

AFFORDABLE HEALTH INSURANCE EXCHANGES: CREATING AN OPEN, COMPETITIVE MARKETPLACE

A Dialogue with the National Black Caucus of State Legislators

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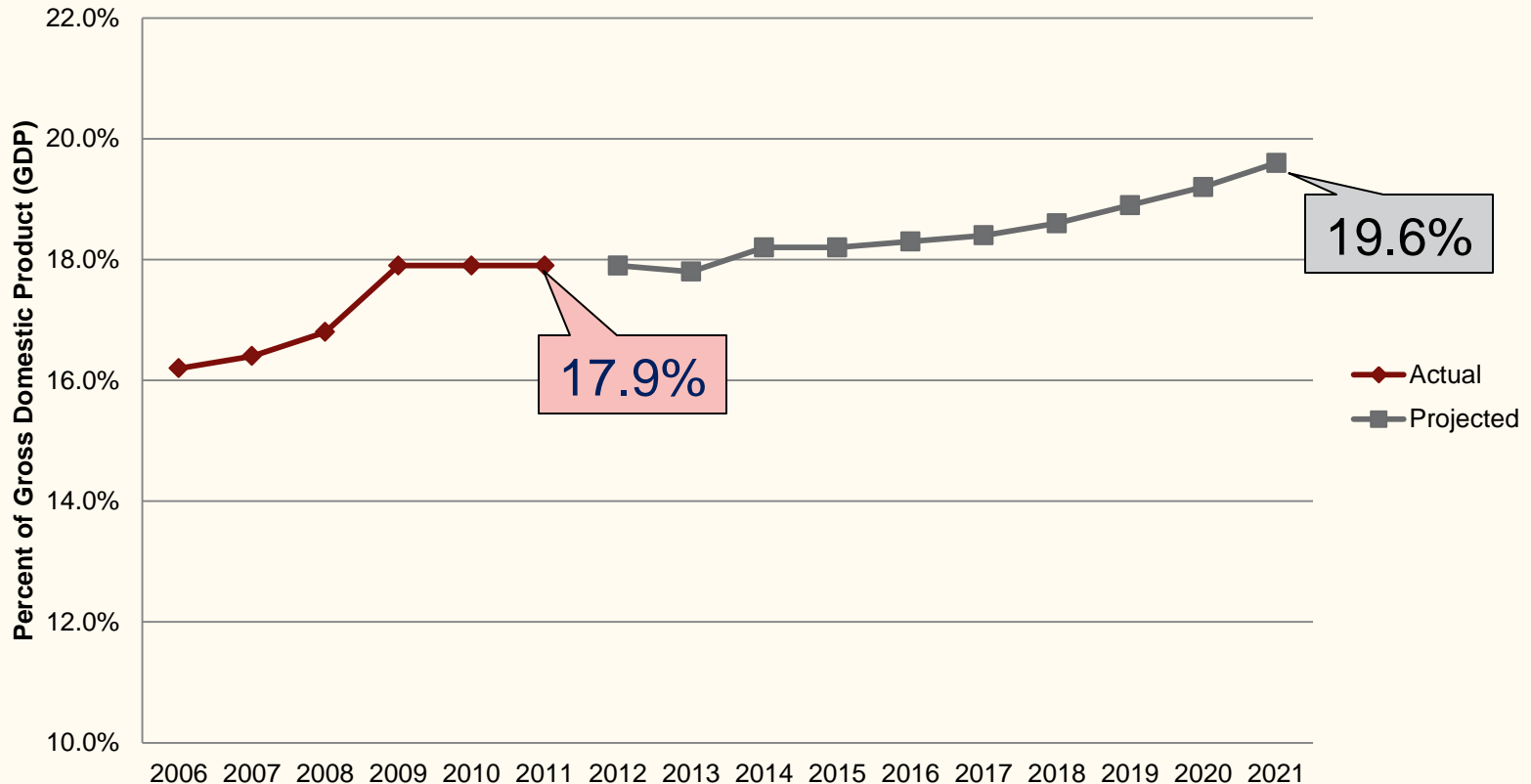
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THE PROBLEM AND THE CONTEXT (OR *WHY* REFORM IS NECESSARY)



Actual and Projected National Health Expenditures as Percent of Gross Domestic Product (GDP), United States, 2006-2021

