

## Pennsylvania's adultBasic Program

# 2009 Annual Report to the Legislature

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### 2009 adultBasic Annual Report

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#### 2009 adultBasic Annual Report

#### **Executive Summary**

The Pennsylvania Insurance Department's mission with respect to health insurance is to protect and educate Pennsylvanians by enforcing insurance laws and providing access to quality health care. As part of our mission, the Department is committed to providing access to basic health insurance to adult Pennsylvanians, ages 19 through 64, whose incomes are too high to qualify for Medical Assistance and who are otherwise uninsured.

The adult health insurance program offered is adultBasic, a program that was established through the Health Investment Insurance Act (Act 77 of 2001). Act 77 invested the proceeds of the state's tobacco settlement in the health of Pennsylvania consumers. Pennsylvania was expected to receive approximately \$11 billion over the course of 25 years, or approximately \$400 million each year. The single largest component of the Act provides money to pay for health insurance for uninsured Pennsylvanians between the ages of 19 and 64, with funding first for the Medical Assistance for Workers with Disabilities (MAWD) program and the remainder provided to the adultBasic program. The program is also funded by payments made pursuant to the Community Health Reinvestment Agreement which was entered into on February 2, 2005, and expires at the end of calendar year 2010, by Pennsylvania's four Blue Cross and Blue Shield plans. In the 2009 calendar year, those two sources of funding permitted \$157 million to be spent on adultBasic benefits. Administration of the program is funded through the General Fund. No federal financial participation has ever been received for the program. The program is administered through the Office of Children's Health Insurance Program (CHIP) and adultBasic in the Pennsylvania Insurance Department.

#### **Services**

Services provided are those directed by Section 1303(f)(2) of Act 2001-77 and include:

- Inpatient Hospital Care (including maternity care)
- Short Procedure Unit Care
- Emergency Room Care (including transportation)
- Primary Care
- Specialist Care
- Surgery
- Obstetrics
- Laboratory/Pathology Tests
- X-Rays
- Routine Mammograms
- Rehabilitative Services
- Skilled Nursing Care (in lieu of inpatient hospitalization)
- Diabetic Supplies and Injections
- Routine Gynecological Care

No changes to the benefit package were made during this reporting period. However, under the terms of the contracts in place in 2009, new focus was placed on: disease management (particularly for asthma, cardiac care, and diabetes); linkages with sources of low-cost healthcare services available in the applicant's area (especially for those persons on the waiting list); and improved customer service.

Unlike most commercial health insurance benefit packages in Pennsylvania, adultBasic does not include a pharmacy benefit or a behavioral health benefit. Insurers may not exclude payment for services due to a pre-existing condition.

#### **Eligibility**

During calendar year 2009, adultBasic was available to eligible adults with adjusted gross household income no greater than 200 percent of federal poverty guidelines. To be eligible for adultBasic, a person must:

- Be 19 through 64 years of age
- Have household income of no greater than 200 percent of the Federal Poverty Level (e.g., 2009 income limits were \$21,660 for a household of 1, \$29,140 for a household of 2, \$36,620 for a household of 3, and \$44,100 for a household of 4). Deductions for work expenses and childcare are considered when determining eligibility.
- Be legally residing in the United States
- Be a resident of Pennsylvania for at least 90 days
- Not be covered by private or public insurance (including Medicaid or Medicare)
- Not have been covered by private insurance during the three months immediately preceding the determination of eligibility (except for persons and their spouses who lost their health insurance coverage within 90 days of the eligibility determination because they are no longer employed).

#### **Costs and Contributions**

#### **Premium Costs**

The average monthly statewide rate per enrollee in low-cost adultBasic under the terms of the contract in effect in 2009 was approximately \$333. Of that amount, each enrollee paid \$35 per month and the resulting cost to the Commonwealth was an average of \$298 per enrollee. These average amounts may vary from month to month depending on the distribution of enrollees among the four health insurance contractors.

#### **Amount of Enrollee Contributions**

In accordance with Section 1303 (b) (2) of the Act, each eligible adult in the program originally had been responsible for paying \$30 per month for coverage. However, as required by that section, modest adjustments to the premium have been made as a result of cumulative increases in the Consumer Price Index (CPI) since the implementation of the program. The premium in 2005 was adjusted to \$32.00 per person per month; in March 2006, to \$33.50; in 2007 no

increase was warranted; and in April 2008, the premium was increased to \$35.00 per member per month. This small increase in the 2008 enrollee contribution made available approximately \$76,879 per month for the program and enabled increased enrollment of approximately 259 additional persons each month. There was no increase in the premium for enrollees in calendar year 2009.

Under the contracts in effect during the reporting period, enrollees were required to pay copayments for certain services:

> Primary Care Provider Visit \$ 5.00 Specialist Visit \$10.00

Emergency Room Visit \$25.00 (waived if patient admitted)

There were no other co-payments for adultBasic enrollees in 2009 and no co-insurance obligations.

#### **Insurers**

In 2009, an extension of the previous insurance services procurement took place, and the following insurers continued to provide health insurance coverage for adultBasic enrollees:

- Highmark Inc.
- Blue Cross of Northeastern Pennsylvania (coverage provided by First Priority Health)
- Independence Blue Cross (coverage provided by Keystone Health Plan East)
- Unison Health Plan of Pennsylvania, Inc. (formerly Three Rivers Children's Health Plan, Inc.) (coverage provided by Unison aB)

Two additional insurers that submitted proposals were determined in 2009 to be qualified to provide adultBasic coverage: Capital Blue Cross and the UPMC Health Plan. However, implementation of adultBasic coverage by these two insurers will not begin until mid-2010.

As a result of the RFP issued in March 2009, there will be at least two adultBasic insurance contractors in many counties. This will result from the services of the two new adultBasic insurers noted above and the fact that most existing insurers will be expanding the numbers of counties that they serve. Henceforth, an applicant for adultBasic who does not indicate a preferred insurer will be assigned to the adultBasic insurer with the lowest cost adultBasic rates in the applicant's county.

#### **Outreach**

No funding was made available to the Department to conduct marketing for adultBasic during this reporting period (e.g., television or radio advertising). Health insurance subcontractors are contractually obligated to provide marketing and outreach for the program as part of their administrative services.

