

# SCORING CATAMOUNT HEALTH

EXAMINING VERMONT'S PROGRESS TOWARD  
AN EQUITABLE HEALTH SYSTEM



## PHASE 1: OUTREACH AND IMPLEMENTATION

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## EXECUTIVE SUMMARY

In 2006, the Vermont Legislature created the Catamount Health plan, a low-cost health insurance program for the uninsured. Catamount Health is a partnership between the state and private insurance companies: the state develops and subsidizes the plan and private insurance companies offer it to consumers. If successful, Catamount Health will provide health care coverage to thousands of currently uninsured Vermonters. VPIRG, which supported passage of the Catamount Health plan, has spent the last 17 months serving in a watchdog role as the Douglas Administration worked to get the program up and running. We have created the following scorecard to measure the overall success of Catamount Health's development and initial implementation. This scorecard is the first in a series that VPIRG will issue concerning the state's health care programs.

We divided the development and implementation process into five main areas of assessment: 1) the inclusiveness of the process; 2) messaging and marketing; 3) timeliness and efficiency; 4) the overall fiscal stability of Catamount funding; and 5) the Administration's regulation of the insurance companies who will be selling the Catamount product. The five categories received the following grades:

Inclusiveness of Process	A-
Messaging and Marketing	B+
Timeliness and Efficiency	C+
Fiscal Stability	B-
Regulation of Private Partners	B-
Overall Grade	B

To date, the initial development, outreach, and implementation process for Catamount Health has been successful. Our key findings include the following:

- Catamount Health's Outreach & Enrollment Steering Committee did an exceptional job in reaching out to stakeholders.
- Private outreach and education efforts would have benefited by receiving marketing materials earlier from state officials.
- A lack of uniform understanding among Administration officials regarding Catamount Health's October 1 "start date" was a setback in the implementation process. As a result, all applicants had to wait until at least November 1 to receive coverage.
- While the Governor's attempts to cut state funds for Catamount at the beginning of the year were disturbing, he later demonstrated his commitment to the program by joining with legislative leaders in pledging necessary state funds. Given his mixed track record, however, there is reason to be concerned about the Governor's commitment to the Catamount program.

Moving forward, the Administration will need to take aggressive action to reach the goal of insuring 96% of Vermonters by 2010. It would be a mistake to allow that goal to slip to 2011,<sup>1</sup> which is the year some in the Administration have declared to be the target. Our primary concern in the near term, however, is stable funding for the Catamount Health program. While Gov. Douglas has joined legislative leaders in promising to allocate the funds necessary to keep the program on track, the viability of the program is called into question if the General Fund is the only answer to the loss of anticipated federal dollars.

<sup>1</sup> [http://hcr.vermont.gov/increase\\_access](http://hcr.vermont.gov/increase_access), as of December 5, 2007.

## *I. INTRODUCTION*

When the Vermont Legislature passed the Health Care Affordability Act of 2006, its stated goal was to insure 96% of Vermonters by 2010.<sup>2</sup> In order to reach that milestone, the Act established the Catamount Health plan, a low-cost health insurance program for the uninsured. The program was slated to begin on October 1, 2007. Legislators estimated that Catamount Health, if successful, could provide health insurance to approximately 25,000 Vermonters who are currently without coverage.<sup>3</sup>

The Catamount Health plan is a solid step toward quality, affordable health care for all Vermonters; however, in order for Catamount Health to succeed, it is critical that Vermonters understand the program, including who is eligible, how to enroll, and what benefits are available. Beyond simply understanding the program, the process for enrolling in Catamount Health must be made easy and accessible. Finally, overall implementation of the program needs to be sufficiently funded and efficiently run, meeting the targets and milestones set forth in the legislation.

VPIRG supported the passage of Catamount Health and monitored the 17-month process of initial implementation. As a result of our work, we have created the following scorecard to measure the overall success of Catamount's development and implementation. We divided the development and implementation process into five categories: 1) the inclusiveness of the process, which gauges whether and to what extent the Administration considered the input of stakeholders and experts; 2) messaging and marketing, which looks at how the program is being presented to the public; 3) timeliness and efficiency; 4) the overall fiscal stability of the Catamount fund; and 5) the Administration's regulation of the insurance companies who will be selling the Catamount product.

This scorecard is the first in a series that will rate the Douglas Administration's progress toward providing quality, comprehensive, and affordable health care to all Vermonters, in general, and its commitment to the Catamount Health plan specifically. We intend this document to offer Vermonters an overview of how the administrative process of implementing Catamount affects their access to health care.