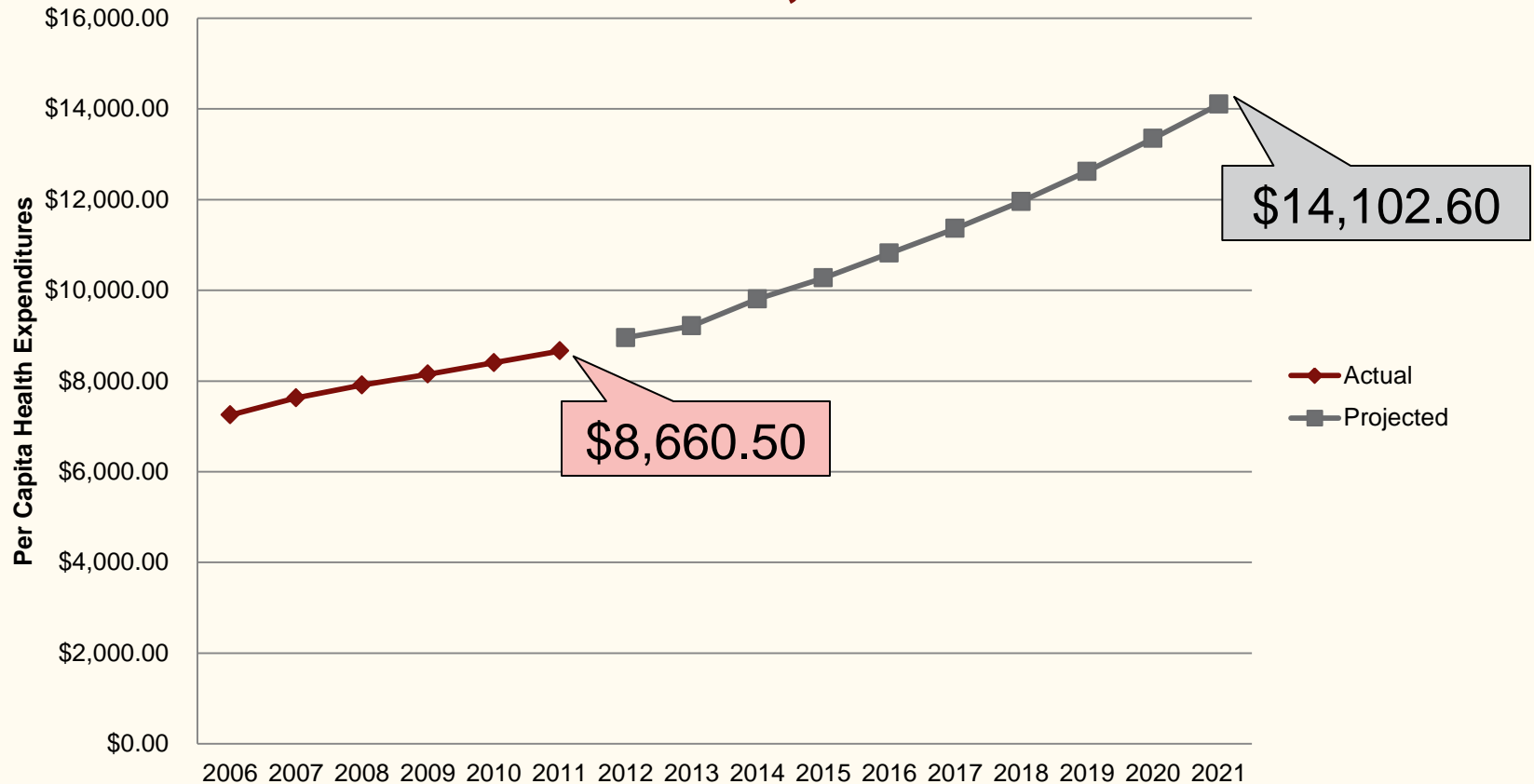


Source: Centers for Medicare and Medicaid Services, Retrieved October 4, 2012

<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/Proj2011PDF.pdf>



Actual and Projected National Health Expenditures Per Capita, United States, 2006-2021



Source: Centers for Medicare and Medicaid Services, Retrieved October 4, 2012

<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/Proj2011PDF.pdf>



Implications of Rising Health Care Costs

- Health insurance premiums are increasing.
- Employers' health care expenditures are increasing.
- As employers' health care costs increase, businesses are shifting these costs to their employees:
 - Higher co-pays, deductibles, and premiums
 - Fewer covered services
 - Dropping Coverage
- Rising number of uninsured.
- Rising number of “underinsured.”
- People without insurance and inadequate coverage still need care, and the cost of this care is covered through “cost shifting” and underfunded, public financing programs.