The Department continues to work with community service partners to share information about adultBasic and to encourage the filing of applications. Doing so may result in placement on the waiting list, but it also offers the opportunity to enroll in the program by paying the full rate negotiated by the State for so long as the person is on the waiting list and may also result in a referral to another source of healthcare coverage or service (e.g., Medicaid, Federally Qualified Health Centers, etc.).

#### **Enrollment**

Average enrollment during the 2009 calendar year was 44,093. This is a 13.7-percent decrease over the average enrollment in 2008. This decrease in average enrollment is attributable to several factors, including increases in the per member per month negotiated rates caused in part by high utilization and medical inflation rates. Also, as noted above, a portion of adultBasic funding comes from the money remaining after MAWD contributions are paid from the Tobacco Settlement Fund, and MAWD's costs are increasing. Additionally, a majority of adultBasic's funding has come from Community Health Reinvestment contributions under agreements that are scheduled to expire at the end of 2010. The Governor envisions that the enrollment in the adultBasic program will be maintained at about the program's traditional 50,000 member level with funds from an extension of the CHR agreements, perhaps with some revisions. The rebidding of the adultBasic insurance services contracts was not completed in 2009, which delayed offers to replace those who voluntarily terminated their adultBasic coverage.

Please refer to Attachment 1 (adultBasic Enrollment by County) for a county-by-county enumeration of enrollment for the reporting period.

#### Number of Eligible Adults Enrolled and Purchasing Coverage at the State-Negotiated Rate

During the reporting period of January through December 2009, the numbers of persons enrolled in adultBasic and purchasing adultBasic at the state-negotiated rate while on the waiting list were as follows:

Month	Enrolled	Purchasing Coverage at State-Negotiated Rate While on Waiting List
January 2009	45,642	2,552
February 2009	44,928	2,605
March 2009	43,706	2,784
April 2009	43,615	2,911
May 2009	46,127	2,895
June 2009	45,954	2,989
July 2009	45,461	3,081
August 2009	44,602	3,125
September 2009	43,817	3,206
October 2009	42,345	3,298
November 2009	41,786	3,454
December 2009	41,127	3,444

Thus far, over the life of the program, offers of enrollment have been made to 275,110 persons on the waiting list. During the period January 2009 through December 2009, the Department was able to offer enrollment to 16,370 persons who had been on the waiting list. Approximately 24 percent of those offered coverage in 2009 took up the offer and became enrolled.

The offers of enrollment from the waiting list were made possible because of monthly attrition from the program and analysis of current enrollment versus available funding.

#### **Waiting List**

Because of the extraordinary public response to adultBasic and the fact that maximum enrollment supportable with available funding had been achieved, a statewide waiting list was implemented in March 2003. Persons on the waiting list are served on a "first-come, first-served" basis as funding becomes available.

Only applicants who have met all of the eligibility requirements are placed on the waiting list. Such persons are notified in writing of their placement on the list. In that notification, they are also advised of their option to purchase adultBasic at the rates negotiated by the Department while they are on the waiting list. Applicants placed on the waiting list are also advised of potential sources of low-cost healthcare services available in the applicant's area that may be utilized until an offer for coverage with adultBasic is available. As of December 2009, 3,444 individuals on the waiting list were purchasing the program at the rates negotiated by the Department.

As of December 2009, 353,301 persons were on the waiting list for insurance coverage, demonstrating a 142-percent increase from the 145,800 persons on the waiting list in December 2008. The economic downturn that began in 2008 substantially increased the number of adults who do not have private health insurance. In Pennsylvania, 89% of private health insurance is obtained through employer-sponsored health insurance programs, according to the results of the Pennsylvania Health Insurance Survey conducted for the Department in 2008 (described below). The downturn resulted in an increased unemployment rate and an accelerated decline in employer-sponsored health insurance, which resulted in fewer Pennsylvanians having private health insurance. Largely as a result of this, starting in late 2008, and continuing through 2009, the number of people applying for adultBasic increased to approximately 17,000 per month, which is more than four times the historic average.

During 2008, the Department and the Department of Public Welfare streamlined the referral process between adultBasic and the Medical Assistance program administered by DPW. Now, when a citizen applies for healthcare coverage in either program, if s/he is found ineligible based upon income level, s/he will be referred electronically to the other program for consideration.

Please refer to Attachment 2 (adultBasic Waiting List by County) for a county-by-county enumeration of Waiting List activity during the reporting period.

#### Healthcare Effectiveness Data and Information Set (HEDIS) Measures

The Department retained an external review organization, IPRO, to assist in the development of performance measures based on HEDIS rates. IPRO prepared the 2009 annual adultBasic HEDIS Performance Report which displayed data and rate comparison tables helpful for ongoing monitoring and performance improvement. See Attachment 3 (adultBasic HEDIS 2009 Performance Report) for details.

#### **Health Insurance Survey**

The 2008 Health Insurance Survey conducted by the Department surveyed 300 households in each of the Commonwealth's 67 counties. This resulted in the survey of nearly 50,000 Pennsylvanians. Results indicate there are 1,021,790 uninsured residents in Pennsylvania, or roughly 8.2 percent of the population. The number of uninsured Pennsylvanians grew 15 percent since the last survey was conducted in 2004. The study was not repeated in 2009.

Approximately 880,000 of the uninsured, or 86 percent, are adults from the ages of 19-64. The number of individuals with private health insurance is down from the last survey (66 percent in 2004 compared to 62 percent in 2008). Not surprisingly, cost remains the number one reason why people do not have health insurance coverage. The number of uninsured adults is putting a strain on the adultBasic program. If limited funding prohibits or severely limits offers of enrollment to those on the waiting list, more than 400,000 people are expected to be on the list by the end of the 2010 calendar year.

To see the full results of the 2008 Health Insurance Status Survey, please visit the Department's website at <a href="www.insurance.pa.gov">www.insurance.pa.gov</a> and click on the "Health Insurance" tab in the center of the page where you will find "the status of the uninsured survey results."

#### The Department's Response to Rising Costs and Demand for Adult Health Insurance

From 2007 to early 2009, the Department worked with the Governor's Office of Health Care Reform and other stakeholders to explore options for reducing the number of uninsured adults across the Commonwealth, including the option of creating an Enhanced adultBasic to provide expanded benefits in addition to increasing the number of uninsured residents who could be offered enrollment in the program. Those efforts stalled as talks of federal health reform moved to the forefront.