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<sup>2</sup> See <http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2006/acts/ACT191.HTM>; see also 2 VSA § 902(a)(3)(D).

<sup>3</sup> See [http://www.csgeast.org/Annual\\_Meeting/2006/healthchen2.pdf](http://www.csgeast.org/Annual_Meeting/2006/healthchen2.pdf)

## *II. Grades*

1) **Inclusiveness of Process**: Early in Catamount Health's development, the Douglas Administration embarked on a "comprehensive education, outreach and enrollment campaign to inform Vermonters about insurance products and premium assistance programs that will be available as of October 1, 2007."<sup>4</sup> As a result, the Office of Health Care Reform established the Catamount Outreach & Enrollment Steering Committee, headed by Health Care Reform Outreach & Enrollment Director Kevin Veller. The Committee is an advisory group of approximately 30 members, including advocates, businesses, hospitals, insurance companies, and physicians.

Through monthly meetings and regular email communication, Veller keeps Committee members apprised of each step in the implementation process and asks for feedback and input, which is routinely incorporated into next steps. For instance, during discussion of the marketing campaign, Committee members made recommendations regarding the location of focus group testing and recruitment of focus group participants.<sup>5</sup> The marketing consultants, with Administration approval, incorporated these recommendations into the research they conducted.

The only feedback that the Administration sought from the general public came in the form of focus group testing when developing Catamount's marketing strategy. The Administration did not hold any public hearings or meetings to gather feedback from the public-at-large on the development and implementation process.

*We evaluated the inclusiveness of the development and implementation process with the following metrics:*

- 1) *Engagement of key stakeholders, which grades the level at which the Administration sought to include individuals and organizations outside state bureaucracy in education and outreach efforts;*
- 2) *Incorporation of stakeholder input, which grades the degree to which stakeholder feedback was assimilated into materials and other outreach efforts.*
  - *Engage key stakeholders in implementation process: A*
  - *Incorporate stakeholder input and feedback: B+*

**GRADE for Process Inclusiveness: A-**

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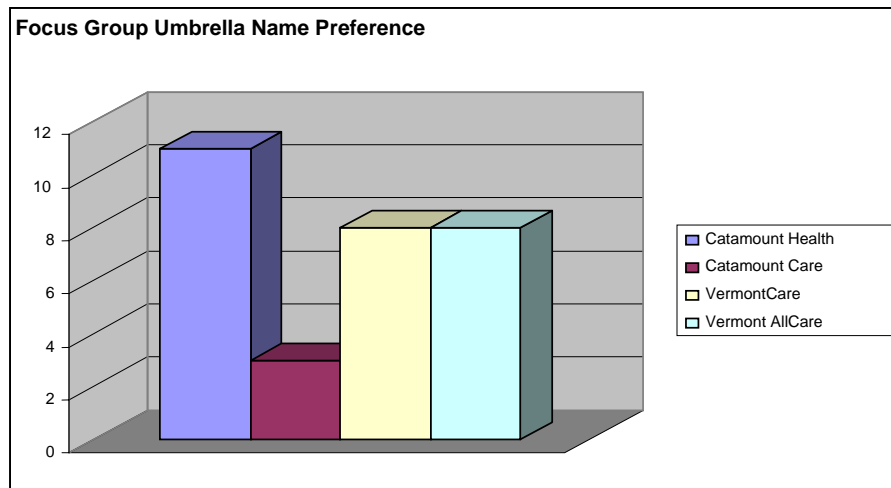
<sup>4</sup> See [http://www.hcr.vermont.gov/increase\\_access/comprehensive\\_outreach\\_and\\_enrollment\\_strategy](http://www.hcr.vermont.gov/increase_access/comprehensive_outreach_and_enrollment_strategy).

<sup>5</sup> See Health Care Outreach and Enrollment Steering Committee Minutes, June 4, 2007 at <http://hcr.vermont.gov/var/hcr/storage/original/application/f48a14aaadf5f29d7c8213cebe0156d1.pdf>.

