

CENTER *for* STUDYING

HEALTH
SYSTEM
CHANGE

How to Make Tax Credits for Health Insurance Work:



The Role of
Purchasing
Pools

*Tuesday,
April 10, 2001
9:00 A.M.-12 Noon
Washington, D.C.*

How to Make Tax Credits for Health Insurance Work: The Role of Purchasing Pools

Tuesday, April 10, 2001

9:00 A.M.-12 Noon

Continental Breakfast at 8:30 A.M.

Marriott at Metro Center

Salon A

Conference Participants

Overview and Presentation of Research Findings

- *The Role of Purchasing Pools in Tax Credit Policy*

Sally Trude, Senior Researcher

Center for Studying Health System Change

Panel Discussion about Issues and Policy Responses

- *Expectations for Purchasing Pools: The Role of State and Federal Government and Interaction with Employer-Sponsored Coverage and Public Programs*

John M. Bertko, Vice President and Chief Actuary
Humana

Richard E. Curtis, President
Institute for Health Policy Solutions

Mark A. Hall, Professor of Law and Public Health
Wake Forest University

Philip J. Vogel, Senior Vice President
Connecticut Business & Industry Association

Moderator

Paul B. Ginsburg, President
Center for Studying Health System Change

With the Bush administration's \$1.6 trillion tax cut proposal already on the table, many people believe that significant tax legislation has a real chance of passing Congress this year. Both Congressional Republicans and Democrats have warmed to the idea of using tax credits and private markets to help expand health insurance coverage to the estimated 43 million uninsured Americans.

But tax credits alone may not make much of a dent in the ranks of the uninsured without substantial reforms to the small group and individual health insurance markets. Without market reforms, proponents contend, tax credits will do little to make coverage affordable. As an alternative, tax credit legislation could include provisions to encourage the creation of purchasing pools, allowing individuals and small groups to gain the advantages available to larger groups by spreading risk over a larger population. The pay-off might be lower costs and more choice for individuals and small employers purchasing insurance with tax credits.

The Center for Studying Health System Change (HSC) is hosting this conference to examine how purchasing pools might enhance the effectiveness of health insurance tax credits. Drawing on HSC research on small-employer purchasing pools, experts will assess the advantages and disadvantages of including provisions to encourage purchasing pools in possible tax credit legislation.

Overview Presentation. HSC Senior Researcher Sally Trude will provide an overview of the potential role of purchasing pools in tax credit policy. She will present HSC and other research findings to provide context for a panel discussion about the kinds of policy interventions and market responses needed to make tax credits and purchasing pools work.

Panel Discussion. A diverse panel of experts will discuss the role of purchasing pools in tax credit policy, weighing the potential advantages and disadvantages and considering what kinds of individuals and organizations would likely benefit and why. Panelists will discuss the role—and reaction—of insurers and brokers/agents and the implications for other purchasing entities in the market. Key issues related to creating or dissolving risk pools also will be covered. Each of the sessions will be followed by a question-and-answer period.

Questions to Be Addressed Include:

- **Would tax credits lead to significantly lower premiums and more choice by increasing the number of**

persons in the individual and small group markets? Why are premiums in these markets considerably higher than those for larger employers, and why is choice of plans more limited? Could purchasing pools help reform the individual and small group markets?

- **What provisions could be added to tax credit legislation to make purchasing pools feasible?** Do the benefits outweigh the costs? How would the provisions relate to state policy? Where would oversight of such pools reside? How much would premiums be allowed to vary, and how much choice would be required? How might purchasing pools coordinate tax credits with contributions from employers and/or public subsidies?
- **How might the market and insurers respond to purchasing pools?** What kinds of individuals would view purchasing pools as attractive and why, and who would still not be likely to join and why? What is the optimal number of purchasing pools in a given market?

What Can You Expect to Learn from This Conference?

Conference attendees will learn about the potential for purchasing pools to enhance tax credit policy. The perspectives of policy makers, health plan and purchasing pool representatives as well as researchers will be brought to bear on the policy and market feasibility of this approach.

About HSC

The Center for Studying Health System Change—an independent research organization funded exclusively by The Robert Wood Johnson Foundation—provides policy makers with objective, timely analyses about changes in the nation's health care system and their impact on people. HSC, based in Washington, D.C., is affiliated with Mathematica Policy Research, Inc.

Registration Form

Please respond by completing a registration form on HSC's web site—www.hschange.org—by **Wednesday, April 4, 2001**.

TAX CREDITS AND PURCHASING POOLS CONFERENCE

TUESDAY, APRIL 10, 2001
9:00 A.M.-12 NOON

SESSION REGISTRATION AND
CONTINENTAL BREAKFAST AT 8:30 A.M.

MARRIOTT AT METRO CENTER
SALON A

If you do not have Internet access, please complete and fax the registration form below to: (202) 554-7510.

NAME:

TITLE:

COMPANY:

ADDRESS:

CITY:

STATE:

ZIP:

PHONE:

FAX:

E-MAIL

Special Needs 

Space Limitations: Space is limited, and registrations are accepted on a first-come, first-serve basis. Please be sure to respond by completing a registration form on HSC's web site or by fax by Wednesday, April 4, 2001.

Address and Directions to the Hotel: Marriott at Metro Center, 775 12th Street, NW, Washington, DC 20005. Tel: (202) 737-2200. Located near Metro Center at 12th & H Streets, NW.

Questions: For questions concerning conference logistics, please contact Roland Edwards, Senior Public Affairs Coordinator, at (202) 484-4514.



600 Maryland Avenue, SW, Suite 550
Washington, DC 20024

First Class
U.S. Postage
PAID
Princeton, NJ
Permit No. 299