As background, the need for adult health insurance coverage has been so great in Pennsylvania that the demand for adultBasic quickly outstripped available funding sources and a waiting list was created almost as soon as the adultBasic program started. As noted previously, the funding sources for adultBasic are the CHR contributions, a portion of the Tobacco Settlement Funds, a small amount from the General Fund for administration of the program, and the enrollee contributions. Money from the Tobacco Fund is being directed more to the MAWD program as it grows and its costs increase, so the remainder of funds available for adultBasic is being reduced. The current CHR funding stream is scheduled to end at the end of calendar year 2010. Options to reduce costs in the program are limited, especially those options that can be carried

out quickly. This put great pressure on the Department to look at alternatives to reduce the costs for adultBasic. In calendar year 2009, during negotiations for a new contract for adultBasic services, it became apparent that the Department needed to reduce per member per month benefits costs for the adultBasic program to be able to provide adultBasic coverage to as many adults as possible in the program with projected available funding. This necessitated enrollee cost increases and slight benefit changes slated for 2010. More information is available in the Frequently Asked Questions section following this report.

It is likely that the many Commonwealth residents purchasing adultBasic coverage while on the waiting list do so because they need substantial amounts of health care, which explains their comparatively high utilization of adultBasic benefits. We are hopeful that federal or state health reform will create new coverage opportunities for people now on the adultBasic waiting list.

#### The Department's Response to the Needs of the Uninsured

Calendar year 2009 afforded the Department with many opportunities to work with advocates, other state agencies, insurers, community partners, and other stakeholders to make health insurance available and improve the health status of Pennsylvania's uninsured adults. Examples of the joint efforts made to improve the lives of adultBasic applicants include:

- Improved the newly automated referrals between the Department of Public Welfare and the Pennsylvania Insurance Department for adults and children who apply for healthcare coverage and are referred to the other agency for services. Automation of the referral process eliminated errors or omissions associated with a manual process, decreased time involved with the referral, and protected consumers from unnecessary lapses in coverage when transferring from one government program to another.
- Continued to collaborate with the Department of Public Welfare for joint use of the Commonwealth of Pennsylvania Access to Social Services (COMPASS) system to encourage application for social services including health care coverage.
- Continued Phase II of the Data Warehouse section of the CHIP and adultBasic
  Processing System. This phase of development involves the gathering of all claims and
  medical data directly from the contractors. This data will provide a profile of the services
  used by enrollees, allowing staff to develop and monitor quality improvement programs
  and performance standards and profile target populations to determine future needs and
  costs.
- Completed audits of the adultBasic program through a collaboration with the Comptroller's Office.
- Informed adultBasic enrollees about low-cost or free prescription services available
  through a variety of pharmaceutical manufacturers' assistance programs and through a
  litigation settlement by the Attorney General's Office, by connecting the enrollees with
  services provided by the Department of Aging's PA Patient Assistance Program
  Clearinghouse.
- Retained an external review organization to assist in development of performance measures based on HEDIS rates.
- Continued to work collaboratively with other state agencies on program integrity issues, including an automated cross-matching for dual enrollments in adultBasic with programs

administered by the contractors and the Department of Public Welfare, to eliminate dual enrollments, and thus afford an open "slot" to another uninsured adult. Additionally, we continue use of the automated cross-matching system between CAPS and DPW's access data from the Beneficiary Data Exchange (BENDEX) and State Data Exchange (SDX) from the Social Security Administration to help identify people who may have a disability and thus be eligible for Medicaid.

The Department is pleased to provide this annual report on the status of adultBasic for calendar year 2009, and we look forward to continuing our efforts to make health insurance coverage available to the uninsured residents of Pennsylvania, and participating in any discussions about health care reform as may be appropriate.

#### **Frequently Asked Questions**

#### Why are there changes to adultBasic effective March 1, 2010?

Due to increasing health costs, the Insurance Department needed to make modest changes to the benefit package and adjust monthly premium costs for the adultBasic program. This will enable as many people as possible to be enrolled in adultBasic. Additionally, the costs for those who are choosing to purchase coverage while on the Waiting List will increase significantly. The Insurance Department recognizes that the changes in adultBasic may create additional burdens for people who have limited financial resources and are already struggling. However, given the increasing costs of health care and limited funding for the adultBasic program, the Insurance Department had to make these changes in order to be able to enroll as many people as possible in the program. We remain hopeful that federal health care reforms will soon make health insurance more affordable to all, including the people enrolled in adultBasic or on the Waiting List.

The new premium rates and benefits listed below will be effective March 1, 2010. If enrollees are receiving adultBasic coverage, the new premium payment amount will appear on their invoices following proper advance notification. Members should continue to pay monthly premiums so that adultBasic coverage will continue. If premium payments are not made by the due date, adultBasic coverage will end.

#### adultBasic Rate Changes

If you are now paying	Effective March 1, 2010, enrollees will pay
\$35.00 while enrolled in the	\$36.00
program	450.00
average \$330.00 a month while	
purchasing coverage on the	\$600.00
waiting list	

Below is a detailed summary of benefit and cost changes to the adultBasic program, effective March 1, 2010. Please note that this list includes only changes to the benefits and costs; otherwise, the program remains the same.

#### adultBasic Benefit and Cost Changes

	Old Benefit	New Benefit, Effective March 1, 2010
Primary care physician (PCP) office visits	\$5 copay	\$10 copay (except for preventive care)
Specialist doctor office visits	\$10 copay	\$20 copay
Emergency room copay	\$25 copay	\$50 copay
Inpatient hospital services	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance Two stays per year
Physical, occupational and speech therapy	\$2,500 maximum per year,	10% coinsurance/\$1,000 maximum per year for all coinsurance

	combined	15 visits per year, combined
Diabetic supplies	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance
Outpatient surgery (short procedure unit & facility)	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance
Cardiac rehabilitation (36 sessions for a 12-week period)	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance
Chemotherapy, dialysis or radiation	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance
Pulmonary rehabilitation (18 sessions per calendar year)	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance
Respiratory therapy (18 sessions per calendar year)	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance
Home infusion	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance
Home health care	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance
Skilled nursing facility care (60 days per calendar year)	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance
Inpatient rehabilitation therapy (45 days per calendar year)	No charge	10% coinsurance/\$1,000 maximum per year for all coinsurance

#### Who is affected by the changes to adultBasic benefits?

Currently, there are approximately 40,000 people enrolled in subsidized adultBasic (aB) and approximately 3,500 people who choose to purchase adultBasic coverage while on the waiting list. The changes to the adultBasic program will affect all of these people directly.