2) **Messaging and Marketing:** The Administration hired political consulting group GMMB and public opinion research firm Lake Research Partners to spearhead Catamount roll-out efforts. Lake conducted qualitative research with multiple small focus groups to determine “barriers to health coverage, key motivations for enrolling in coverage, and... reactions to messages, names, taglines, descriptions, and associated costs with Catamount Health.”<sup>6</sup>

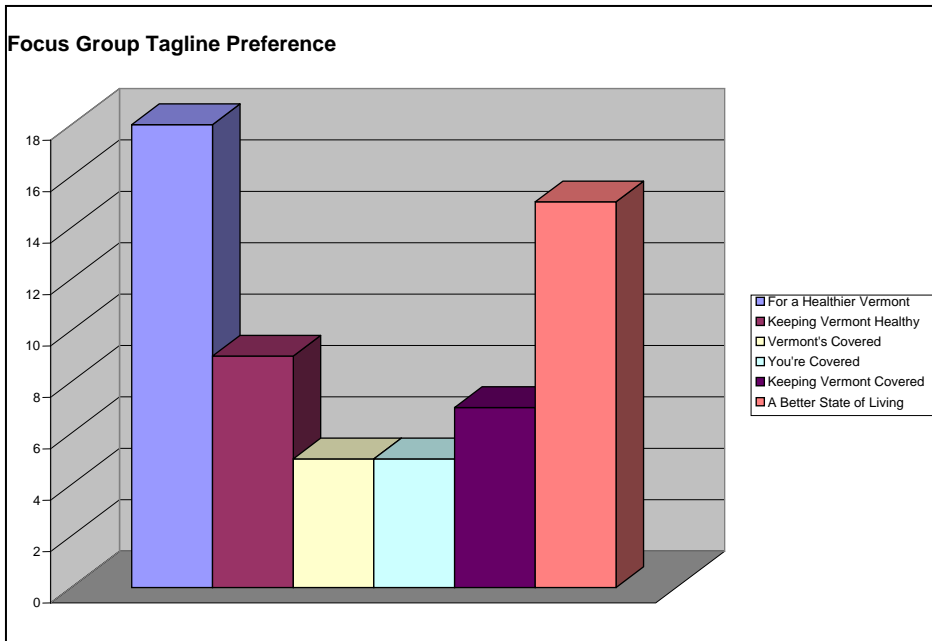
The consultants decided that an “umbrella name” would be necessary to enroll people in the various public health programs, which include Catamount Health, VHAP, and Medicare. The Administration concurred in this decision.<sup>7</sup> Although the rankings of tested umbrella names and accompanying taglines showed that umbrella name Catamount Health and tagline, “For a Healthier Vermont” tested the highest, Lake Research recommended VermontCare: A Better State of Living. Because VermontCare is similar to the name of an existing organization, Vermont CARES, Lake Research conducted a second round of testing to come up with a new umbrella name. Ultimately, Green Mountain Care: A Healthier State of Living was chosen.

Branding the new health care program is vitally important for eligible consumers wanting to seek it out and enroll. A confusing or poorly named health care plan could deter the thousands of eligible Vermonters who need to enroll in order for the state to meet its goal of insuring 96% of the population by 2010. This is especially true with an umbrella program like Green Mountain Care, which encompasses several familiar programs like VHAP and the new Catamount Health program. As the consultants noted, the Catamount name likely scored higher because of the large amount of state and national media coverage the program’s creation had already received. The introduction of a new name – Green Mountain Care – may cause confusion for the general public. The marketing roll-out of the Green Mountain Care brand, and the public’s reaction thereto, will be addressed in the second scorecard of this series. In the meantime, while the decision to re-brand was not in accordance with the data, the Administration has kept to marketing best practices in developing materials and consistently branding the programs under the Green Mountain Care umbrella.



<sup>6</sup> See *Insights from Qualitative Research with Uninsured Vermonters about Health Coverage, June 26-28, 2007*. See also Health Care Outreach and Enrollment Steering Committee Minutes, July 9, 2007 at <http://hcr.vermont.gov/var/hcr/storage/original/application/d6cdd87c52c7c25a2c894dea5c048317.pdf>.

<sup>7</sup> Ultimately, VPIREF supports merging the various plans into one coherent health care system for Vermont.



We evaluated the messaging and marketing of Catamount with two metrics:

- 1) Whether the Administration conducted appropriate research to determine how to frame the Catamount message;
- 2) The clarity of the message.

- Conduct appropriate research to frame Catamount message: A-
- Clarity of message: B

**GRADE for Message and Marketing: B+**

3) **Timeliness and efficiency:** Gov. Douglas signed the Health Care Affordability Act into law on May 25, 2006, giving the Administration roughly 17 months to develop and implement the Catamount Health Plan. However, the Office of Health Care Reform Implementation did not receive authorization to spend the \$1 million appropriated for implementing Catamount's employer-sponsored insurance (ESI) component until the December 12, 2006 joint meeting of the Health Access Oversight Committee and the Joint Fiscal Committee. The Office could not contract to design the information technology system until such approval was received.

