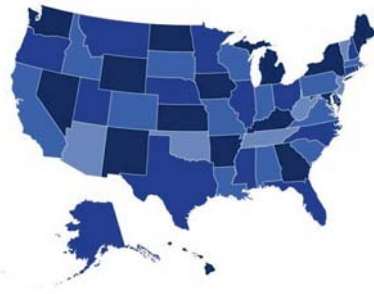


State-Based Exchanges: Key Design Decisions for 2014

Alliance for Health Reform

August 9, 2013



Sarah J. Dash, MPH

State-Based Exchanges: Making Sense of Design Decisions



Sustainable Exchange

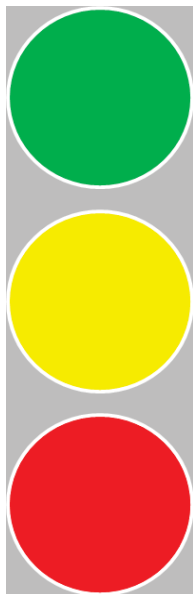
Competitive Marketplace

Meaningful Consumer Choice

Options for Small Businesses

Maximizing Enrollment

State Exchange Design Decisions: Key Themes



- ❖ **Many states innovated or moved ahead of federal requirements in key areas:** competitive marketplace, choice for small business and individuals, quality reporting
- ❖ **Many states were still developing or finalizing certain design decisions:** long-term financing mechanisms, navigator/in-person assister programs
- ❖ **Most states maintained status quo in other areas:** definition of “small employer”, not merging individual and small group markets



Sustainable Exchange

- ❖ **Governance decisions:**
 - ✓ Most states established exchange as “quasi-governmental” entity, with five established in existing state agencies and one as a private non-profit
 - ✓ Most exchanges overseen by governing board and have rulemaking authority; legislative authority can still be needed to implement decisions
- ❖ **Financing mechanisms:**
 - ✓ Assessment on individual/small group insurers (7 states)
 - ✓ Financing mechanisms that predate exchange (3 states)
- ❖ **Eligibility and enrollment systems:**
 - ✓ States capitalizing on federal funding to build integrated eligibility systems for insurance affordability programs
 - ✓ States hope to integrate eligibility for other programs in the future

Competitive Marketplace

- ❖ **State approaches to plan selection and certification:**
 - ✓ Selective contractor (4 states)
 - ✓ Market organizer (6 states)
 - ✓ Clearinghouse (7 states plus DC)

- ❖ **Measures to encourage insurer participation and align exchange and non-exchange markets:**
 - ✓ Required insurer participation (3 states plus DC)
 - ✓ Set “waiting periods” for insurers (5 states)
 - ✓ Aligned coverage inside and outside exchange (6 states)



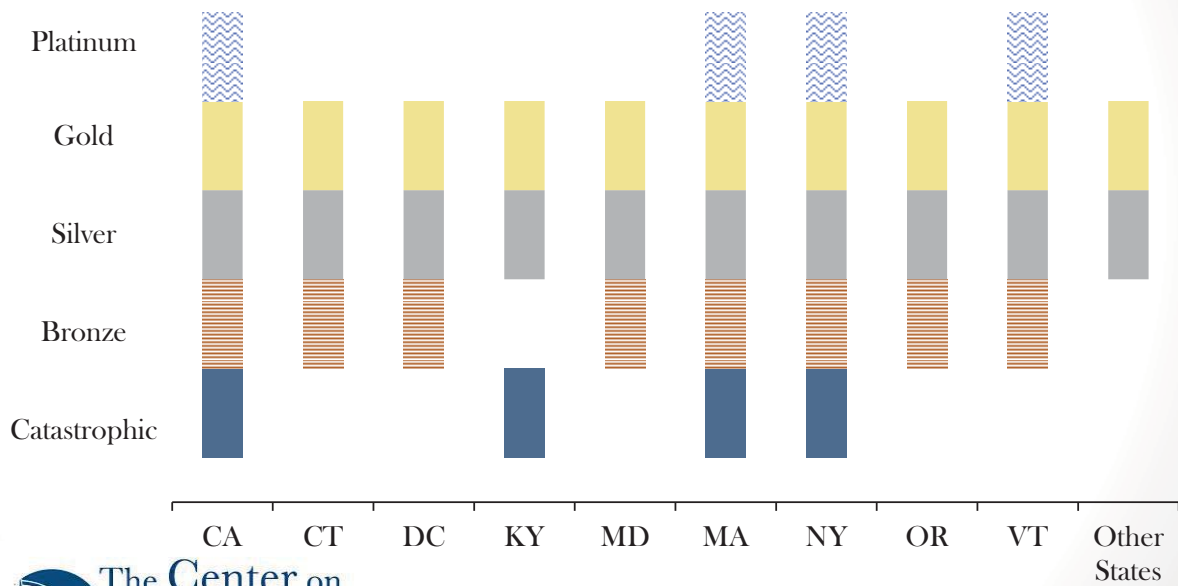
Choice and Quality for Small Businesses and Individuals

