



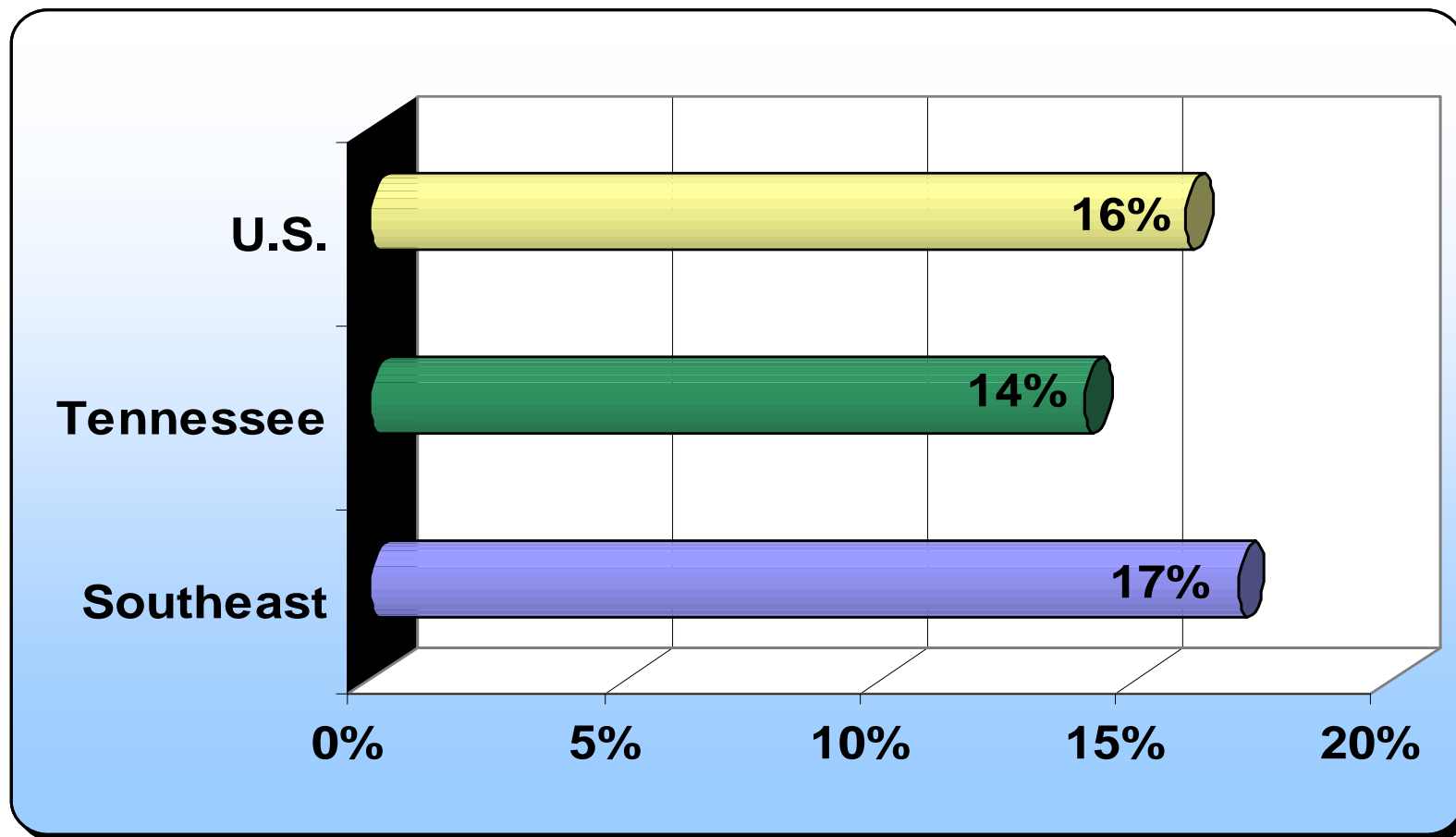
Common Sense Health Coverage for Uninsured Tennesseans