A WORKING SOLUTION: THE AFFORDABLE CARE ACT (ACA)



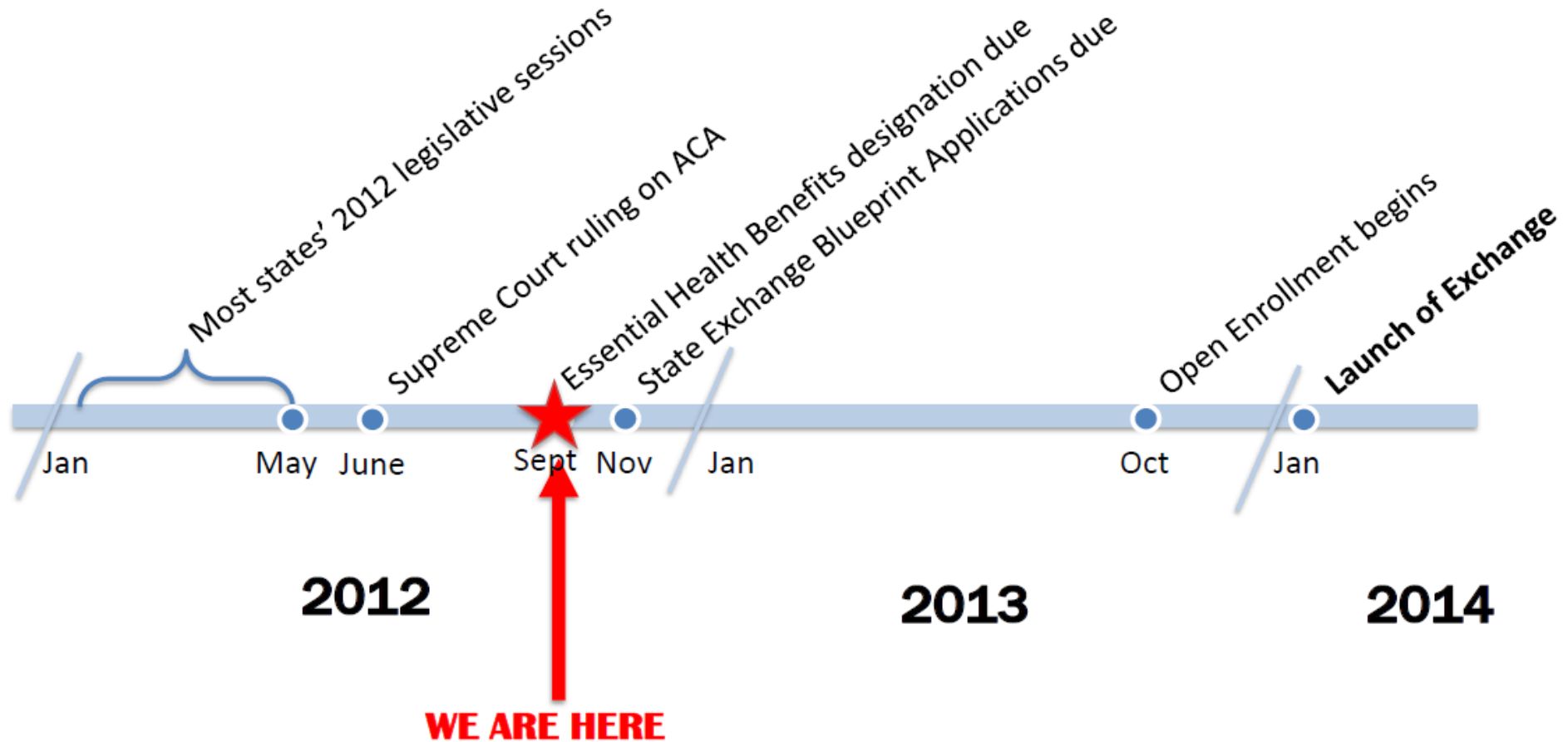
- **The Patient Protection and Affordable Care Act**
(P.L. 111-148; signed into law on March 23, 2010)
- **Health Care and Education Reconciliation Act of 2010**
(P.L. 111-152; signed into law on March 30, 2010)
- Together, these bills are now referred to as “**The Affordable Care Act (ACA)**”
- Kaiser Family Foundation summary and implementation timeline, and cartoon explanation: <http://healthreform.kff.org/>