In addition, the Office could not hire anyone to conduct the eligibility determination process until the budget for fiscal year 2008 was passed. Thus, even though the Administration technically had 17 months to implement Catamount Health, circumstances somewhat beyond the Administration's control affected the start date for certain activities.

The Administration hired GMMB as its marketing vendor on April 4, 2007. While GMMB originally planned to launch Green Mountain Care's advertising campaign on October 1 (the "start date" of Catamount Health), it eventually recommended that the Administration proceed with a "soft launch" in order for the Administration to iron out the kinks of the enrollment process before being possibly inundated with applications. As a result, the marketing campaign for Green Mountain Care did not begin until November 1, 2007.

Beginning the marketing campaign on October 1, 2007, the date enrollment began, would most likely have resulted in more Vermonters applying in October for coverage and receiving their health benefits sooner.<sup>8</sup> However, the decision to wait one month did not significantly set the program back.

Other timing issues complicated the job of outreach workers seeking to inform and enroll eligible Vermonters in the Catamount Health plan. Due to issues with the "umbrella name" and its accompanying tagline (see above), outreach workers did not receive enrollment materials until the week before enrollment opened, hampering their ability to fully educate and prepare the public. The Administration also did not launch the Green Mountain Care website until days before enrollment began, which prevented the public from getting timely information about the product.

The biggest setback in the outreach and enrollment process, however, occurred early in the summer when it became apparent that the Administration lacked a uniform understanding as to what exactly was to happen on October 1, 2007. While the legislature and most members of the Outreach Committee were clear that Vermonters would have health insurance *coverage* beginning October 1, several Administration officials thought that October 1 marked the start of *enrollment only*. As a result, eligible Vermonters who were counting on coverage as of October 1 were forced to wait another full month for their benefits to start.

*We evaluated the timeliness and efficiency of the outreach and enrollment process according to three metrics:*

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<sup>8</sup> In fact, an Office of Health Care Reform document entitled Green Mountain Care Application and Enrollment Update, dated November 13, 2007, shows that the average daily phone calls to the Green Mountain Care 1-800 number grew from 164 to 290 in the week following Green Mountain Care's media launch.

1) *Whether the necessary information and materials were provided to outreach workers in a timely manner;*

2) *Whether the necessary information was provided to possible enrollees in a timely manner;*

3) *Whether the October 1, 2007 deadline for commencement of health benefits was met.*

- *Necessary information and materials provided to outreach workers in timely manner: B-*
- *Necessary information provided to possible enrollees in timely manner: B-*
- *Meet October 1 deadline for commencement of health benefits: C-*

*GRADE for Timeliness & Efficiency: C+*

4) **Fiscal Stability:** Catamount Health is funded by federal Medicaid dollars, an increase in state tobacco taxes, and Vermont businesses, which pay an assessment directly into the Catamount Fund for uninsured employees. The stability of these funding streams is essential to achieve the overall goal of insuring 96% of Vermonters by 2010. The Catamount Fund appeared to be in trouble early in the 2007 legislative session when Governor Douglas proposed diverting millions of dollars out of the Catamount Fund and into private market investments.<sup>9</sup> After coming under considerable political pressure from VPIRG and other advocates, the Governor withdrew his proposal. Several months later, the Bush Administration decided not to allow Vermont to use federal dollars to make health care affordable for residents earning between 200 and 300 percent of the federal poverty level (\$40,000-\$60,000 a year for a family of four). In previous discussions, the Bush administration had given state officials strong indications that they would approve the use of federal dollars as Catamount proposed. Gov. Douglas joined with legislative leaders in standing up for the program. He publicly committed to allocating \$18.5 million in additional state dollars over a three-year period, if necessary, to keep Catamount afloat.<sup>10</sup> Although the Governor has voiced his commitment to securing Catamount's financial solvency, his past actions demonstrate inconsistency in this area.

*We evaluated the fiscal stability of the Catamount Health Plan during its development and implementation process according to two criteria:*

- 1) *The security of the state budget, which includes gubernatorial attempts to change Catamount funding;*
- 2) *The Administration's response to the loss of anticipated federal funding.*
  - *Integrity of state budget: C-*
  - *Administration's response to lack of federal funding: A*

**GRADE for Fiscal Stability: B-**

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<sup>9</sup> See [http://www.vpirg.org/hc/documents/CatamountFundingWhitePaper\\_000.pdf](http://www.vpirg.org/hc/documents/CatamountFundingWhitePaper_000.pdf).

