

# *Healthcare Affordability Standard Advisory Committee*

June 19, 2019

The Connecticut Office of Health Strategy and  
The Connecticut Office of the State Comptroller



# Meeting Agenda

## June 19, 2019

2:00 p.m. – 3:30 p.m.

- |   |         |
|---|---------|
| 1. Convene and Welcome                        | 5 mins  |
| 2. Introductions                              | 10 mins |
| 3. Review/Update on Self-Sufficiency Standard | 20 mins |
| 4. Report on Use Case Model Subcommittee      | 15 mins |
| 5. Discussion                                 | 30 mins |
| 6. Wrap Up & Adjourn                          | 10 mins |

## What is Affordable Healthcare?

*Healthcare is affordable in Connecticut if a family can reliably secure it to maintain good health and treat illnesses and injuries when they occur without sacrificing the ability to meet all other basic needs including housing, food, transportation, child care, taxes, and personal expenses or without sinking into debilitating debt.*

# University of Washington's Self Sufficiency Standard (SSS):

- Dr. Diana Pearce has done this work for over 20 years and is the primary researcher for the SSS.
- The SSS calculates how much income you need to cover your basic expenses without seeking assistance
- 8 factors in SSS cover housing, childcare, food, transportation, health care costs, taxes, miscellaneous personal expenses and savings.
- Doesn't include long term budget, like education costs, home ownership
- Only a "rainy day" fund is included for short term financial planning
- The SSS covers 700 family types, by town, annual and monthly income and other information.

# Methodology: Connecticut Self-Sufficiency Standard

Table 1. Items Included in the Standard

COST	WHAT IS INCLUDED IN BUDGET?
HOUSING	YES: Rent and Utilities NO: Cable or telephone
CHILD CARE	YES: Full-time care for infants and preschoolers, and before and after school care for school-age children NO: After school programs for teenagers, extracurricular activities, babysitting when not at work
FOOD	YES: Food for home preparation NO: Take-out, fast-food, or restaurant meals or drinks
TRANSPORTATION	YES: Car ownership cost (per adult)—insurance, gas, oil, registration, repairs, monthly payment—or public transportation when adequate. Only for commuting to work and day care plus a weekly shopping trip NO: Non-essential travel, vacations, etc.
HEALTH CARE	YES: Employer-sponsored insurance premium and out-of-pocket costs NO: Health savings account, gym memberships, individual health insurance
TAXES	YES: Federal and state income tax and tax credits, payroll taxes, and state and local sales taxes NO: Itemized deductions, tax preparation fees or other taxes
MISCELLANEOUS	YES: Clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal items, and telephone service NO: Recreation, entertainment, debt payment, pets, education, gifts, internet, student loan repayment
SAVINGS	YES: Rainy day fund for job loss or other short-term crisis. NO: Long-term savings for retirement, education, or home-ownership.



<http://www.selfsufficiencystandard.org/connecticut>

Detailed information on the methodology of the Self-Sufficiency Standard and the Connecticut specific data sources, are included in Appendix A: Methodology, Assumptions, and Sources.



# HOW HEALTH CARE COSTS ARE CALCULATED IN STANDARD

- The Standard assumes that an integral part of a Self-Sufficiency Wage is employer-sponsored health insurance for workers and their families. The statewide average health care premiums paid by workers are from the national **Medical Expenditure Panel Survey (MEPS)** and vary for single adults and for a family.
- To vary premium costs within state, a county index is created based on the second lowest cost Silver plan available through the state or federal market place. Health care costs also include out-of-pocket costs calculated for adults and children by age and Census region, obtained from the MEPS.

# Data Source: MEPS



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## Medical Expenditure Panel Survey

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The Medical Expenditure Panel Survey (MEPS) is a set of large-scale surveys of families and individuals, their medical providers, and employers across the United States. MEPS is the most complete source of data on the cost and use of health care and health insurance coverage. [Learn more about MEPS.](#)

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# Sample 2019 Data – one town, 12 family types

