Cover Tennessee in Perspective

2006 Uninsured Rates*

- U.S.: 16%
- Tennessee: 14%
- Southeast: 17%

* Kaiser Foundation www.statehealthfacts.com
What Cover Tennessee IS
- *Voluntary* program
- Primary objective is to provide affordable health insurance options for Tennessee’s uninsured

What Cover Tennessee is NOT
- Not a replacement for TennCare; not an entitlement program
- Does not provide universal access
- Does not *mandate* coverage for businesses, individuals
- Does not require new taxes to operate

Principles provide a model for health insurance reform
Key Principles

- **Make Programs Accessible**
  - Partnership to bring health coverage within reach of the uninsured
  - Affordable coverage options for children, the chronically-ill and working Tennesseans

- **Focus on Effectiveness**
  - Pay for basic care first: preventive care, primary care, generic drugs
  - Pay for what works: pay for best practices, disease management

- **Emphasize Personal Responsibility**
  - Everyone should pay something
  - Individuals should be responsible for their health care decisions

- **Ensure Affordability & Sustainability**
  - Do the most good with the resources we have
  - Make sure we’re fiscally accountable and responsible
Components

- **Three Insurance Plans**
  - **CoverTN** – basic health coverage; fully-insured by BCBST
  - **CoverKids** – comprehensive coverage; fully-insured by BCBST
  - **AccessTN** – comprehensive coverage; self-insured by State

- **Pharmacy Assistance for the Uninsured**
  - **CoverRx** – administered by ExpressScripts
Partnership between the state, small employers and individuals to offer affordable and portable basic benefits for small businesses, individuals and the self-employed

- **Affordable** healthcare coverage
  - Premiums shared equally by employer, individual and state
  - Individual’s monthly premium share ranges between $37 and $109
  - Premiums vary depending on age, tobacco use, and obesity
  - No deductibles; reasonable co-pays

- **Portable**
  - Owned by the individual
  - Individual can keep coverage even if they leave an employer
  - Provides continued coverage during brief periods of unemployment

- **Basic**
  - Provide most services most people need
Who Can Participate

- **Employers with 50 or fewer full-time equivalent employees**, and half of the employees earn $43,000 or less annually

- **Individuals at employers with 50 or fewer employees**, and who work at least 20 hours-a-week, on average

- **Employees at companies that do not offer employer-sponsored health insurance**, or CoverTN, and who earn $43,000 or less annually

- **Self-employed individuals** who work at least 20 hours-a-week, on average, and earn $43,000 or less annually

- More details on eligibility at www.CoverTN.gov
Total Enrollment*

*As of Dec. 31, 2007, Cover Tennessee Report (BCBST)
5,609 participating employers (about 50% - 2,804 are self employed)

The distribution of members by age matches closely with the age distribution of uninsured adults:
- 58% of our members are age 41 – 64; average age of self-employed and employee is 51 and 46 , respectively
- smaller percentage of 19 – 25 year olds than is in the uninsured population (10% versus 15%)

Higher risk burden in the members than general population
- 38% use tobacco vs. 26% statewide
- 29% are obese vs. 25% statewide
Program Statistics

- Over 70% had been without health coverage for over 1 year

- Members lacked coverage due to affordability, loss of job and loss of existing coverage

- 48% have some college; 27% have 4-year degree or greater

- Increase use of doctor’s office on CoverTN
Percentage of respondents choosing listed option for how best to spend $25 extra per enrollee per month, by type respondent

- **Raise benefit limit**
  - Employer contacts: 59%
  - Employees: 37%
  - Self-employed: 47%

- **Lower premiums**
  - Employer contacts: 14%
  - Employees: 19%
  - Self-employed: 19%

- **Broaden network**
  - Employer contacts: 25%
  - Employees: 34%
Realities of Implementation

- Managing expectations
- Sizing the market
- Marketing
- Provider participation
- Product design
- Program integrity
2008 Focus

- **Outreach** – Additional resources, creativity and innovative ideas to build awareness, expand outreach and increase enrollment