## Will federal health reform help uninsured Pennsylvanians who cannot afford health insurance?

We expect federal health reform will help. Read Commissioner Ario's comments regarding how federal health reform may help at <a href="www.insurance.pa.gov">www.insurance.pa.gov</a>, click on "Press Releases," and look for the January 13, 2010 release.

#### Who may enrollees call with questions about adultBasic coverage?

Enrollees may call their adultBasic insurance company. The toll-free phone number is found on the back of the ID card.

#### Will there be a notice in the newspaper about the changes to the program?

The adultBasic insurance companies are sending notices directly to those enrolled in the program or purchasing benefits while on the waiting list. Publishing a notice in the newspaper would not have been as likely to reach everyone.

The newspaper stated that adultBasic costs are going up and benefits are being reduced. Will adultBasic enrollees hear from their insurance plans? Companies offering adultBasic are required to give 30 days notice of changes to premiums and/or benefits. Enrollees should

receive a letter by the end of January. If enrollees have not received a letter from their plan, they may call them directly, using the toll-free number on the back of the ID card.

#### Why did adultBasic insurance plans send enrollees a letter?

Whenever there is a change to the adultBasic benefits or premium, the plan is required to send enrollees a letter. Enrollees should read this letter carefully and direct any questions to the plan.

#### **Premium Cost Increase Questions**

#### Have the premium costs for adultBasic changed?

Yes. As demonstrated on the chart above, those enrolled in adultBasic now will pay \$36 a month beginning on March 1, 2010. Those on the waiting list and paying for adultBasic coverage will increase from approximately \$330 a month to \$600 a month beginning on March 1, 2010.

## Why are the monthly premiums for those purchasing the coverage while on the waiting list doubling in March?

The funds for adultBasic have remained relatively level; however, the costs of adultBasic (aB) health coverage have increased at a significant rate. In part, this is due to general "medical" inflation: medical appointments and procedures simply cost more than they used to. Another major reason for aB cost increases is that many of the people who access the aB benefit package need to use medical services at a level much higher than in the commercial market. Because of these factors (general medical inflation plus significantly higher usage), the rates needed to be increased substantially to allow the program to continue covering as many people as possible. Legislation authorizing the aB program charges the Insurance Commissioner with the responsibility to make this decision.

## How can adultBasic premiums for people who are paying while on the waiting list go up so much?

The adultBasic (aB) law requires the Insurance Department to administer the aB program, which includes entering into contracts with insurance companies to provide the coverage. New aB insurance contracts are effective January 2010. When the department looked at the benefits and the costs for the new aB insurance contracts (these are the contracts with the March 2010 premium increase), the rates needed to be increased substantially to allow the program to continue covering as many people as possible. Some changes in the benefits were also made to keep the rates from being even higher.

## adultBasic is offered by several insurance companies across the state. Will the monthly subsidized and waiting list premium rate be the same for all of the companies that offer adultBasic?

Yes.

## Are there any exceptions to the increased costs and decreased benefits for adultBasic enrollees?

Unfortunately, due to health care costs, the changes affect everyone enrolled in the program and on the waiting list.

## If one is on the waiting list and paying for adultBasic coverage while waiting for an offer, but can no longer afford the price, what are the options?

Additional resources can be found by visiting <a href="www.insurance.pa.gov">www.insurance.pa.gov</a>, clicking on "Types of Coverage," choosing "Health Insurance," clicking on "adultBasic," and clicking on "Where can I find additional resources?"

#### How much is the monthly cost for adultBasic for a family?

Since adultBasic is an individual health insurance product, there is no "family" rate. If one has uninsured children, CHIP is available for children under age 19 and there is no waiting list for CHIP. Interested persons can go to <a href="www.compass.state.pa.us">www.compass.state.pa.us</a> and apply for CHIP, as well as other social service programs.

#### **Benefit and Cost Changes Questions**

#### What adultBasic benefits change on March 1, 2010?

There are two specific changes to adultBasic benefits, aside from the cost changes:

- 1. Inpatient hospital stays will be limited to two stays per year
- 2. Physical, occupational and speech therapy will be limited to 15 visits per year, combined. Otherwise, there have been no additional changes to the adultBasic benefit package.

#### Will co-payments for services increase?

Yes. Primary Care Physician office visits will increase from \$5 to \$10 (except for preventive care); Specialist visits will increase from \$10 to \$20; and Emergency room visits will increase from \$25 to \$50 (waived, if admitted).

## Coinsurance costs have been added to adultBasic. What is coinsurance and how does that affect enrollees?

Coninsurance is the amount enrollees are required to pay for a specific medical service received. The chart above shows that adultBasic recipients will be required to pay coinsurance for certain services they receive, up to a maximum of \$1,000 per year. Services subject to coinsurance do not have co-payments.

#### Is the coinsurance in addition to the existing co-payments?

No. The coinsurance will be for all services listed in the chart, except those with co-payments. The current co-payments will be increased to:

\$10 for PCP visit

\$20 for Specialist visit

\$50 for Emergency Room visits (waived, if admitted)

The coinsurance will be applied to all other inpatient and outpatient services listed in the chart above, to a maximum of \$1,000 per year, excluding preventive care, ER visits, PCP visits, and specialist visits.

#### Does the monthly premium payment count toward the maximum \$1,000 coinsurance outof-pocket expense?

No. Only the coinsurance payments go toward the \$1,000 out-of-pocket expense.

## Are physical therapy, occupational therapy, and speech therapy limited to 15 visits per therapy type (i.e., 45 visits total) or 15 total visits for all therapy types?

The 15 visit annual limit includes covered outpatient physical, occupational and speech rehabilitation therapies for a total of 15 visits combined of all types per year.

#### **Rate Development**

## How is the Per Member Per Month (PMPM) rate developed for the waiting list? Is anyone eligible to purchase adultBasic by paying the full cost?

The premium for those purchasing coverage while on the waiting list will be standard across all adultBasic contractors. The insurance plan assumes the risk, and the risk is not shared by the Department. By creating a separate rate for those purchasing coverage while on the waiting list, the higher users of services will be charged a higher premium and those costs would not be blended with the cost for the enrollees whose premiums are subsidized by the Commonwealth. This should result in a reduction in the PMPM costs for those enrollees who have received an offer of low-cost adultBasic coverage. Only those individuals found eligible for adultBasic under the current eligibility rules and placed on the waiting list are eligible to purchase the benefit by paying themselves the negotiated rate for people on the waiting list.

