative individuals inside and outside government to develop a model that is viable for Wyoming. It is recommended that this strategy be given immediate attention by the Health Care Commission and that supplemental State Planning Grant funds in the amount of $150,000 be used to fund a Health Care Commission study to fully investigate this strategy and to produce a report for the 2005 Legislature.

- **Develop a Wyoming approach to address the urgent crisis of uncompensated catastrophic care which is provided by hospitals who treat uninsured individuals, especially in small communities where even a small number of high cost cases can threaten the solvency of the community hospital.** A strong recommendation was made to immediately address this crisis by establishing a one-time appropriation of state funds to reimburse all Wyoming hospitals for one half the cost of outlier catastrophic care provided to uninsured patients during calendar year 2003. This recommendation is estimated to cost $10,000,000 in state funds if the outlier is set at $25,000. A study funded by the legislature and costing approximately $150,000 is also recommended to explore the purchase of a state funded secondary

catastrophic insurance policy to cover all Wyoming citizens, which might be funded by a catastrophic insurance tax.

- **Maintain access to direct care for the uninsured by increasing the capacity of the Family Practice Residency programs to serve the uninsured and encourage physicians to continue in the program and ultimately to practice in the state**. The first recommendation is to change the WWAMI payback provision to allow credit for the last two years of the family practice residency program equal to six months for the second year and 12 months for the final years for medical students graduating from the WWAMI contract program. The second recommendation is to provide reimbursement for travel expenses for resident interviews; provide a moving allowance for all new residents; and provide a retention stipend at the completion of each program year. The additional reimbursement to the residents would require state funding in the amount of $336,000 on an annual basis.

- **Increase access to direct care for the uninsured by exploring one or more pilot projects to expand family practices residency services to rural areas of the state**. A feasibility study would be conducted to select appropriate sites. The study would consider four areas including: rural training tracks and rural sites; expansion of the quality and types of training offered through institution of fellowships; increasing the number of residents at existing sites; and development of other approaches such as telemedicine and mobile clinics. The study would cost the state approximately $325,000 over a period of two years.

- **Increase access to direct care for the uninsured by enhancing the funding available to the residency centers to increase their capacity to provide direct care while requiring more personal responsibility by the patients.** A co-payment would be required for patients who do not have public or private insurance which would not exceed $10 for outpatient care and $25 for inpatient care to be matched on a three to one basis by the State. State funding for the enhanced payments would be limited to $300,000 on an annual basis.

- **Increase access to direct care for the uninsured by providing the specialized technical assistance needed by Wyoming communities to develop and submit applications for community health centers or other types of federally designated clinics that serve the**

uninsured. The Office of Rural Health in the Wyoming Department of Health would need to retain the services of a designation specialist, a technical assistant and a fiscal consultant to work with communities to define their needs and to prepare applications to the federal government on their behalf. This strategy would require two and one half new positions and would cost approximately $175,000 in state funding on an annual basis.

During the final discussion of recommendations, the Wyoming Health Care Commission raised several additional issues for consideration:

Oral Health – There is a critical need to address the availability of services and funding to cover emergency dental care for low-income adults in Wyoming. Investing in some services for this population might decrease the cost of uncompensated care for medical conditions that result from not providing these services.

Mental Health – There is an ongoing need to recognize that mental health services are an important part of the total health picture and should be given full consideration when discussing any type of care delivery systems.

Outreach and Education – State agencies should continue to conduct outreach to individuals, organizations, and the business community to make them aware of the eligibility requirements for public programs. Organizations working with small business should explore additional ways to inform businesses of the options available through the private market to provide insurance to their employees.

The SPG Task Force will also make several recommendations to the federal government in the final report submitted to HRSA related to Medicare and Medicaid reimbursement; equitable funding for Indian Health Services; funding and flexibility for the State Children's Health Insurance Program; and changes to tax law related to flexible spending accounts.

Summary:

The estimated additional new cost to State Government to implement these options is broken down as follows:

- **SCHIP HIFA Waiver for Uninsured Parents**
  Estimated Annual Cost: 3,750 parents $ 3,240,000
  Or 5,600 parents $ 4,660,800

- **Medicaid Waiver for Uninsured Adults**
  Estimated Annual Cost: 8,000 adults $ 2,480,000

- **Wyoming Purchasing Cooperative Study - 0 -**
  SPG Project Funds

- **Catastrophic Care Reimbursement $ 10,000,000**
  Study State funded Catastrophic Ins $ 150,000

- **Family Practice Residency increased**
  Capacity - Estimated Annual $ 336,000

- **Study to Expand FP Residencies –2 yr $ 325,000**

- **Enhanced funding for FP Residencies $ 300,000**
  Estimated Annual

- **Technical Assistance to develop clinics $ 175,000**
  Estimated Annual

Estimated state funding for one time expenditure and specialized studies: $ 10,475,000

Estimated annual state funding for other options:
$ 6,531,000 to $7,951,800