- **Program Evaluation** – Evaluate programs to assess member satisfaction, geographic reach, quality, effectiveness and development opportunities

- **Ongoing Program Integrity** – Balance ease of access with accountability; assure the Division administers the program appropriately and consistently
  - Make sure only those who are eligible get in Cover Tennessee
  - Provide assurance that program eligibility, benefits, and use are administered appropriately and consistently
  - Refer potential fraud cases to the appropriate investigative authority
Addendum
Cover Tennessee Programs
Partnership between state and federal government offering health insurance to uninsured children in Tennessee

- **Comprehensive** health coverage
- **Emphasis on wellness and prevention**
- **Coverage provides** for hospitalization, immunizations, medications, well-child exams
- **No** premiums, **low** co-pays
- **SCHIP** - receives 3-to-1 federal funding match
Who Can Participate

- Children 18 and under
- Tennessee resident
- **US Citizen** or qualified legal alien
- **Household income up to 250%** of federal poverty level (FPL)
  - Buy-in available for applicants over 250% FPL
- "**Go Bare**" (without health coverage): 3 months
  - Waived for newborns up to 4 months of age
- **Maternity coverage** available for pregnant women
- **Screened first for TennCare eligibility** or access to other state-sponsored health insurance
Benefits

- **Doctor visits** including checkups
- **Prescriptions**
- **Hospital** and physician services
- **Mental health** services

**NEW**

- **Vision services** for routine eye exams, glaucoma testing, eyeglass lenses, contacts and replacement frames

- **Dental benefits and online application coming soon**
Total Enrollment*

*As of Dec. 31, 2007, Cover Tennessee Report (BCBST)
Provides health insurance option for chronically ill and medically uninsurable Tennesseans

- **Comprehensive** health coverage
- **Guaranteed issue** health insurance
  - No one denied coverage because they have a pre-existing medical condition
  - No income limit, no asset test
- **Premium shared** between the member, State and industry
- **Monthly premiums** between $273 to $1,156
Who Can Participate

- **Tennessee resident** (6 months)
- **US Citizen** or qualified legal alien
- **Age 19 and over**
- **Uninsurable** because of health status
- **No access** to employer insurance, except CoverTN
- **No health insurance** for prior 3 months (some exceptions apply)
- **Special rules** for those finishing COBRA, TennCare or CoverKids policies
Benefits

- Comprehensive health insurance
- 3 plans to choose from with $1,000, $2,500 and $5,000 deductibles
- All plans have full benefit for pharmacy from day one of coverage
- 50% medical benefit for pre-existing conditions for 6 months before full benefit begins
- Premium assistance of 20% to 90% available based on family income
Total Enrollment*

*As of Dec. 31, 2007, Cover Tennessee Report (BCBST)
Pharmacy assistance designed to assist those who have no pharmacy coverage, but have a critical need for medication.

**Who Can Participate**

- Tennessee resident (6 months)
- **US Citizen** or qualified legal alien
- Household income at or below 250% federal poverty level
- Cannot have pharmacy coverage
- **CoverRx members may participate** in other drug discount programs, such as those offered by retail stores
- Individuals enrolled in the Mental Health Safety Net program
Benefits

- **Not insurance; access to affordable medications** for Tennesseans without pharmacy coverage
- **More than 250 generic drugs plus Insulin and diabetic supplies**
- **Discounts** on non-covered drugs
- **Drugs for common diagnoses** such as high cholesterol, high blood pressure, heart disease, anxiety, asthma and acid reflux
- **No premium payment**; sliding scale co-pays based on income
- **Lower co-pays**, range from $3 for a 30-day supply to $16 for a 90-day supply, depending on income level
Total Enrollment*

*As of Dec. 31, 2007, Cover Tennessee Report (BCBST)

Total Enrollment**

CoverRx Total Enrollment

*29,202

**As of Dec. 31, 2007, Cover Tennessee Report (BCBST)
Common Sense Health Coverage for Uninsured Tennesseans