Table 7 The Self-Sufficiency Standard for Branford town, CT, 2019												
	Adult	Adult infant	Adult preschooler	Adult school-age	Adult teenager	Adult infant infant	Adult infant preschooler	Adult infant school-age	Adult infant teenager	Adult preschooler preschooler	Adult preschooler school-age	Adult preschooler teenager
<b>Monthly Costs</b>												
Housing	\$955	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185
Child Care	\$0	\$1,318	\$1,186	\$494	\$0	\$2,635	\$2,504	\$1,811	\$1,318	\$2,372	\$1,680	\$1,186
Food	\$270	\$401	\$409	\$485	\$512	\$528	\$537	\$609	\$635	\$545	\$618	\$643
Transportation	\$276	\$284	\$284	\$284	\$276	\$284	\$284	\$284	\$284	\$284	\$284	\$284
Health Care	\$176	\$488	\$487	\$496	\$517	\$499	\$498	\$507	\$527	\$497	\$506	\$526
Miscellaneous	\$168	\$368	\$355	\$294	\$249	\$513	\$501	\$440	\$395	\$488	\$427	\$383
Taxes	\$323	\$968	\$917	\$624	\$414	\$1,553	\$1,479	\$1,163	\$998	\$1,398	\$1,117	\$952
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	(\$107)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$50)	(\$50)	\$0	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$167)	(\$167)	(\$167)	(\$167)	(\$333)	(\$333)	(\$333)	(\$333)	(\$333)	(\$333)	(\$333)
<b>Self-Sufficiency Wage</b>												
Hourly	\$12.32	\$27.24	\$26.18	\$20.72	\$16.36	\$38.44	\$37.24	\$31.63	\$27.89	\$36.00	\$30.59	\$26.86
Monthly	\$2,168	\$4,794	\$4,607	\$3,647	\$2,879	\$6,765	\$6,554	\$5,566	\$4,909	\$6,337	\$5,384	\$4,727
Annual	\$26,011	\$57,531	\$55,286	\$43,761	\$34,552	\$81,176	\$78,647	\$66,795	\$58,906	\$76,042	\$64,609	\$56,720
Emergency Savings Fund (Monthly Contribution)	\$56	\$117	\$114	\$100	\$91	\$250	\$238	\$179	\$130	\$226	\$168	\$127

The dataset will include 719 family types for all 169 Connecticut Towns



# Examples from interactive *Calculator* based on CT's Self-Sufficiency Standard for 2019

These 3 depictions below demonstrate the interactive calculator which will be available on the OHS website when the Self-Sufficiency Standard report is published in the coming months. The variables that can be changed in the calculator are the **Town** and the **number of persons in the family** (# of adults, infants, preschoolers, schoolagers and teenagers).

## Explore the Self-Sufficiency Standard for Connecticut

Select Town  
Bloomfield

Adult(s) 1 Infant(s) 0 Preschooler(s) 1 Schoolager(s) 0 Teenager(s) 1

### Monthly Costs in Bloomfield, CT 2019

Housing	\$1,185
Child Care	\$1,186
Health Care	\$526
Food	\$643
Transportation	\$289
Miscellaneous	\$383
Taxes	\$954
Child Care Tax Credit (-)	(\$100)
Child Tax Credit (-)	(\$333)
Earned Income Tax Credit (-)	\$0
SELF-SUFFICIENCY STANDARD	
Hourly Wage (per adult)	\$26.89
Monthly Wage	\$4,733
Annual Wage	\$56,801
Emergency Savings	\$10,920

Source: *The Self-Sufficiency Standard for Connecticut 2019*, Center for Women's Welfare, University of Washington. More information at <http://www.selfsufficiencystandard.org/connecticut> or contact [pearce@uw.edu](mailto:pearce@uw.edu).

## Explore the Self-Sufficiency Standard for Connecticut

Select Town  
New Haven

Adult(s) 2 Infant(s) 1 Preschooler(s) 1 Schoolager(s) 1 Teenager(s) 0

### Monthly Costs in New Haven, CT 2019

Housing	\$1,788
Child Care	\$3,015
Health Care	\$625
Food	\$907
Transportation	\$126
Miscellaneous	\$646
Taxes	\$1,770
Child Care Tax Credit (-)	(\$100)
Child Tax Credit (-)	(\$500)
Earned Income Tax Credit (-)	\$0
SELF-SUFFICIENCY STANDARD	
Hourly Wage (per adult)	\$23.51
Monthly Wage	\$8,277
Annual Wage	\$99,321
Emergency Savings	\$21,188

Source: *The Self-Sufficiency Standard for Connecticut 2019*, Center for Women's Welfare, University of Washington. More information at <http://www.selfsufficiencystandard.org/connecticut> or contact [pearce@uw.edu](mailto:pearce@uw.edu).