#### **Waiting List**

## How does the program office decide when to make an offer to individuals on the waiting list?

Enrollment in low-cost adultBasic gradually declines due to the voluntary termination of people enrolled in adultBasic (i.e., attrition). Each month, enrollment trends are analyzed relative to available funding. If the analysis in any month indicates that sufficient funds are available, an offer is made to a portion of the people on the waiting list to ensure we cover as many people as possible. The program will make offers in any month to replace those who voluntarily terminated their enrollment in low-cost adultBasic and to otherwise build enrollment whenever possible.

#### How long does a person have to respond to an offer?

In general, a person must respond within 37 days of the offer. If a person fails to respond, his or her name does not remain on the list. If a non-responsive individual again becomes interested in adultBasic, the person must reapply and go to the end of the list. As with any policy, there are exceptions that are handled on a case-by-case basis.

#### Where should questions about adultBasic be referred?

Enrollees with questions about benefits, or benefit changes, should call the health insurance company listed on the enrollment card. Questions about the cost increases and status on the waiting list should be referred to the Department.

#### adultBasic Enrollment by County January 2009 - December 2009

COUNTY	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
ADAMS	219	208	194	201	220	220	219	208	200	198	190	190
ALLEGHENY	4,726	4,654	4,552	4,528	4,750	4,723	4,672	4,535	4,451	4,314	4,254	4,238
ARMSTRONG	456	450	442	443	466	458	455	450	442	428	422	417
BEAVER	749	731	726	715	741	725	727	702	687	683	665	659
BEDFORD	492	477	468	464	487	481	476	460	458	438	439	435
BERKS	652	639	597	639	685	684	668	656	647	611	594	578
BLAIR	667	657	630	624	634	632	633	629	617	606	599	585
BRADFORD	360	356	341	369	372	373	370	367	362	346	341	322
BUCKS	1,505	1,473	1,439	1,401	1,547	1,558	1,539	1,515	1,501	1,467	1,440	1,414
BUTLER	862	856	833	826	875	875	865	845	838	811	800	790
CAMBRIA	1,034	1,021	997	998	1,055	1,052	1,044	1,018	998	972	957	949
CAMERON	32	31	29	30	34	32	31	30	32	31	32	32
CARBON	350	341	320	336	346	346	335	332	323	313	311	304
CENTRE	350	349	340	331	340	338	340	336	328	318	309	309
CHESTER	841	828	812	787	841	858	835	815	805	787	773	762
CLARION	219	212	209	207	224	222	219	213	210	207	199	197
CLEARFIELD	656	654	637	630	653	648	649	633	628	611	600	601
CLINTON	169	168	167	165	168	164	160	160	160	152	147	144
COLUMBIA	211	211	205	210	216	210	212	210	206	195	193	191
CRAWFORD	475	470	464	462	497	492	485	473	464	437	433	427
CUMBERLAND	414	400	376	387	415	418	409	405	397	377	367	351
DAUPHIN	381	370	350	356	390	385	392	374	365	348	347	337
DELAWARE	1,851	1,819	1,773	1,732	1,879	1,879	1,865	1,821	1,786	1,744	1,707	1,672
ELK	198	195	188	187	206	209	209	206	198	197	192	186
ERIE	1,536	1,518	1,504	1,487	1,550	1,543	1,527	1,493	1,484	1,436	1,402	1,384
FAYETTE	1,090	1,079	1,057	1,050	1,095	1,082	1,078	1,064	1,037	1,005	983	985
FOREST	48	48	47	46	47	45	46	43	42	40	37	36
FRANKLIN	237	241	233	245	267	257	260	258	252	242	238	237
FULTON	56	55	50	51	53	56	54	51	52	47	51	51
GREENE	208	207	204	205	207	209	204	201	193	185	187	182
HUNTINGDON	233	227	225	226	240	239	242	235	228	229	227	225
INDIANA	528	521	510	516	539	539	538	523	517	502	494	489
JEFFERSON	300	303	298	296	307	305	309	302	303	300	294	290

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#### adultBasic Enrollment by County January 2009 - December 2009

COUNTY	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
JUNIATA	114	112	112	111	118	120	119	119	117	113	109	105
LACKAWANNA	735	728	712	733	753	742	727	721	702	659	656	647
LANCASTER	852	832	775	830	906	900	896	884	868	818	818	809
LAWRENCE	559	558	541	544	572	579	568	557	537	521	515	506
LEBANON	207	202	191	196	204	203	205	200	196	186	179	175
LEHIGH	784	753	707	761	818	809	792	799	789	754	755	735
LUZERNE	1,108	1,097	1,068	1,109	1,143	1,126	1,109	1,098	1,065	1,039	1,033	994
LYCOMING	317	321	309	330	335	337	332	331	325	305	309	303
MCKEAN	236	228	219	215	232	238	237	228	219	222	213	211
MERCER	550	546	529	521	545	539	539	531	514	500	500	501
MIFFLIN	233	232	228	218	234	239	242	234	235	225	226	225
MONROE	669	665	640	663	693	688	678	662	640	597	602	592
MONTGOMERY	2,224	2,192	2,154	2,111	2,219	2,218	2,202	2,163	2,139	2,053	2,021	1,986
MONTOUR	29	29	31	32	32	35	35	35	35	33	34	32
NORTHAMPTON	518	500	474	490	526	517	515	512	493	471	472	460
NORTHUMBERLAND	391	383	373	361	381	375	367	362	358	347	355	352
PERRY	112	108	102	102	114	112	112	114	114	110	109	103
PHILADELPHIA	6,752	6,594	6,424	6,256	6,768	6,757	6,685	6,588	6,466	6,256	6,145	6,014
PIKE	296	291	279	293	300	293	290	283	285	276	280	265
POTTER	152	148	146	139	143	142	133	134	133	131	127	129
SCHUYLKILL	459	452	443	435	465	464	455	435	437	421	414	421
SNYDER	120	120	117	113	125	124	125	124	125	116	120	114
SOMERSET	702	697	688	682	694	694	683	662	653	632	628	623
SULLIVAN	37	35	33	37	39	38	37	37	36	37	37	37
SUSQUEHANNA	330	327	321	327	338	332	328	319	308	294	292	286
TIOGA	302	302	287	288	297	292	276	281	273	265	264	256
UNION	84	83	85	82	86	93	88	90	87	80	82	74
VENANGO	351	344	338	334	354	348	345	343	332	321	320	314
WARREN	227	222	222	219	235	234	226	223	218	214	212	210
WASHINGTON	901	898	874	869	916	913	909	881	869	851	838	833
WAYNE	307	307	299	313	321	319	303	300	293	289	288	276
WESTMORELAND	2,081	2,080	2,041	2,006	2,075	2,080	2,051	2,022	1,989	1,920	1,890	1,867
WYOMING	125	122	118	128	133	131	128	126	124	121	123	115
YORK	673	651	609	617	667	666	657	641	632	591	596	588
TOTALS	45,642	44,928	43,706	43,615	46,127	45,954	45,461	44,602	43,817	42,345	41,786	41,127