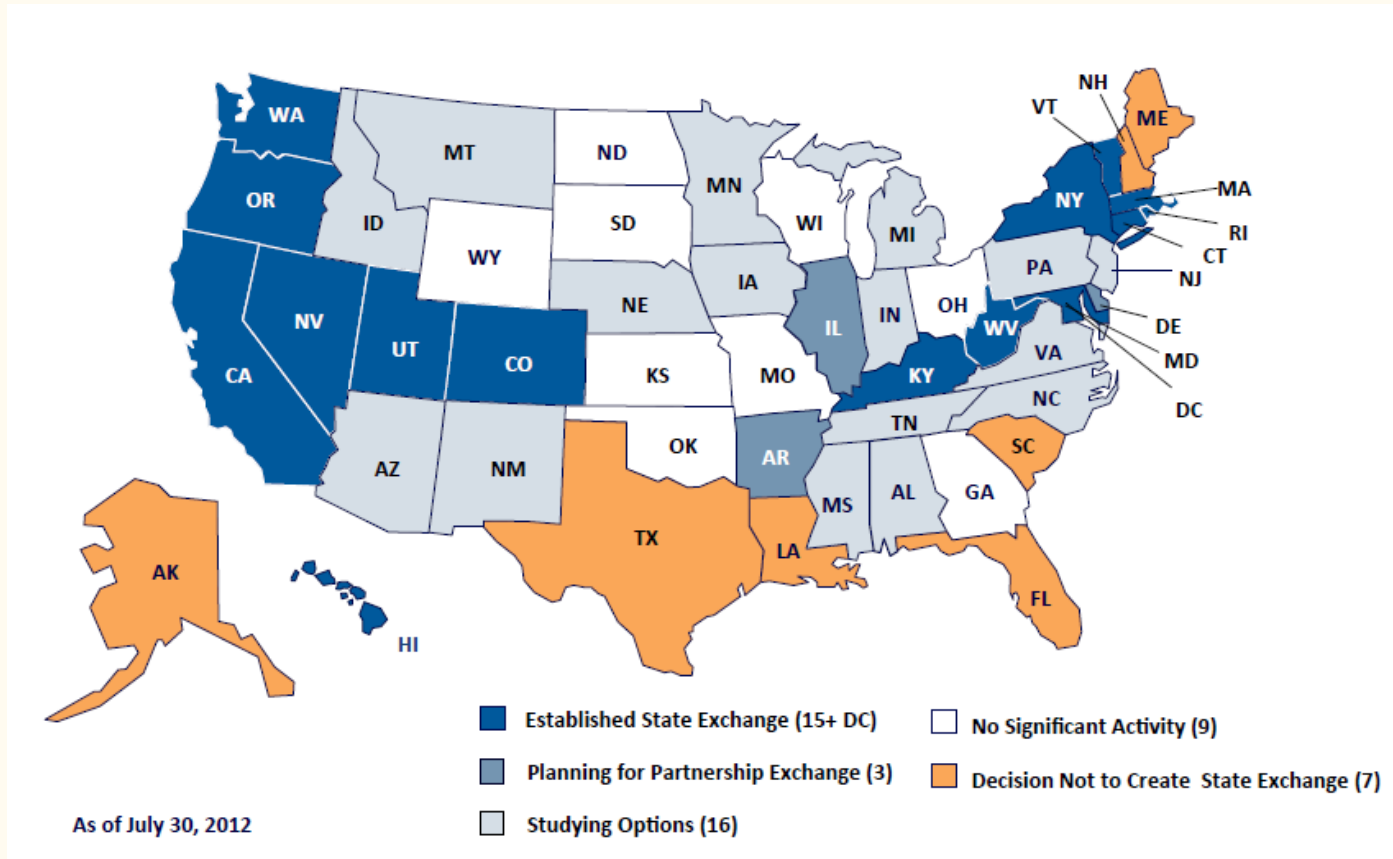
Exchange Implementation Deadlines



CRITICAL CHOICE #1: TO CREATE A STATE EXCHANGE OR NOT TO CREATE A STATE EXCHANGE



STATE ACTION TOWARD CREATING HEALTH INSURANCE EXCHANGES



Source: Kaiser Family Foundation, Retrieved October 4, 2012
<http://www.kff.org/healthreform/upload/8213-2.pdf>



FLEXIBLE EXCHANGE OPTIONS FOR STATES

State-based Exchange

State operates all Exchange activities; however, State may use Federal government services for the following activities:

- Premium tax credit and cost sharing reduction determination
- Exemptions
- Risk adjustment program
- Reinsurance program

State Partnership Exchange

State operates activities for:

- Plan Management
- Consumer Assistance
- Both

State may elect to perform or can use Federal government services for the following activities:

- Reinsurance program
- Medicaid and CHIP eligibility: assessment or determination*

Federally-facilitated Exchange

HHS operates; however, State may elect to perform or can use Federal government services for the following activities:

- Reinsurance program
- Medicaid and CHIP eligibility: assessment or determination*

*Coordinate with Medicaid and CHIP Services (CMCS) on decisions and protocols

Source: Center for Consumer Information & Insurance Oversight, Retrieved October 4, 2012
<http://cciio.cms.gov/resources/files/hie-blueprint-081312.pdf>



ROADMAP FOR COMPLETEING THE EXCHANGE APPLICATION

Section of Exchange Blueprint	Required Activities		
	State-Based Exchange	State Partnership Exchange-Plan Management	State Partnership Exchange-Consumer Assistance
Exchange Activity			
1.0 Legal Authority & Governance			
2.0 Consumer & Stakeholder Engagement & Support			
3.0 Eligibility & Enrollment			
4.0 Plan Management			
5.0 Risk Adjustment & Reinsurance			
6.0 SHOP			
7.0 Organization & Human Resources			
8.0 Finance & Accounting			
9.0 Technology			
10.0 Privacy & Security			
11.0 Oversight, Monitoring, & Reporting			
12.0 Contracting, Outsourcing, & Agreements			
13.0 State Partnership Exchange Activities			

Source: Center for Consumer Information & Insurance Oversight, Retrieved October 4, 2012
<http://cciio.cms.gov/resources/files/hie-blueprint-081312.pdf>



CRITICAL CHOICE #2: Essential Health Benefits Packages



The image shows a magnifying glass held over a document titled "Essential Benefits". The document is a table with two columns: "Amount" and "Individual plans". The table lists several categories of services and their corresponding percentages. The magnifying glass is positioned over the "Ambulatory patient services", "Emergency services", and "Hospitalization" rows, which all show a 10% requirement.

Amount	Individual plans
HHS Approved	% Package Requirement
Ambulatory patient services	10 %
Emergency services	10 %
Hospitalization	10 %
Maternity and newborn care	



10 ESSENTIAL SERVICES

1. Ambulatory Patient Services
2. Emergency Services
3. Hospitalization
4. Maternity & Newborn Care
5. Mental Health & Substance Use Disorder Services
6. Prescription Drugs
7. Rehabilitative & Habilitative Services & Devices
8. Laboratory Services
9. Preventive & Wellness Services & Chronic Disease Management
10. Pediatric Services



BENCHMARK STANDARDS

According to DHHS, states must choose an essential benefit package based on one of the following benchmark health insurance plans:

- One of the three largest small group plans in the state by enrollment;
- One of the three largest state employee health plans by enrollment;
- One of the three largest federal employee health plan options by enrollment; or,
- The largest HMO plan offered in the state's commercial market by enrollment.



CRITICAL CHOICE #3: TO EXPAND MEDICAID OR NOT TO EXPAND?