## Explore the Self-Sufficiency Standard for Connecticut

Select Town  
Mansfield

Adult(s) 2 Infant(s) 0 Preschooler(s) 1 Schoolager(s) 1 Teenager(s) 1

### Monthly Costs in Mansfield, CT 2019

Housing	\$1,482
Child Care	\$1,417
Health Care	\$622
Food	\$1,077
Transportation	\$534
Miscellaneous	\$513
Taxes	\$1,276
Child Care Tax Credit (-)	(\$100)
Child Tax Credit (-)	(\$500)
Earned Income Tax Credit (-)	\$0
SELF-SUFFICIENCY STANDARD	
Hourly Wage (per adult)	\$17.96
Monthly Wage	\$6,321
Annual Wage	\$75,846
Emergency Savings	\$16,128

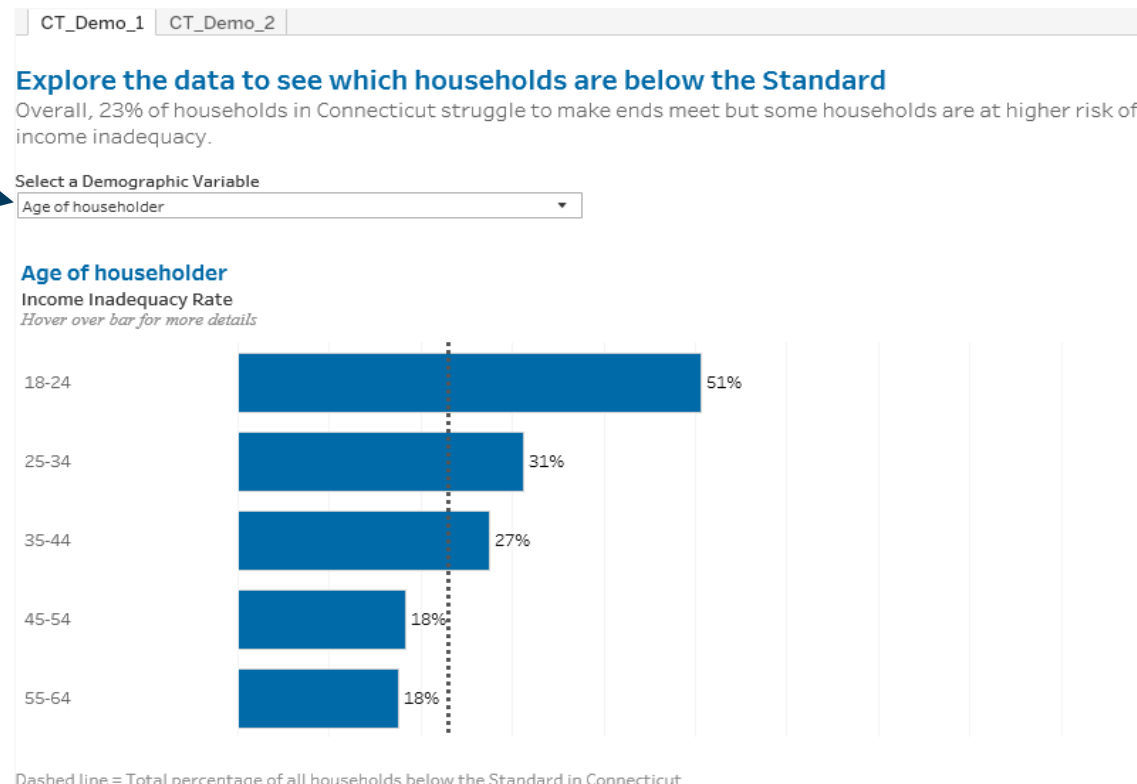
Source: *The Self-Sufficiency Standard for Connecticut 2019*, Center for Women's Welfare, University of Washington. More information at <http://www.selfsufficiencystandard.org/connecticut> or contact [pearce@uw.edu](mailto:pearce@uw.edu).