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#### adultBasic *Waiting List* by County January 2009 - December 2009

COUNTY	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
ADAMS	1,549	1,634	1,771	1,716	1,896	1,995	2,098	2,151	2,208	2,312	2,381	2,465
ALLEGHENY	12,817	15,023	16,363	17,214	19,102	20,832	22,259	24,072	25,413	26,759	28,227	29,609
ARMSTRONG	1,212	1,381	1,527	1,563	1,709	1,850	1,958	2,118	2,252	2,395	2,552	2,684
BEAVER	2,279	2,739	3,017	3,131	3,450	3,770	3,955	4,307	4,543	4,849	5,160	5,433
BEDFORD	1,000	1,136	1,234	1,235	1,349	1,451	1,528	1,624	1,682	1,779	1,921	2,002
BERKS	5,783	6,459	7,245	7,446	8,427	9,049	9,605	10,010	10,475	10,900	11,407	11,825
BLAIR	2,194	2,568	2,821	2,991	3,306	3,618	3,844	4,201	4,437	4,689	4,996	5,253
BRADFORD	1,142	1,215	1,329	1,371	1,495	1,608	1,716	1,816	1,927	1,993	2,079	2,171
BUCKS	5,661	6,157	6,656	6,564	7,096	7,611	8,044	8,435	8,857	9,373	9,828	10,274
BUTLER	2,562	2,784	2,956	2,929	3,156	3,400	3,581	3,858	4,034	4,252	4,410	4,585
CAMBRIA	2,236	2,534	2,736	2,746	3,017	3,250	3,475	3,748	3,917	4,168	4,415	4,604
CAMERON	99	113	122	128	145	164	177	191	211	216	239	245
CARBON	1,076	1,225	1,378	1,412	1,621	1,759	1,861	1,949	2,067	2,156	2,282	2,423
CENTRE	1,223	1,396	1,519	1,597	1,790	1,912	2,029	2,171	2,254	2,353	2,499	2,599
CHESTER	2,851	3,085	3,339	3,351	3,661	3,970	4,253	4,449	4,729	5,023	5,292	5,533
CLARION	533	658	735	772	846	935	987	1,098	1,177	1,233	1,328	1,391
CLEARFIELD	1,710	1,938	2,116	2,149	2,328	2,510	2,684	2,887	3,037	3,233	3,423	3,590
CLINTON	443	546	623	685	793	885	952	1,034	1,096	1,164	1,240	1,302
COLUMBIA	1,076	1,213	1,320	1,401	1,507	1,599	1,672	1,784	1,867	1,974	2,071	2,166
CRAWFORD	1,281	1,518	1,711	1,816	2,043	2,226	2,398	2,580	2,748	2,912	3,082	3,258
CUMBERLAND	2,819	2,998	3,190	3,066	3,322	3,516	3,671	3,747	3,858	3,964	4,085	4,226
DAUPHIN	3,555	3,995	4,422	4,438	4,988	5,397	5,776	6,007	6,232	6,478	6,743	7,030
DELAWARE	6,503	7,260	7,901	7,944	8,742	9,444	10,025	10,508	11,120	11,892	12,588	13,190
ELK	439	512	558	579	651	728	775	848	909	958	1,005	1,037
ERIE	4,400	5,261	5,846	6,282	7,011	7,690	8,219	8,994	9,515	10,171	10,795	11,280
FAYETTE	2,631	3,035	3,371	3,527	3,911	4,298	4,580	4,932	5,174	5,474	5,828	6,127
FOREST	79	99	105	98	111	123	131	133	141	158	167	176
FRANKLIN	1,648	1,861	2,123	2,205	2,540	2,782	2,981	3,110	3,272	3,424	3,578	3,725
FULTON	175	213	241	281	314	364	391	423	449	487	523	549
GREENE	584	665	724	772	840	912	973	1,071	1,133	1,210	1,279	1,336
HUNTINGDON	670	785	869	951	1,048	1,149	1,193	1,289	1,358	1,443	1,536	1,611
INDIANA	1,411	1,584	1,722	1,756	1,912	2,069	2,181	2,384	2,497	2,664	2,803	2,936
JEFFERSON	665	796	910	1,002	1,107	1,228	1,319	1,482	1,592	1,706	1,829	1,936

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#### adultBasic Waiting List by County January 2009 - December 2009

