

## Panel Discussion: To Exchange or Not to Exchange

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NATIONAL ACADEMY  
for STATE HEALTH POLICY

INDIANA HEALTH INSURANCE EXCHANGE SYMPOSIUM

October 11, 2011 ~ Indianapolis, IN

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NATIONAL ACADEMY  
for STATE HEALTH POLICY

- Independent academy of state health policymakers
- Non-profit, non-partisan, non-membership
- Work to identify emerging issues, develop policy solutions, and improve state health policy and practice
- Provide a forum for work across branches and agencies of state government
- Funders include both public and private organizations that contract for our services

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### Exchange Vision

“new competitive private health insurance markets--called ‘Exchanges’--that will give millions of Americans and small businesses access to affordable coverage”

Source: Exchange Establishment Grant FOIA, Jan. 2011, CCND (GMS)

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### Exchange Design Decisions

- Active purchaser vs. open marketplace?
- Individual and small business (together or separate?)
- How much integration with Medicaid, other state-operated programs?
- Offer Basic Health Program? What is BHP?
- Defining Navigator, broker/agent, consumer assistance roles

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### Five Core Exchange Functions

1. Consumer Assistance
2. Plan Management
3. Eligibility
4. Enrollment
5. Financial Management

Source: CMS presentation to states at State Exchange Grantee Meeting, 9/2011

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### Options for Running Exchange

- Fully State-run
  - Statewide, Regional, or Sub-state
  - Individual, small business (together or separate)
- Fully Federally-run
- Fed-State Partnership (proposed options)
  1. State takes on plan management only
  2. State takes on consumer assistance only
  3. State takes on plan management & consumer assistance

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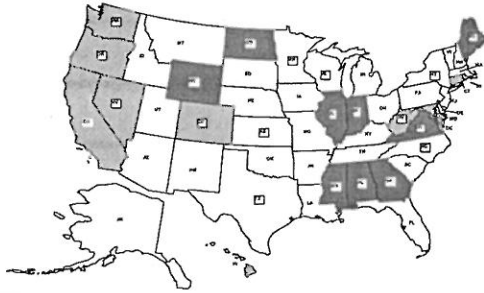
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### Legislative/Executive Actions on Potential State-Run Exchanges



Source: State Reforms, State Exchange Enacted Legislation and Executive Orders

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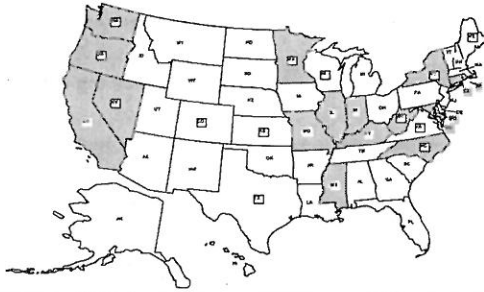
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### States with Level 1 Establishment Grants



Source: Healthcare.gov

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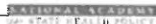
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### Governance Models for State-Run Exchanges

- New or existing state executive branch agency under the Governor
  - RI, VT, WV
- Quasi-governmental entity
  - CA, CO, CT, MD, OR, WA
- Non-profit corporation
  - HI, (IN)

Source: Kaiser Family Foundation, "Implementing Health Insurance Exchanges: State Profiles"




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## Key Considerations for States Deciding Whether to Run an Exchange

- What are the costs and risks to state?
- Is state or federal government better equipped to handle:
  - Insurance markets (in and out of exchange)?
  - Small business / individual coverage?
  - Interaction, Eligibility & Enrollment with existing state programs (Medicaid) and possible new programs (BHP)?
  - Conflict of interest, relationship with agents/brokers, stakeholders?
- Does state want to leverage Exchange for other goals (delivery system reform, population health)?
- Is flexibility necessary to meet unique state needs?

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## Key Dates for State-Run & Partnership Exchanges

- **2012 Legislative Sessions:** decisions on legal authority, governance, BHP, financing, SHOP exchange, more state-specific
- **Jun. 29, 2012:** Last date to apply for Level 2 establishment grant; Governance structure must be established\*\*
- **Jan. 1, 2013:** Deadline for at least conditional approval from HHS to operate state-based Exchange
- **Mar. 1, 2013:** Launch plan management for QHPs\*\*
- **Jun. 30, 2013:** Award grants/contracts for Navigators \*\*
- **Oct. 1, 2013:** Open enrollment on Exchange (IT systems, consumer assistance up and running)
- **Jan. 1, 2014:** Exchange operations and coverage begin

Source: Exchange Establishment Grant FOA, Jan. 2011, CCHD (GHS); Proposed guidance, GHS

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## NATIONAL ACADEMY for STATE HEALTH POLICY



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With thanks to...



Abigail Arons  
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