# Examples from the interactive Dashboards

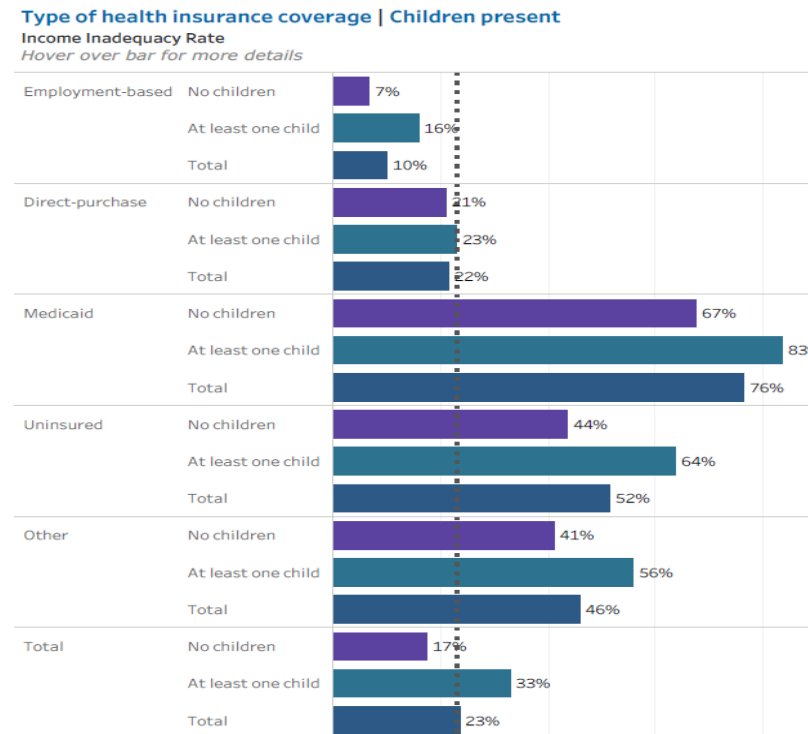
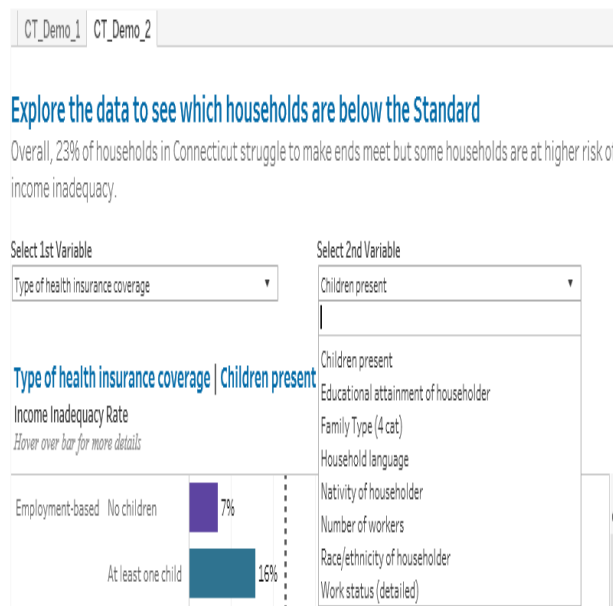
Interactive Dashboards will also be available on the OHS website after the publication of the 2019 Self-Sufficiency Standard Report in the coming months. Below is a depiction of a single variable dashboard. On the left is a list of Demographic Variables that will be available for the single variable dashboards. On the right is one dashboard example (**Age of Householder**). The dotted vertical line shows the total % of **all** CT households below the calculated Self-Sufficiency Standard (which is 23%) and the horizontal bars compare that 23% to the % of persons in each age cohort. For example, 31% of adults ages 25-34 are living below the Self-Sufficiency Standard and 27% are for persons age 35-44.

- Select a Demographic Variable
- Age of householder
  - Age of householder
  - Age of youngest child
  - Children present
  - Citizenship of householder
  - Educational attainment of householder
  - English speaking ability of householder
  - Family Type
  - Food assistance
  - Gender of householder
  - Health insurance status of householder
  - Household language
  - Housing burden severe
  - Latino
  - Linguistic isolation
  - Marital status of householder
  - Number of children
  - Number of workers
  - Other language
  - Public assistance
  - Race/ethnicity of householder
  - Spanish speaking
  - Tenure
  - Town
  - Type of health insurance coverage



# Examples from the interactive Dashboards

Below is a depiction of a dashboard with two demographic variable selections. As an example, the image on the right shows that when **Type of Health Insurance Coverage** is selected as the 1<sup>st</sup> variable, there is then a dropdown for a choice of 2<sup>nd</sup> variable (in this case **Children Present** is chosen). The resulting dashboard on the right shows the results for each household described by the two variables in comparison to the calculated Self-Sufficiency Standard (SSS). For example, for households that have employment based insurance and no children, only 7% live below the SSS compared to 83% of households that have Medicaid for coverage and have at least one child.



# Use Case Model Subcommittee Report

# Use Case Working group discussion

- “**Bucketing**” together factors that drive the cost of healthcare. Insurers do “bucketing” in a number of different ways that we should explore.
- Grouping consumers into **cohorts** for the purposes of analysis.
- **Geography** is an important factor in healthcare costs and affordability - where you live matters when it comes to healthcare costs. County-level analysis will not work in CT because of the wide wealth gap among cities and towns.
- **Aging** - healthcare costs and chronic disease can vary for an adult depending on whether they are 21 or 65
- **Family stability** should be considered because there may be a high functioning, healthy family vs a family that is experiencing stress factors.
- Integrate data on **social determinants of health**: areas of high violence, food deserts, poor housing
- Include data on **variation in hospital costs**
- Cross-walk variables with **race, ethnicity and language** data

# Use Case Working Group

- The focus should be on providing enough information to make good policy choices; output useful to government and advocates; in the future, may also be useful for providers and payers, and to individual consumers.
- We can look at other jurisdictions and how they handle healthcare affordability.
- Prioritize what are the most important criteria and have the highest value for use cases: for instance whether to include chronic disease?
- Make information as useable as possible which is dependent on the data, both clinical and curated.