COUNTY	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
JUNIATA	462	490	518	512	551	589	616	647	674	689	724	749
LACKAWANNA	2,406	2,788	3,088	3,365	3,828	4,161	4,519	4,867	5,164	5,495	5,797	6,054
LANCASTER	9,143	9,806	10,519	10,385	11,346	12,024	12,648	13,057	13,471	13,903	14,279	14,709
LAWRENCE	1,468	1,677	1,861	1,973	2,206	2,373	2,508	2,674	2,824	2,988	3,141	3,305
LEBANON	1,919	2,165	2,406	2,502	2,769	2,947	3,115	3,251	3,393	3,541	3,657	3,817
LEHIGH	5,977	6,559	7,134	7,232	8,051	8,609	9,143	9,411	9,722	10,042	10,320	10,640
LUZERNE	5,146	5,850	6,437	6,867	7,739	8,367	8,998	9,552	10,171	10,685	11,272	11,827
LYCOMING	1,253	1,496	1,734	1,965	2,259	2,464	2,669	2,912	3,137	3,315	3,523	3,733
MCKEAN	858	978	1,062	1,049	1,150	1,232	1,297	1,400	1,482	1,559	1,632	1,717
MERCER	1,618	1,876	2,096	2,278	2,529	2,805	2,960	3,207	3,410	3,613	3,859	4,012
MIFFLIN	917	1,035	1,126	1,159	1,272	1,375	1,452	1,550	1,630	1,718	1,805	1,893
MONROE	2,633	2,942	3,226	3,284	3,627	3,893	4,159	4,486	4,765	5,028	5,323	5,637
MONTGOMERY	4,968	5,400	5,834	5,834	6,415	6,970	7,527	7,927	8,408	8,903	9,440	9,841
MONTOUR	206	227	263	279	308	356	384	408	427	464	486	509
NORTHAMPTON	3,696	4,087	4,556	4,815	5,360	5,737	6,088	6,338	6,576	6,836	7,057	7,335
NORTHUMBERLAND	1,773	1,992	2,152	2,224	2,419	2,592	2,717	2,903	3,009	3,169	3,288	3,408
PERRY	696	764	842	816	893	921	983	1,029	1,059	1,100	1,150	1,202
PHILADELPHIA	22,266	26,081	29,159	30,079	33,666	37,108	40,278	42,384	45,340	48,444	51,441	53,859
PIKE	930	1,017	1,116	1,133	1,247	1,350	1,448	1,535	1,614	1,735	1,813	1,891
POTTER	389	445	487	498	534	588	627	699	737	770	813	852
SCHUYLKILL	2,516	2,841	3,097	3,255	3,522	3,802	4,050	4,343	4,540	4,787	5,088	5,382
SNYDER	599	672	746	801	895	948	1,004	1,073	1,109	1,175	1,220	1,267
SOMERSET	1,298	1,460	1,586	1,647	1,813	1,969	2,060	2,213	2,357	2,469	2,609	2,708
SULLIVAN	113	119	126	125	139	153	160	174	194	209	224	230
SUSQUEHANNA	766	842	911	932	1,026	1,113	1,168	1,224	1,276	1,328	1,402	1,455
TIOGA	1,022	1,124	1,198	1,214	1,331	1,421	1,503	1,571	1,646	1,728	1,801	1,864
UNION	425	501	566	601	659	710	745	787	829	875	917	962
VENANGO	953	1,118	1,252	1,290	1,416	1,521	1,597	1,702	1,783	1,870	1,978	2,055
WARREN	685	771	849	917	1,007	1,078	1,159	1,246	1,292	1,390	1,482	1,558
WASHINGTON	2,196	2,641	2,970	3,197	3,522	3,894	4,167	4,568	4,839	5,127	5,437	5,716
WAYNE	949	1,080	1,211	1,255	1,363	1,457	1,525	1,610	1,691	1,761	1,826	1,889
WESTMORELAND	4,787	5,425	5,932	6,178	6,887	7,438	7,856	8,469	9,013	9,553	10,111	10,578
WYOMING	501	560	619	635	706	762	804	851	915	970	1,027	1,070
YORK	5,478	6,051	6,798	7,004	7,885	8,466	9,017	9,383	9,767	10,190	10,621	11,006
TOTALS	165,318	187,266	205,977	212,418	235,574	255,287	272,242	288,862	304,445	321,191	338,154	353,301

Attachment 2



## Pennsylvania adultBasic Health Insurance Program (aB) HEDIS 2009 Performance Report

Prepared for the Pennsylvania Insurance Department
Office of CHIP and adultBasic



http://www.ins.state.pa.us

EDWARD G. RENDELL, GOVERNOR

JOEL ARIO, INSURANCE COMMISSIONER



#### **Background**

adultBasic (aB) was launched in 2002 to cover the basic healthcare needs of Pennsylvanians age 19-64 who have no health insurance and who meet certain eligibility requirements. With a current enrollment of approximately 44,600, aB offers basic benefits including preventative care, physician services, diagnosis and treatment of illness or injury, inpatient hospitalization, outpatient hospital services, emergency accident and medical care. aB is administered through the Pennsylvania Insurance Department with care provided by the following health insurance companies.

- First Priority Health (BCNEPA)
- Highmark Blue Shield (Central PA)
- Highmark Blue Cross Blue Shield (Western PA)
- Keystone Health Plan East (KHPE)
- Unison aB

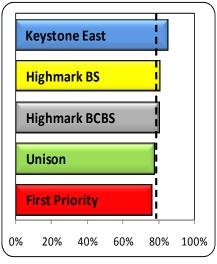
#### **Report Card Description**

aB health insurance company performance is assessed using Healthcare Effectiveness Data Information Set (HEDIS®) 2009 performance measures and is presented in two sections: Access to Care and Comprehensive Care. For each HEDIS 2009 performance measure, a chart is presented with each bar representing the percentage of aB members receiving a specific type of care from their aB provider. For each chart, the aB health insurance companies are presented in order of performance from high to low with higher performing health insurance companies at the top of each chart. In addition, the Pennsylvania aB statewide weighted average is represented on each chart by a dotted line. The Pennsylvania aB weighted average is calculated as the total number of events program-wide divided by the eligible population program-wide.



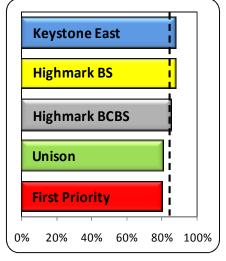


### Access to care: Are you receiving care?



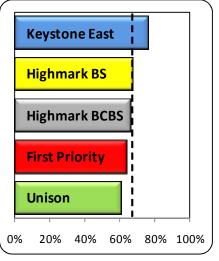
aB Weighted Average

Adults' Access to
Preventative/Ambulatory
Health Services (20-44)
Members 20-44 who had an
ambulatory or preventive
care visit during the year



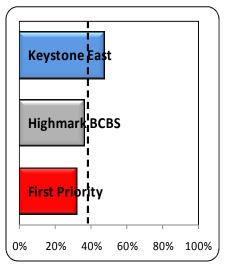
aB Weighted Average

Adults' Access to Preventative/Ambulatory Health Services (45-64) Members 45-64 who had an ambulatory or preventive care visit during the year