Presentation to State Coverage Initiatives

February 7, 2008

Cover Tennessee in Perspective

2006 Uninsured Rates*



* Kaiser Foundation www.statehealthfacts.com

Cover Tennessee Background

❑ 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

NEW

☐ **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

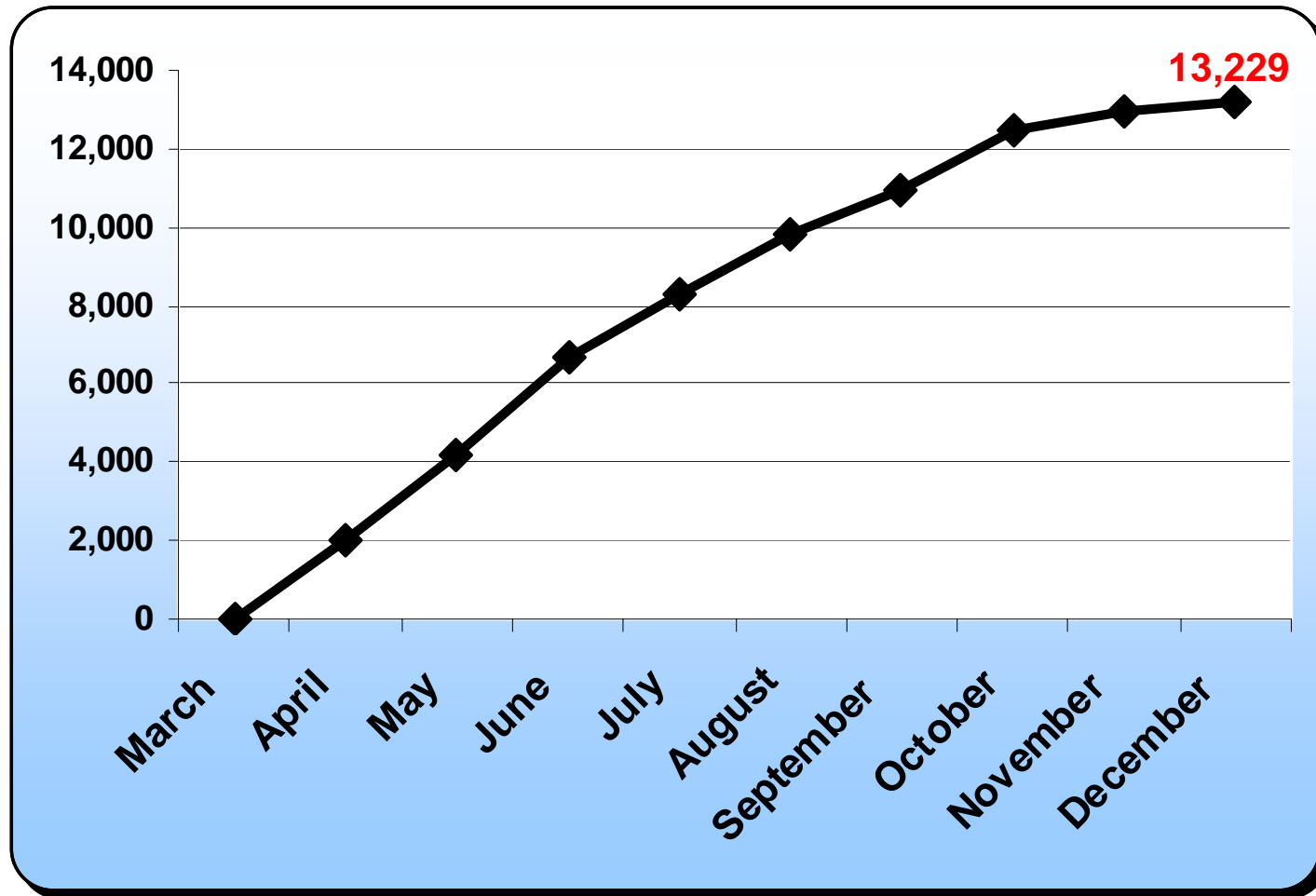
NEW

☐ **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*



February 7, 2008