<sup>10</sup> See

<http://www.rutlandherald.com/apps/pbcs.dll/article?AID=/20070823/NEWS04/708230363/1004/NEWS03&template=printart>.

5) **Regulation of Private Partners:** When the legislature passed the Health Care Affordability Act, many people – both lawmakers and the general public alike – assumed that the two private insurance companies offering Catamount Health (Blue Cross Blue Shield Vermont and MVP Health Care) would offer the same benefits package at the same price. Unfortunately, while the two companies offer their benefits package at the same price (which was a last-minute development), the benefits packages are far from identical.

When the two companies submitted their rates and forms to the Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA), BCBSVT's rates were noticeably higher than MVP's, and both rates were higher than original estimates provided to the public. After several weeks of negotiation, the Administration was able to get both companies to offer the same rates.

However, the end result is still higher than the original estimates and guidelines, which put the cost of an individual, non-subsidized plan at \$362 per month.<sup>11</sup> With no other bids in the pool, and the Administration accepting the current proposals, it is unclear what the impact on the program's long-term budget will be. It stands to reason, however, that if both companies are providing contracts at rates higher than anticipated, the program will need additional revenue or may have to cut benefits in the future to remain solvent. The final non-subsidized benefit package rates for the Catamount Health Plan are as follows:

*Final Insurance Rates for Non-Subsidized Catamount Health:*

Individual	\$393.11/month (original estimate: \$362) <sup>12</sup>
Two Person	\$786.22/month (original estimate: \$732) <sup>13</sup>
Family	\$1,100.70/month (original estimate: \$976) <sup>14</sup>
Single Parent (MVP Only)	\$746.90/month

While both insurance companies are offering the same rates, they are not offering the same benefits packages. Both companies offer all that is required by statute, but the details differ greatly. The obvious drawback is that enrollees will need an in-depth explanation of each package to understand and decide which plan is better for them.

On a more positive note, the Administration was able to secure Dartmouth-Hitchcock Medical Center's participation in the Catamount Health Plan. The New Hampshire hospital had all but decided not to accept Catamount Health, but thanks to some last-minute negotiating by Susan Besio, Director of Health Care Reform Implementation, Dartmouth-Hitchcock agreed to come on board.

<sup>11</sup> See <http://www.hcr.vermont.gov/var/hcr/storage/original/application/f142f3d69fb6233740b528166bcfce8d.pdf>

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

We evaluated the regulation of private insurance partners on two metrics:

- 1) Consistency of coverage between providers;
- 2) Administrative effectiveness in overseeing the rates and benefits process

- Consistency in benefit packages: C-
- Administrative Oversight: B

*GRADE for Regulation of Private Insurers: B-*

#### *IV. CONCLUSIONS*

*OVERALL SCORE: B*

Overall, the initial development and implementation of Catamount Health has been successful. The largest setbacks occurred when the Governor attempted to siphon nearly \$19 million out of the Catamount Fund and when his Administration demonstrated a lack of uniform understanding regarding the program's October 1 start date. Fortunately, public outcry forced the Governor to withdraw his proposal; however, confusion over the start date had a more tangible impact, as no Vermonter was able to receive coverage under the plan until November 1.

**Non-Graded Concerns:** One particular note of concern is the lack of clarity some in the Administration appear to have regarding dates for the program's objectives. On the Office of Health Care Reform website and in the minutes from one of the Outreach Committee meetings, the Administration states that the Health Care Affordability Act sets a target of insuring 96% of Vermont's population by 2011.<sup>15</sup> This is not entirely accurate. The statute states that 96% of the population should be insured by 2010; otherwise, the Health Care Reform Commission will consider whether to institute a health insurance requirement by January 1, 2011. There has already been confusion over one important date – the October 1 “start date” of Catamount Health. We are concerned that the Administration may be operating under the assumption that they have more time than statute allows to secure coverage for 96% of Vermonters. This could hamper the success of the Catamount Health program and may result in a health insurance mandate. The Administration should make all changes and adjustments necessary to ensure that they are on track to meet the Health Care Affordability Act's primary goal.

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<sup>15</sup> See [http://hcr.vermont.gov/increase\\_access](http://hcr.vermont.gov/increase_access); see also Health Care Outreach & Enrollment Steering Committee Minutes, March 7, 2007, at <http://hcr.vermont.gov/var/hcr/storage/original/application/517bfc3faf18ba67920e932c58a2ca48.pdf>.