California Health Benefits Review Program

Providing the State Legislature independent analyses of health insurance benefit mandate or repeal bills

January 19, 2012
Plan for the Day

- Health insurance benefit mandates
  - What do we mean by “insurance mandates?”
  - Who regulates health insurance?

- Overview of The California Health Benefits Review Program (CHBRP)

- Legislative process for benefit mandates

- Health Reform– Interactions with EHBs

- Overview of CHBRP’s analytic methods, with examples (ME, Cost, and PH)
California Health Benefits Review Program

Overview

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University of California, Office of the President

California State Legislature
January 19, 2012
Outline

- Health insurance benefit mandates
  - Insurance regulation in California
  - What are benefit mandates
  - Populations affected by state-level insurance regulations (and thereby, mandates)

- CHBRP overview
  - Structure
  - 60-day process
  - Products
CA Health Insurance Regulation

- Two health insurance regulators in California, written in two sets of codes
CA Health Insurance
Regulators

- **DMHC** - CA Department of Managed Health Care enforces the CA Health and Safety Code
CA Health Insurance
Regulators

➢ **CDI** - CA Department of Insurance enforces the CA Insurance Code
CA Health Insurance Regulators

➢ **OTHER** - Federal and/or other State-Level Department
Sources of Health Insurance in California, 2011 – Regulatory Authority

- Subject to State-Level Benefit Mandates
- Not Subject

<table>
<thead>
<tr>
<th>Category</th>
<th>People (in millions)</th>
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<tbody>
<tr>
<td>DMHC</td>
<td>15</td>
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<td>CDI</td>
<td>2</td>
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<td>Neither</td>
<td>10</td>
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<tr>
<td>Uninsured</td>
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Regulatory Authority
Sources of Health Insurance in California, 2011 – Public/Private

- **Public** (Subject to State-Level Benefit Mandates)
- **Private**
- **Uninsured**
- **Neither**
- **None** (Not Subject)

People (in millions)

<table>
<thead>
<tr>
<th>Regulatory Authority</th>
<th>DMHC</th>
<th>CDI</th>
<th>Neither</th>
<th>None</th>
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<tbody>
<tr>
<td>Public</td>
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<td>Private</td>
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<td>Uninsured</td>
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Subject to State-Level Benefit Mandates
Not Subject
Sources of Health Insurance in California, 2011 – Detailed View

- **Subject to State-Level Benefit Mandates**
  - CalPERS HMO, Medi-Cal MC, MRMIP, AIM, HF
- **Not Subject**
  - CalPERS PPO, Medi-Cal FFS, Medicare, VA, Others
  - Large Group
  - Self-Insured Large Group
- **Uninsured**

**Regulatory Authority**
- DMHC
- CDI
- Neither
- None

**People (in millions)**
- Large Group
- Small Group
- Individual
- Uninsured
# Mandate types

<table>
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<tr>
<th>Type</th>
<th>Examples</th>
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| Coverage for a set of services to screen, diagnose, or treat a disease or condition | • AB 1825 (2010) Maternity services  
• AB 213 (2005) Treatment of lymphedema |
| Coverage for a specific item or service                              | • SB 1223 (2006) Hearing aids for children  
• SB 158 (2009) HPV vaccination |
| Reimbursement for services provided by a specific provider type      | • AB 1927 (2004) Vision services [reimbursement for optometrist services]                                                           |
| SUBSET: changes terms and conditions that a benefit may be provided  | • AB 2012 (2006) Orthotics and prosthetic services  
• SB 1198 (2008) Durable medical equipment |
Outline

 Health insurance benefit mandates
  ▪ Regulatory framework
  ▪ Populations affected by state-level insurance regulations

 CHBRP overview
  ▪ Structure
  ▪ 60-day process
  ▪ Products
What is CHBRP?

- A program administered by the University of California, but institutionally independent

- Created by law to provide timely, independent, evidence-based information to the Legislature to assist in decision-making

- Charged to analyze medical effectiveness, cost, and public health impacts of health insurance benefit mandates or repeals

- Requested to complete each analysis within 60 days without bias or policy recommendations
Who are we?