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

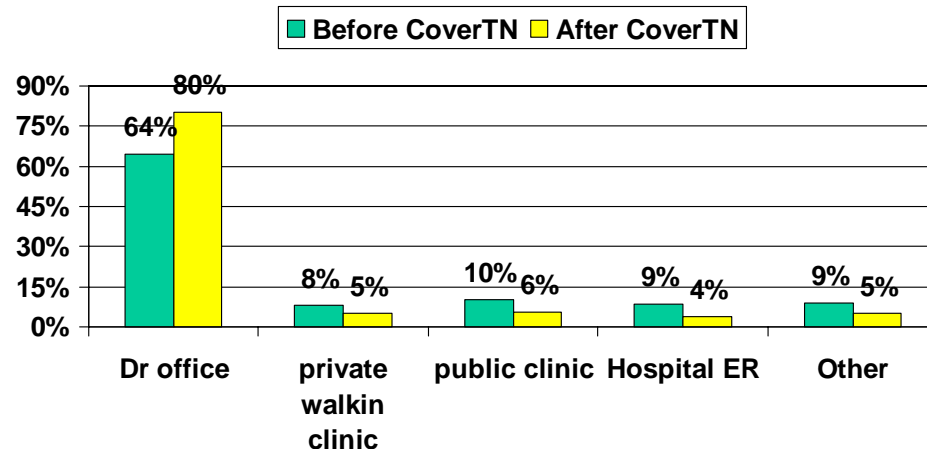
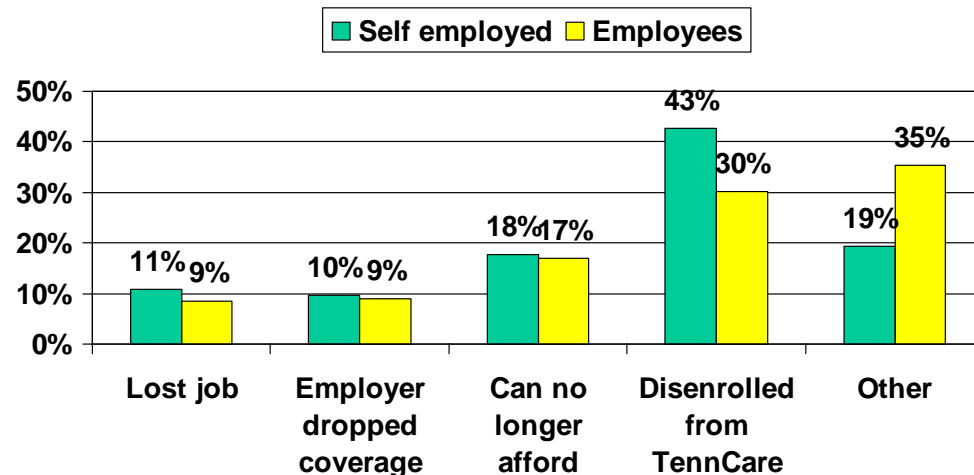


- ❑ **5,609 participating employers (about 50% - 2,804 are self employed)**
- ❑ **The distribution of members by age matches closely with the age distribution of uninsured adults:**
 - 58% of our members are age 41 – 64; average age of self-employed and employee is 51 and 46 , respectively
 - smaller 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