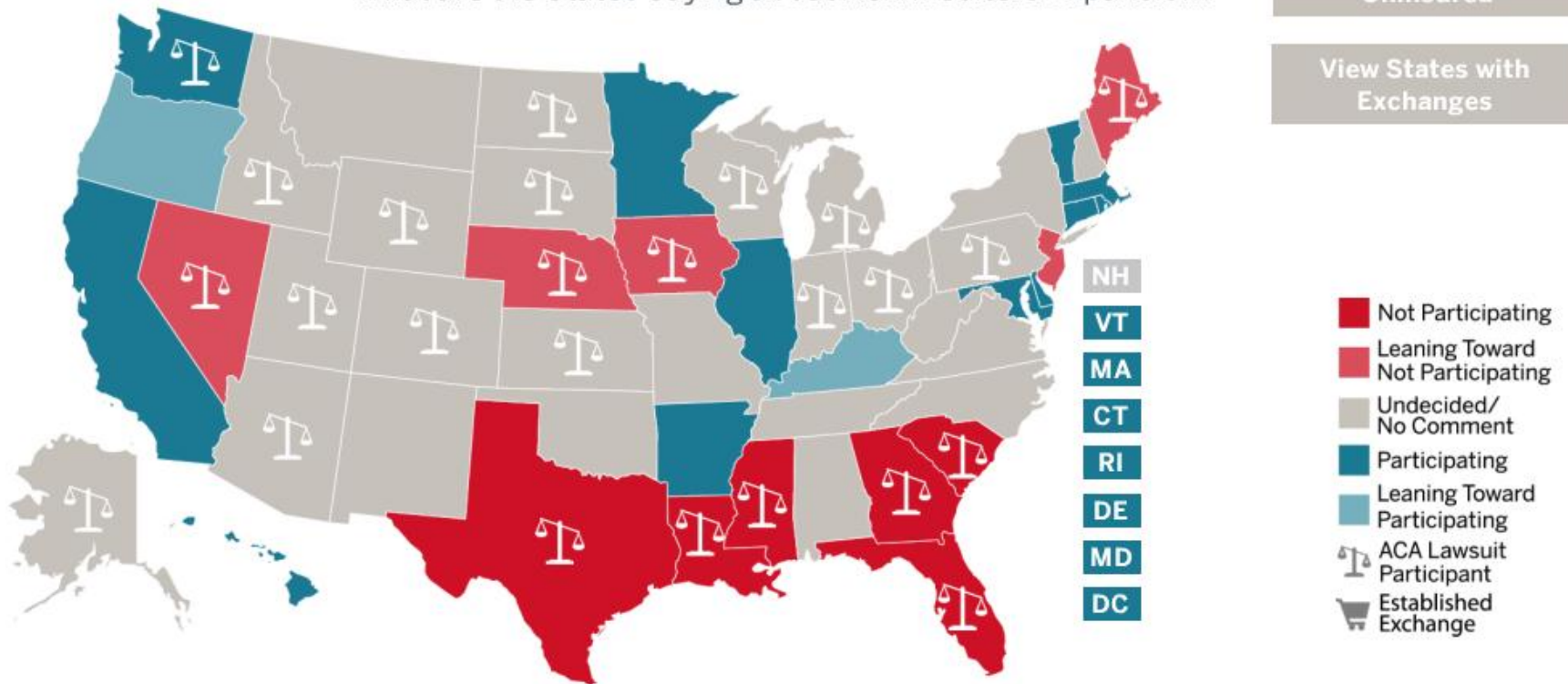


Where the States Stand

What are the States Saying about ACA Medicaid Expansion?

View % of Population Uninsured

View States with Exchanges



Note: Based on literature review as of 9/12/12. All policies subject to change without notice.

