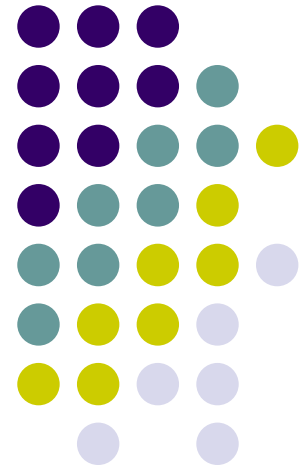
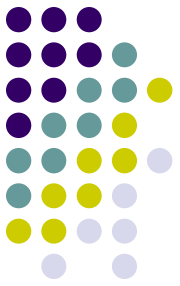


HealthFirst Advisory Meeting

August 27, 2008

New Hampshire Insurance
Department

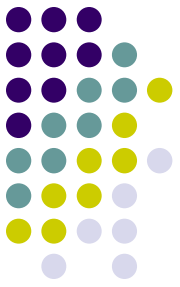




Core components of SB 540

- More “affordable” coverage for small employers – premium target
- Enhanced competition among carriers
- Open development process
- Standard benefit design
- Substantial wellness incentives
- Carriers with 1,000 members required to participate
- Available in October 2009

Purpose of the Advisory Group

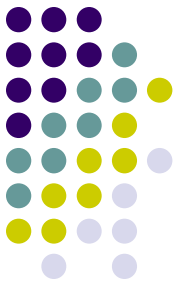


- Make recommendations to the NH Insurance Department Commissioner on the requirements for the standard wellness plan (SB 540)
- Provide recommendations at least once every three years
- Benefits must be consistent with the wage target

Consultants - Involved to Assist the NHID and the Advisory Group



- Middleway Group (Heather Staples)
 - Manage the logistics of creating the HealthFirst benefit design
 - Perform wellness initiative and related research as needed
- CGI Employee Benefits Group
 - Provide leadership in the development of the benefit design
- Compass Health Analytics
 - Analysis and input on alternative benefit designs and their expected impact on pricing



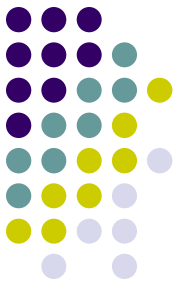
Other Resources

- NHID staff
 - Leslie Ludtke – Project Manager
(HealthFirst@ins.nh.gov)
- “Supplemental Report” database and NHCHIS claims data
- Health insurance carriers
- Health care providers
- Producers (brokers)
- “Outside” actuary

Wellness Plan??



- The plan shall create incentives for consumers, health care providers, employers, and/or carriers to:
 - Promote wellness
 - Promote primary care, preventive care, and a medical home model
 - Manage and coordinate care for persons with chronic health conditions or acute illness
 - Promote the use of cost effective care
 - Promote quality of care by the use of evidence-based, best practice standards and patient-centered care



Where do we start?

- Ground rules
- Common (HMO) products currently sold in NH
- Rhode Island HealthPact Model
- Development of a conceptual framework for the plan design – vary cost sharing based on member compliance?
- Benefit design vs. carrier wellness requirements
- Adherence to deadlines



Target Calculations:

- 2005 NH median wage = \$30,430/yr
- 2006 NH average SG HMO:
 - Premium = \$3,901/yr
 - Claims = \$3,191/yr (82% of premiums)
 - Administrative expenses and profit = \$710/yr (18% of premiums)
- Premium = 12.8% of prior year's median wage
- 2006 target = 10%, or \$3,043

Consultant Presentations