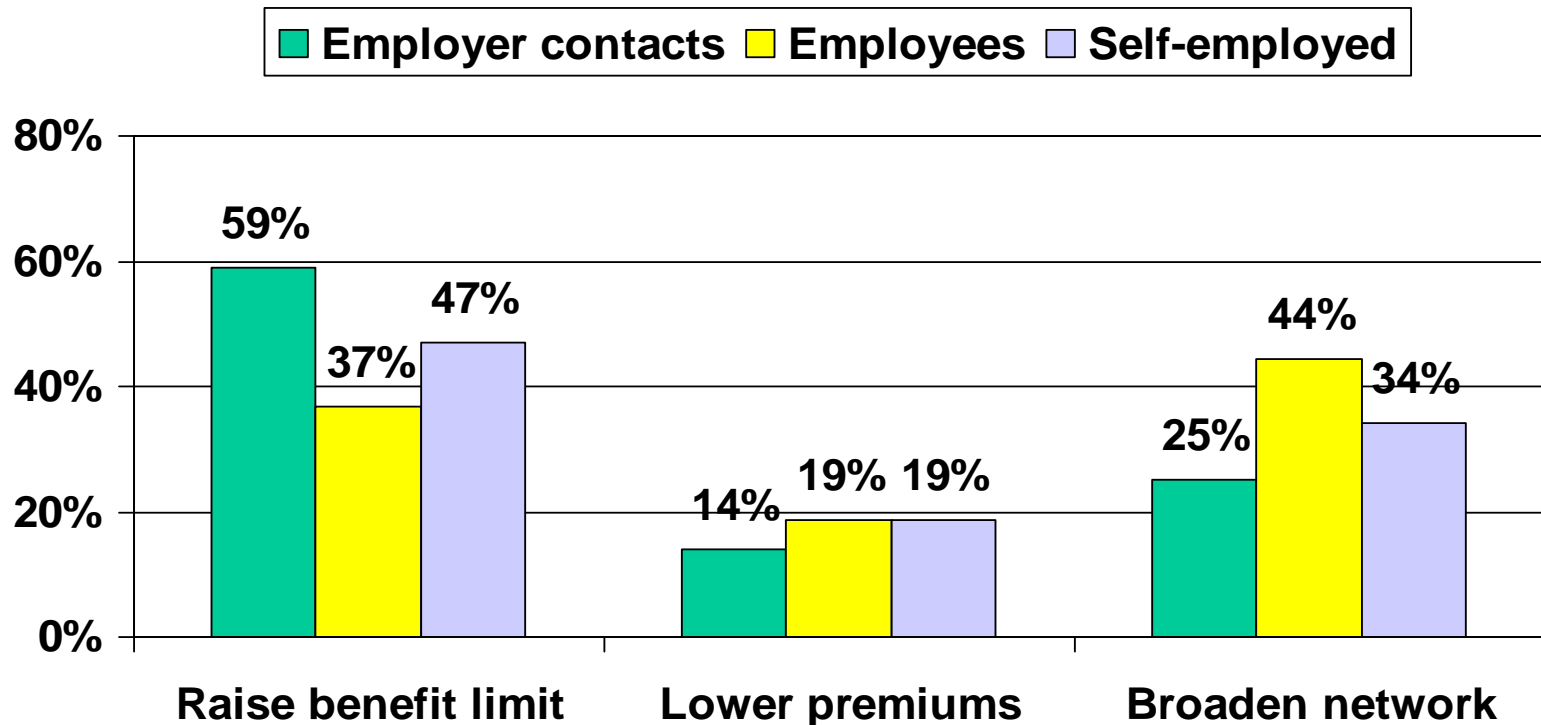
Program Statistics



- ☐ 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



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

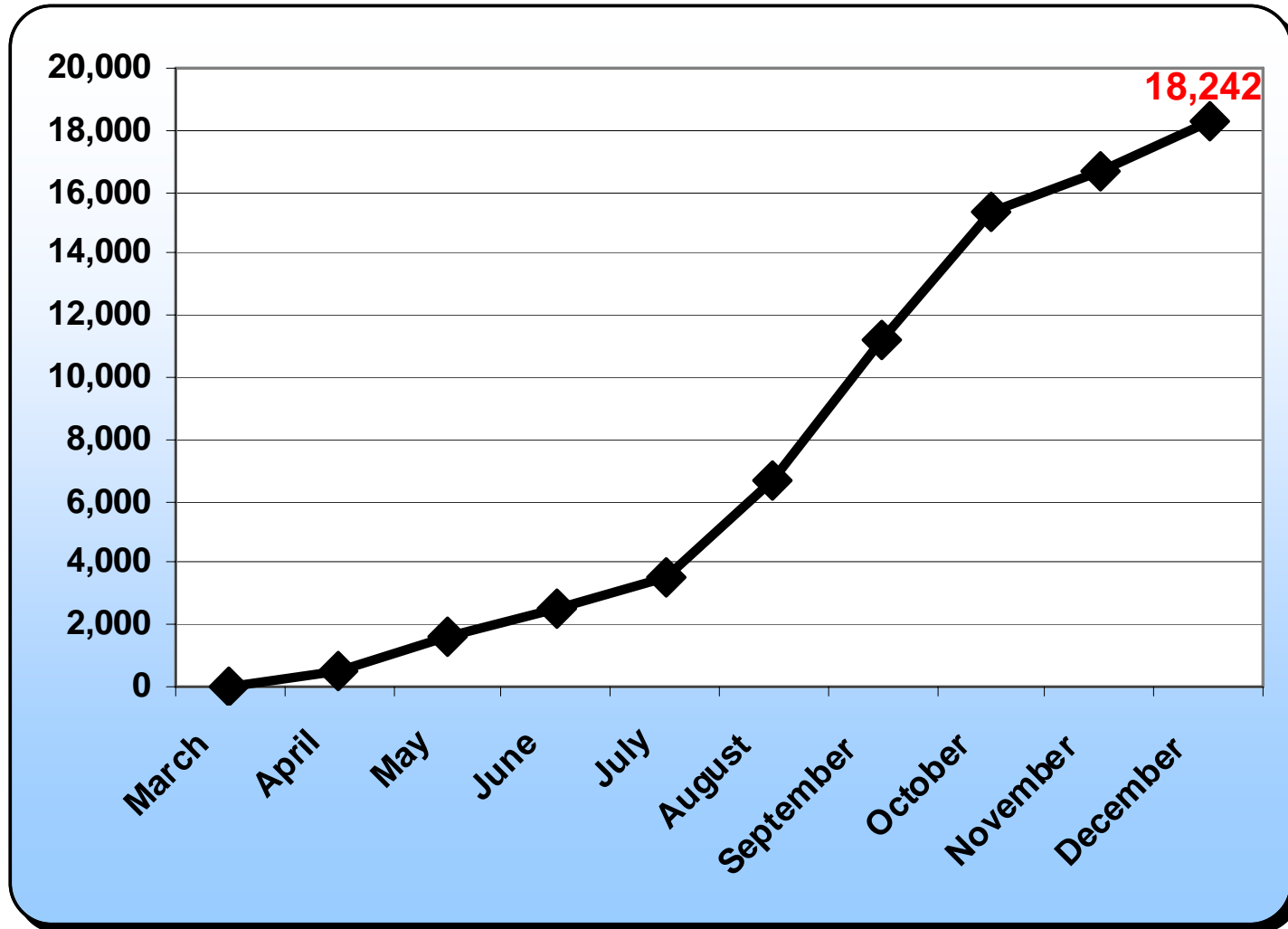
Who Can Participate

- ☐ **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
-  ☐ **Vision services** for routine eye exams, glaucoma testing, eyeglass lenses, contacts and replacement frames
- ☐ **Dental benefits and online application coming soon**

Total Enrollment*



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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