Hover for additional sources

Learn more about the Medicaid expansion at advisory.com/MedicaidMap



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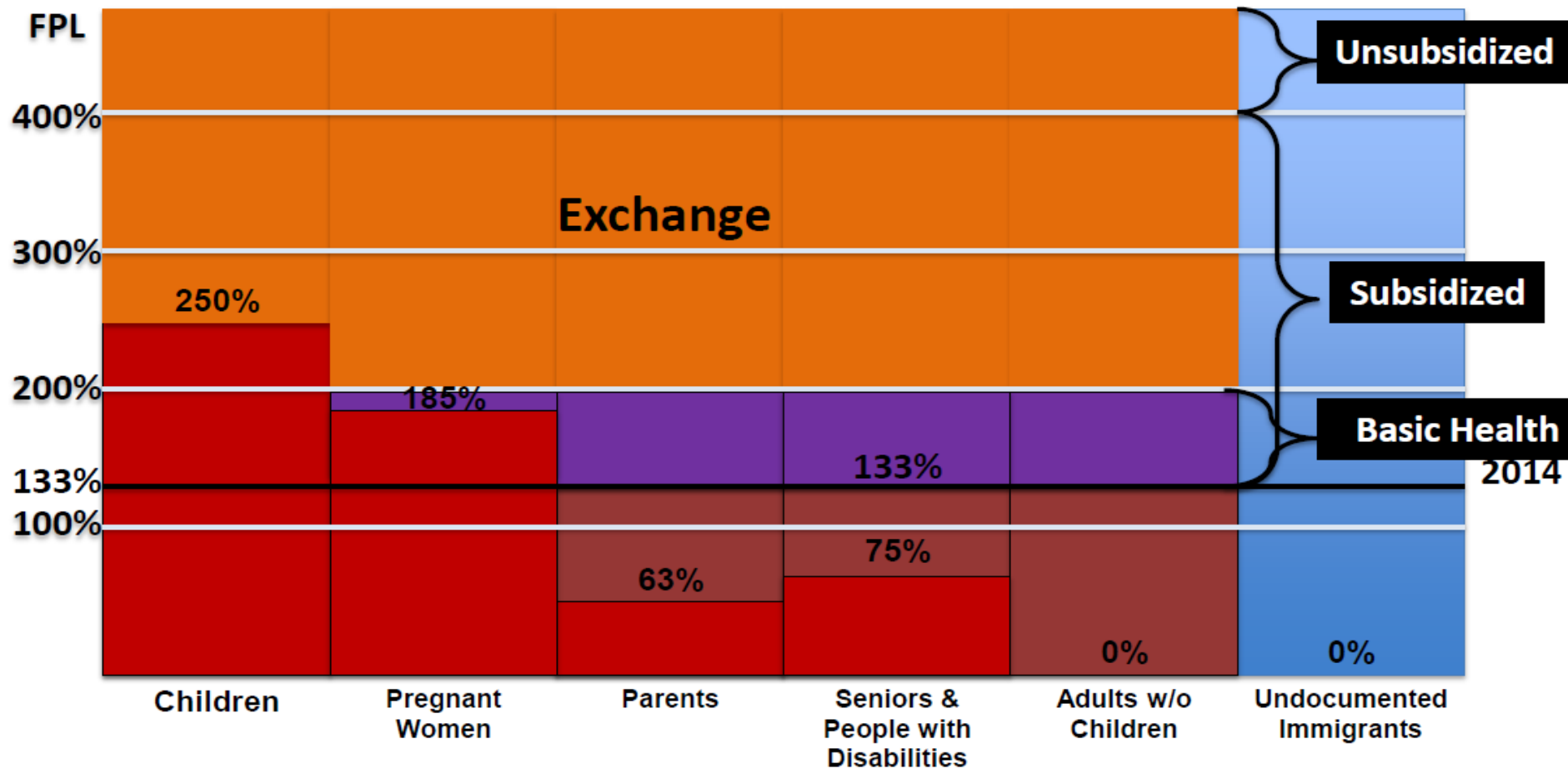
Source: The Advisory Board Company, Retrieved October 4, 2012

