

Alliance for Health Health Care Reform Framework

The Health Care Insurance Principles shown below were derived from recommendations of the Michigan Health Insurance Access Advisory Council. The principles are interdependent and should be taken as a whole – a healthcare reform framework. These principles are intended to provide supported, timely, and meaningful input to the state and national healthcare reform debate.

This framework is comprised of interdependent principles that make up a complete package.

1. All Michigan residents must have **access to affordable, credible** (minimum acceptable level of standard benefits – see #3 to #6), **quality health insurance coverage**.
2. **Access to appropriate healthcare services** must be available to all and maintained as the number of covered lives increases; adequate and **fair levels of healthcare provider payment** must be assured.
3. Health insurance products must have a **minimum acceptable level of standard benefits** (minimum credible coverage), and be **carefully monitored by regulators**.
4. Government must develop a **transparent process to determine minimum credible coverage** and **minimum standard benefits**. Other entities may assist in a) determination of eligibility (for subsidy), and b) health insurance coverage choices for individuals and businesses.
5. **Individuals must be required to maintain credible health insurance coverage**. This requirement would be accompanied by: a level regulatory playing field that includes **guaranteed issue** (no exclusions, no waiting periods, and no premium rating for pre-existing conditions or health status, etc.) of credible health insurance, **incentives** and **penalties**, and **low-income subsidies** to ensure participation.
6. **Employers must be required to a) offer credible health insurance** to their employees with **meaningful employer cost-sharing, or b) pay fees into an insurance subsidy fund**. This requirement must be accompanied by **incentives & penalties** to ensure participation. **Exemption** must be provided for those **small businesses** that are unable to meet this requirement.
7. Healthcare reform should **promote prevention, coordination of care, and patient-centered care**, and **align payment** to achieve these goals.
8. Health insurance reform must be designed to assure **competition based on price, product, quality and network access**.
9. Meaningful healthcare reform must be designed to **control or flatten the growth of health care premiums for businesses and individuals** and significantly **reduce the rate of growth of health care costs** over time, resulting in a sustainable system. Healthcare cost containment strategies should include:

- a. increase the use of **evidence-based medicine, best-practice guidelines, and comparative effectiveness analysis**;
- b. increase the use of **chronic care management and disease management**;
- c. increase the meaningful and cost-effective use of **health information technology**;
- d. increase **administrative simplification and standardization**;
- e. increase participation in effective **prevention, health promotion, and wellness programs**;
- f. **reduce avoidable re-hospitalizations**;
- g. increase **payment incentives for healthcare value and outcomes**;
- h. **reduce inappropriate utilization** of health services (by both providers and patients);
- i. increase efforts to **right-size healthcare capacity and reduce duplication and overhead**.

Both **incentives and penalties** must be used to ensure participation in these strategies.

Endorsed by the Alliance for Health Board of Directors, August 17, 2009