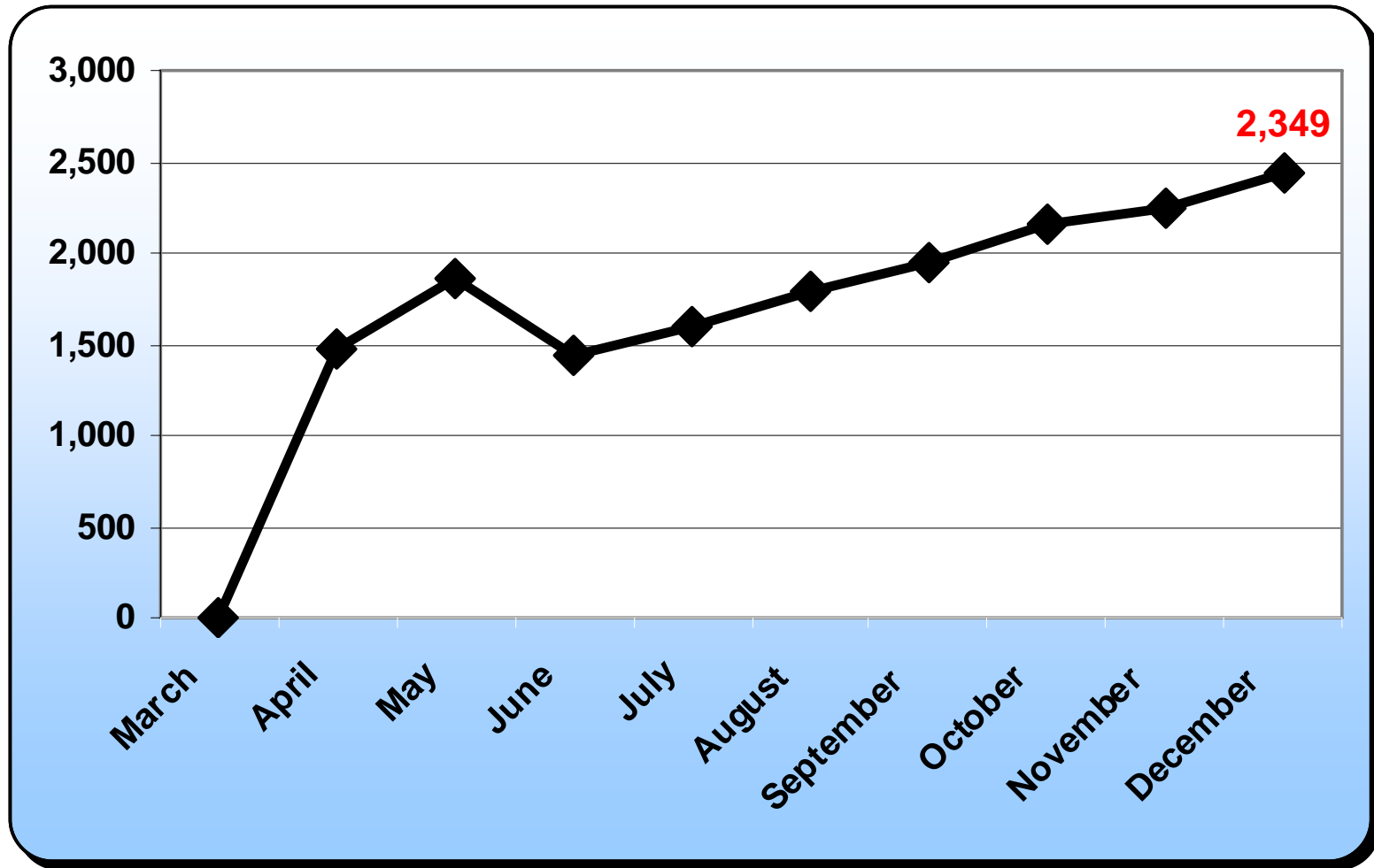
Who Can Participate

- ☐ **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*



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**