<http://www.advisory.com/Daily-Briefing/2012/07/05/Where-each-state-stands-of-the-Medicaid-expansion#lightbox/2/>





Linking Americans to Coverage (2014)



■ Medicaid and CHIP (based on average of 2012 state eligibility levels)

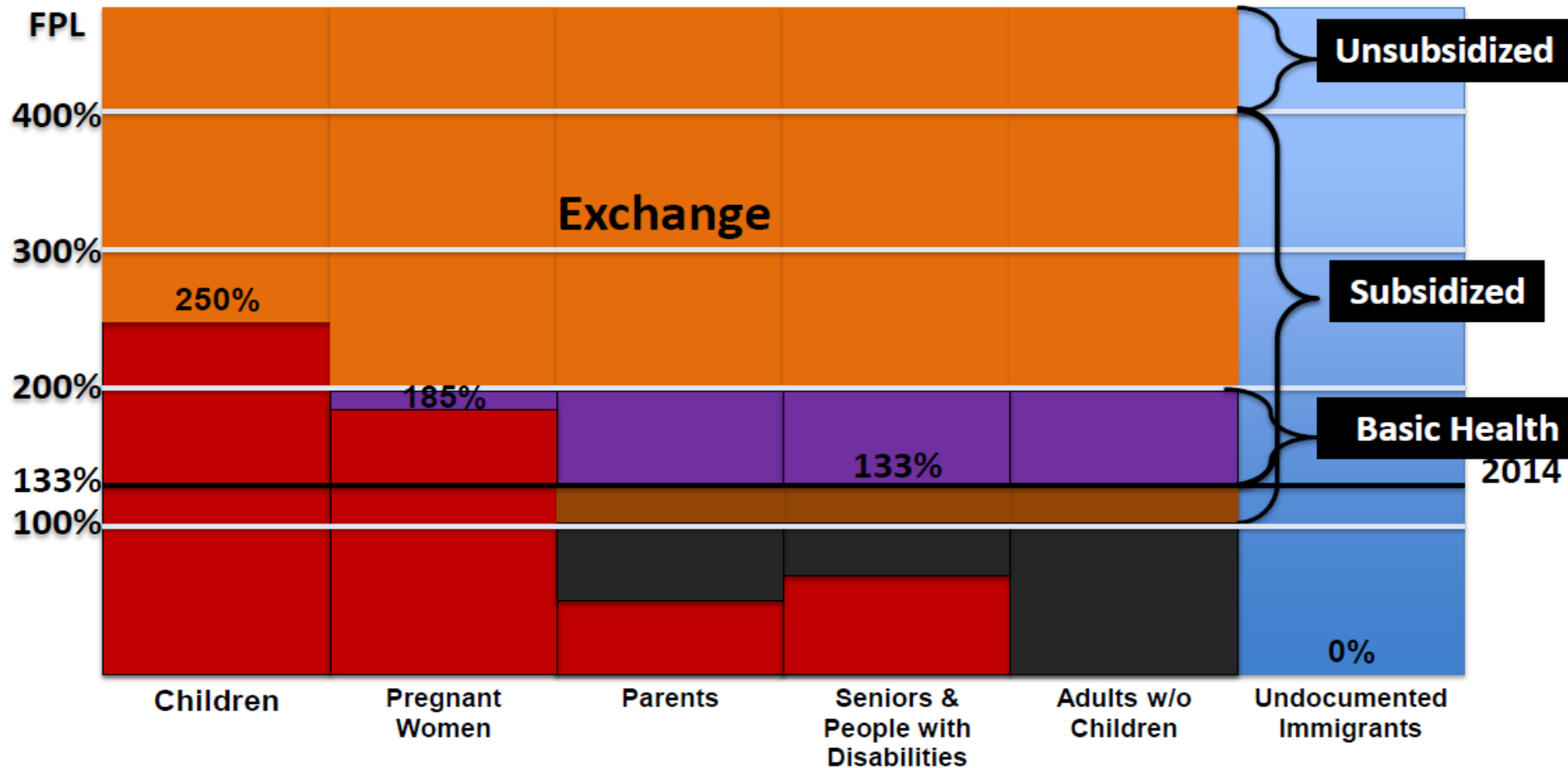
cbpp.org





Linking Americans to Coverage (2014)

post SCOTUS ruling



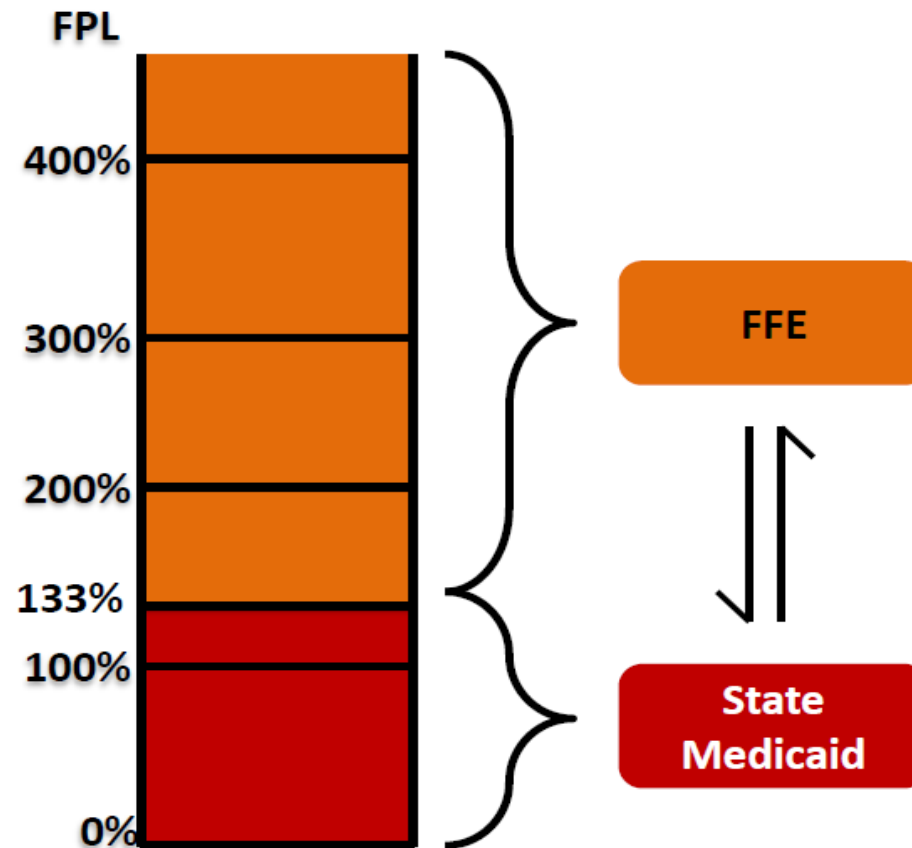
■ Medicaid and CHIP (based on average of 2012 state eligibility levels)

cbpp.org





Coordination of Eligibility and Enrollment with FFE



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For More Information

The Center for Health Policy collaborates with state and local government, as well as public and private healthcare organizations in health policy and program development to conduct high quality program evaluation and applied research on critical health policy-related issues.

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