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**BlueCross BlueShield
of Florida**

An Independent Licensee of the
Blue Cross and Blue Shield Association



Pilot -- Limited Benefit Health Insurance Product

***Discussion Document
January 24, 2008***





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How We Got Here:

More Than 600,000 Uninsured/400,000 of these below 200%FPL

Nearly a Year in Development:

- **Request for Proposal for a Public/Private Partnership for a Limited Benefit Insurance Product Developed w/“Expert Consortium”**
- **RFP Issued June 2007**
- **BCBSF won the competitive bid in December 2007 & executed a contract to partner with the County to design a Limited Benefit Product Pilot**
- **MDC BCC final action on Plan components projected for April 2008 (including Subsidy Program)**



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Vision

- **Thru Public/Private Partnership -- jointly design a low cost, comprehensive insurance product**
 - designed to meet public health requirements
 - builds capacity (and sustainability) of safety net providers – hospitals & clinics
 - operates as a private sector insurance product
- **Accessible for Lowest Income** – leveraging Low Income Pool (LIP), Employer contributions and potentially other funds to subsidize premiums
- **Pilot Implementation** – up to 3 years to test & refine the program as driven by the results of the evaluation & feedback



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Goals

Develop a National Model Private Health Insurance Product that Utilizes the Best of Private & Public Sector Expertise

- **Increase the Number of Insured (Individuals & Small Group Market)**
- **Increase Number of residents having a “medical home”**
- **Reduce Demand & Costs for Charity Care**
- **Reduce Avoidable ER Use**
- **Ultimate ‘System’ Goal -- increase viability of Safety Net Providers (hospitals & clinics) by replacing financial drain with a revenue source**

Long-term Goal → Healthier Residents



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Features of the Pilot

- **Swipe Card Technology will be used to facilitate eligibility, benefits, and payment to providers**
- **Limited Benefit Plan will be offered to Individuals under 65 and Small Group Employers and their Employees**
- **BCBSFs' network will provide access to care**
 - **Safety net providers will be included**
- **ER diversion and Chronic Disease Management Programs will be in place**
- **Target Population for the Pilot**
 - **Under 65 years of age**
 - **Not eligible for government programs**
 - **Small Group Employers & their employees will also be targeted**
 - **Limited Benefit Plan will be available for any qualifying consumer to purchase**
 - **Low income working and non-working uninsured residents of MDC**
 - **Subsidy Program will offset the cost of the premium for people with incomes under 200% FPL**
 - **Undocumented residents (including children) who do not qualify for existing insurance products (Subject to identifying a source of funding)**
 - **Projected number of enrollees in year one between 20,000 - 50,000**



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Features of Subsidy Program Under the Pilot

- **Eligibility for the Subsidy Program**

- Resident of MDC – proof of County residency required
- Less than 65 years of age (non-Medicare eligible)
- Annual income up to 200% of the FPL – two cost-sharing tiers (\$10 premiums up to 125% FPL; \$35 premiums for 125% to 200% FPL)
- Applicants not eligible for government programs – Medicaid, Kid Care, CMS, etc.
- Means Testing – Proof of annual income required for Subsidy
- Uninsured for defined period pre-application -- 6 months

- **Application**

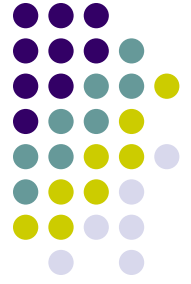
- Application assistance by Navigators and other trained professionals at multiple points of entry (including FQHCs, JHS & other safety net provider sites)
- Community outreach & education – using Navigators & others

- **Subsidy Program Parameters**

- Not an entitlement program
- Participation in Subsidy Program limited by available funds



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Possible Funding for Subsidy

- Funding sources currently being pursued
 - Low Income Pool funds
- Potential Funding Sources
 - Lawton Chiles Endowment Trust Fund
- Other Sources
 - Sin-tax
 - Private Foundations



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Limited Benefit Plan – Individual Plan Illustration

Benefit	Copayment Range
Primary Care	\$10 - \$15
Specialist Care	\$20 - \$35
Inpatient Hospital	\$50 - \$100
ER	\$50 - \$75
Outpatient Diagnostic	\$15 - \$20
Outpatient Surgery	\$30 - \$50
RX	\$5 - \$10
Annual Benefit Maximum	\$10,000

▪Average premium for non-smoking male 26 years old Miami-Dade = \$125.- \$170.

▪Please note that this rate is provided for illustration purposes only and is subject to change as the plan design and final rating are not completed.



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Marketing Plan

BCBSF, together with the County, will develop a comprehensive marketing and education plan to reach the target populations. The Marketing Plan will include:

- **Market Strategy**
- **Positioning -- Value Proposition**
- **Distribution – Existing channels, Internet, Direct/Telesales, neighborhood marketing events and safety net providers**
- **Outreach & application support (e.g.. Social Service Agencies, Navigators)**
- **Promotion/events**
- **Advertising**
- **Publicity**
- **Market Research – testing (focus groups to test benefit plan designs)**
- **Promotion by County leaders & through official communication channels (MDC 311, BCC & Mayor websites, County Departments)**



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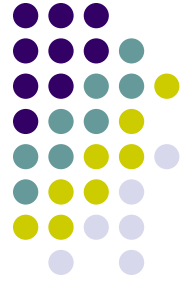
Monitoring and Evaluation Plan

A formal monitoring & evaluation plan will be developed. Primary objective of the evaluation plan will be to refine the Pilot (using lessons-learned during the pilot) & enable the product to be extended to a broader market base. Elements of the plan that will be evaluated:

- Member enrollment & participation
- Member service utilization
- Changing County expenditures on charity care & population-based health statistics
- Average Retention (Number of Months)
- Improvements in access to health care
- Reasons for retaining & dropping coverage
- Customer Satisfaction
- Marketing Plan Effectiveness
- Member understanding
- Impact on inappropriate emergency room utilization
- Chronic Disease Management Program Compliance



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Success Criteria for the Pilot

- Enrollment
- Good customer value proposition for the program
- Customer satisfaction
- Financially viable model
- Reduction in County/State and Federal expenditures for the uninsured
- Low Cost Administrative Model
- Positive impact on social safety net
- Evaluation & Monitoring