- Task Force of faculty and researchers
- Actuarial firm: Milliman, Inc
- Librarians
- Content Experts
- National Advisory Council
- CHBRP Staff
### 60-Day Timeline: Days 0-20

<table>
<thead>
<tr>
<th><strong>Vice Chairs/Leads</strong></th>
<th><strong>CHBRP Staff</strong></th>
<th><strong>Medical Effectiveness Team/Librarians</strong></th>
<th><strong>Cost Team/Actuaries</strong></th>
<th><strong>Public Health Team</strong></th>
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<tr>
<td>- Identify analytic teams, faculty/staff leads, reviewers</td>
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<td>- Identify potential conflicts of interest</td>
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<td>- Determine scope of services</td>
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<td>- Identify search terms and scope of search</td>
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<td>- Librarians conduct literature search under direction of effectiveness team</td>
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<td>- Conduct cost-related literature search</td>
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<td>- Identify codes for claims pull of baseline utilization</td>
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<td>- Conduct literature search for PH analysis (e.g. prevalence, racial disparities)</td>
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<td>- Review drafts (e.g. bibliography, baseline tables)</td>
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<td>- Receive request; post on web site</td>
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<td>- Clarify intent of bill in writing (work w/bill author)</td>
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<td>- Send out CHBRP coverage survey</td>
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<td>- Contact various groups re public demand</td>
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<td>- Librarians prepare final abstract database</td>
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<td>- Team analyzes literature &amp; prepares draft medical outcomes summary tables</td>
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<td>- Develop baseline coverage, utilization tables.</td>
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<td>- Review evidence for projecting impacts (utilization assumptions, cost offsets, long-term impacts)</td>
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<td>- Develop baseline tables for public health and review evidence to for projecting impacts on subpopulations</td>
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<td>- Compile carrier coverage data and</td>
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<td>- Compile info from the interested parties</td>
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<td>- Compile coverage info for public programs</td>
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### Timeline:
- Days 0-20
- Days 10
- Days 20
60-Day Timeline: Days 21-60

- Review drafts (e.g., medical effectiveness outcomes, impact tables)
- Complete 1st internal review full draft
- Review drafts, coordinate internally and NAC reviews
- Integrate all sections; 1st draft full report
- 1st Draft of ME section and appendices due
- Address all comments on 1st draft
- Finalize approach to determine utilization & cost impacts
- Actuaries produce draft tables
- 1st draft of Cost section due
- Finalize approach
- Actuaries produce draft tables
- 1st draft Cost section, tables due & address VC comments
- Finalize approach to determine PH impacts
- Draft post-mandate section
- 1st draft of PH section due & address VC comments
- Address comments
- Update tables, finalize appendices and finalize each section
- Incorporate Editors’ edits
- Final production
- UC SVP Review (and final VC Review, if needed)
- Address any final comments by Vice Chairs and SVP
- Final production
CHBRP Report

- Executive Summary
  - Bill summary
  - Medical effectiveness results (outcomes)
  - Coverage, utilization, and cost estimates (Table 1)
  - Public health impacts (health of community, disparities, productivity)

- Main Report: organized into three analytic sections

- Appendices
  - Details of literature search methods and findings
  - Limitations and assumptions of cost model
  - Information submitted by outside parties
What have we done?

- 82 Reports or Issue Analyses, 14 Letters since 2004

- Two major implementation reports

- Journal articles

- Briefings and workshops with legislative staff, public
CHBRP Reports

- Acupuncture
- Alzheimer’s disease drugs
- Asthma management
- Autism treatments
- Breast cancer screening
- Chiropractic care
- Hearing aids for children
- High deductible health plans
- HPV screening and vaccine
- Inborn errors of metabolism treatment
- Lactation consultation
- Lymphedema treatments

- Mastectomies and lymph node dissection
- Maternity services
- Mental health services
- Orthotic and prosthetic devices
- Osteoporosis screening
- Ovarian cancer screening
- Propofol for colonoscopies
- Rheumatic disease drugs
- Substance disorder services
- Tobacco cessation services
- Transplant services for persons with HIV
- Vision services
- Waiver of mandates
Legislative Process

- Melanie Moreno, Senate Health Committee
- Teri Boughton, Assembly Health Committee
- Tim Conaghan, Senate Republican Caucus