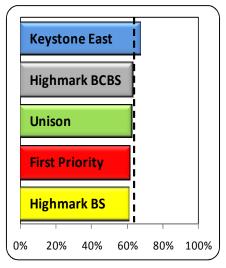
aB Weighted Average

Cervical Cancer Screening Women 21-64 who had a Pap test during the past three years



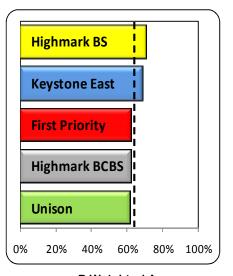
aB Weighted Average

Chlamydia Screening in Women\* Women 19-25 who had at least one test for Chlamydia during the year



aB Weighted Average

Controlling High Blood Pressure Members 19-65 with a diagnosis of Hypertension whose blood pressure was adequately controlled (< 140/90)



aB Weighted Average

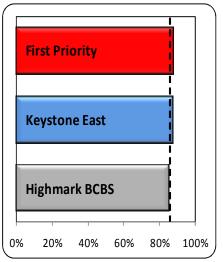
Breast Cancer Screening Women 42-65 who had a Mammogram during the past two years



<sup>\*</sup> Insurance companies with less than 30 adultBasic members were excluded from Performance Measure comparisons



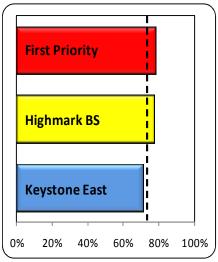
## Comprehensive Care: Is the care meeting your needs?



aB Weighted Average

Prenatal and Postpartum Care – Timeliness of Prenatal Care\*

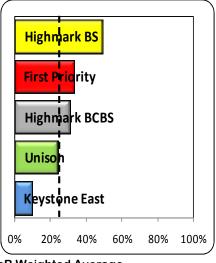
Women who received prenatal care in the first trimester or within 42 days of enrolling in the health plan



aB Weighted Average

Prenatal and Postpartum Care – Postpartum Care\*

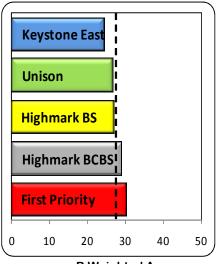
Women who had a postpartum visit between 21 and 56 days after having a child



aB Weighted Average

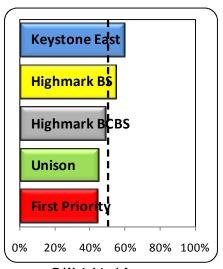
#### Adult Body Mass Index Assessment

Members 19-65 who had a BMI documented at an outpatient visit during the past two years



aB Weighted Average

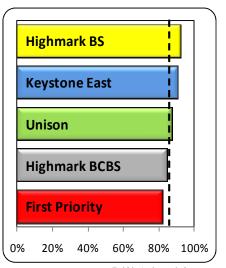
Emergency Department Visits for Adults 19 – 64 Years Old Number of ED visits per 1000 member months by members 19-64 (lower rate indicates better performance)



aB Weighted Average

Comprehensive Diabetes Care – Eye Exam

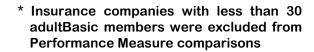
Members 19-65 with a diagnosis of Type 1 or 2 diabetes who had a retinal exam for diabetic retinal disease



aB Weighted Average

Comprehensive Diabetes Care – LDL-C Screening

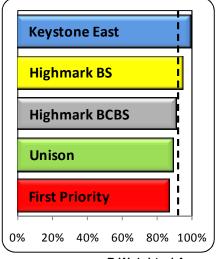
Members 19-65 with a diagnosis of Type 1 or 2 diabetes who were screened for high cholesterol







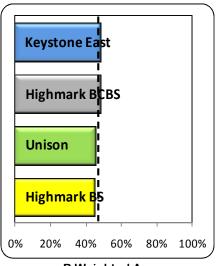
## Comprehensive Care: Is the care meeting your needs?



aB Weighted Average

## Comprehensive Diabetes Care – HbA1c Testing

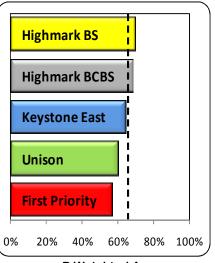
Members 19-65 with a diagnosis of Type 1 or 2 diabetes who had a Hemoglobin A1c test



aB Weighted Average

### Comprehensive Diabetes Care – Good HbA1c Control\*

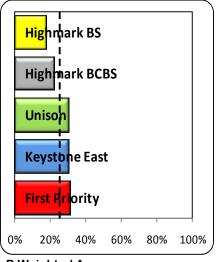
Members 19-65 with a diagnosis of Type 1 or 2 diabetes who had a Hemoglobin A1c level below 7.0%



aB Weighted Average

### Comprehensive Diabetes Care – Adequate HbA1c Control

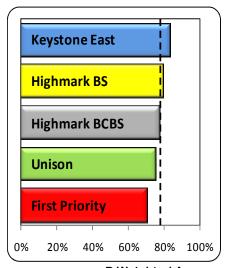
Members 19-65 with a diagnosis of Type 1 or 2 diabetes who had a Hemoglobin A1c level below 8.0%



aB Weighted Average

#### Comprehensive Diabetes Care -Poor HbA1c Control

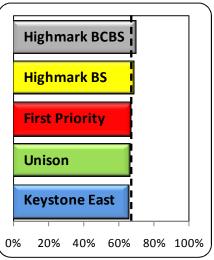
Members 19-65 with a diagnosis of Type 1 or 2 diabetes who had a Hemoglobin A1c level above 9.0% (lower rate indicates better performance)



aB Weighted Average

## Comprehensive Diabetes Care - Medical Attention for Nephropathy

Members 19-65 with a diagnosis of Type 1 or 2 diabetes who received medical attention for kidney disease or abnormality



aB Weighted Average

### Comprehensive Diabetes Care - Blood Pressure < 140/90

Members 19-65 with a diagnosis of Type 1 or 2 diabetes whose blood pressure was below 140/90



<sup>\*</sup> Insurance companies with less than 30 adultBasic members were excluded from Performance Measure comparisons



## **aB Health Insurance Company Contact Information**

Highmark Blue Shield (Central PA) 1-866-727-5437

Keystone Health Plan East (KHPE) 1-800-464-5437

Unison aB 1-800-414-9025

Highmark BC/BS (Western PA) 1-800-643-7150

First Priority Health 1-800-643-7199



1-800-GO-BASIC

http://www.ins.state.pa.us