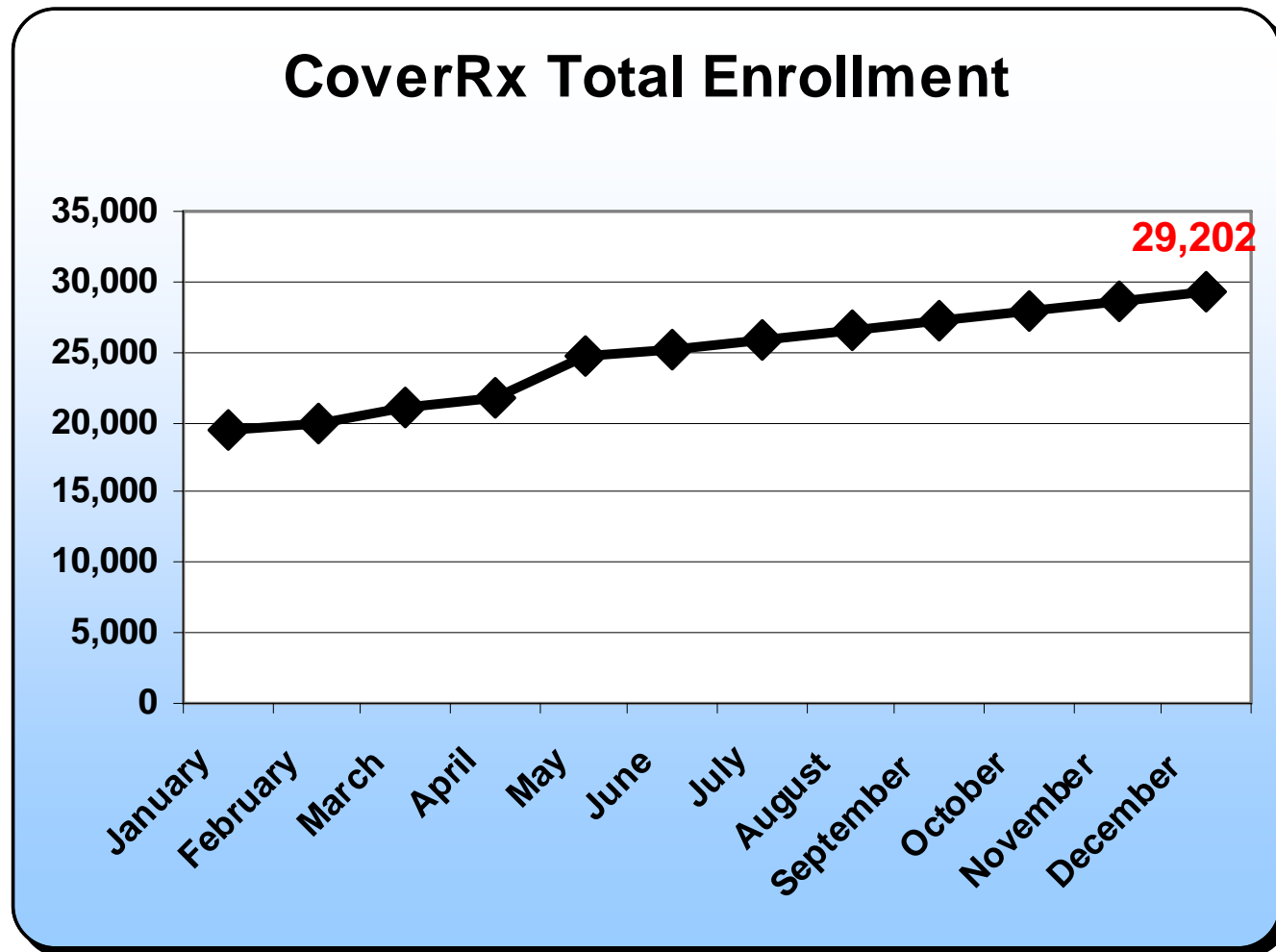
Benefits

- ☐ **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

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NEW

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