- ❖ **Expanding choices for small business employees:**
 - ✓ Nearly all states providing “employee choice” options on SHOP exchange, ahead of federal requirements
 - ✓ Eight states will provide option for full employee choice (any plan on SHOP exchange)

- ❖ **Promoting meaningful consumer choices:**
 - ✓ Required additional coverage levels beyond silver and gold (8 plus DC)
 - ✓ Streamlined number of plans on exchange (8 states)
 - ✓ Required insurers to offer standardized plans (6 states)
 - ✓ Applied “meaningful difference” standard (7 states plus DC)

- ❖ **Emphasizing quality and value:**
 - ✓ Displaying health plan quality measures in 2014 (9 states)
 - ✓ Developing state-specific quality rating system (10 states)

Exchange Coverage Level Requirements

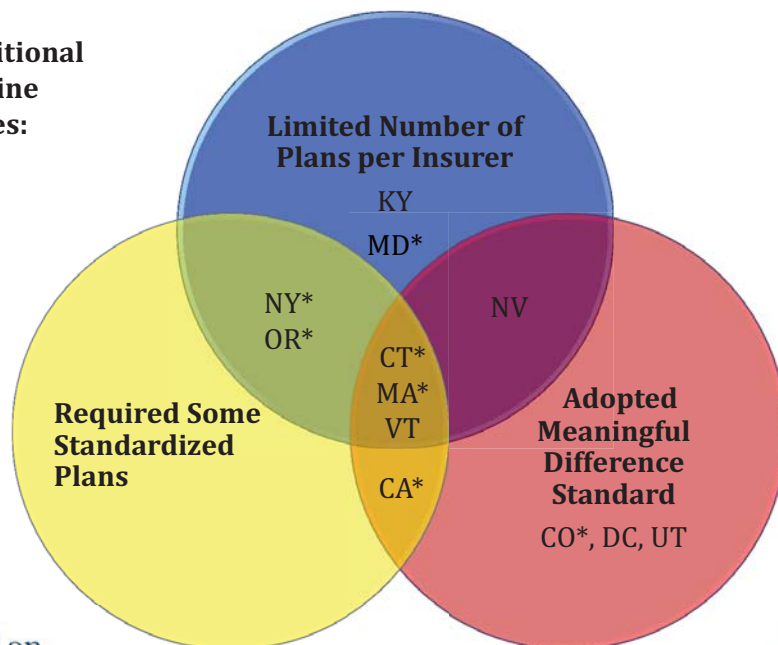


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Meaningful Consumer Choice: State-Based Exchange Decisions, 2014

States taking no additional action to streamline consumer choices:

HI
ID,
MN*
NM
RI*
WA



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*Exchange website will display insurer quality data

Maximizing Enrollment: Navigators, In-Person Assistance, Agents/Brokers

- ❖ States viewed enrollment assistance (navigators, in-person assisters, certified assistance counselors, agents/brokers) as critical components of overall strategy to maximize enrollment.
 - ✓ Most states established both navigator and in-person assistance programs for 2014.
 - ✓ All states will allow agents and brokers to sell coverage through the exchanges.
 - ✓ States varied with respect to training hours, compensation rules.
- ❖ A few states are pursuing unique state-funded initiatives to enhance affordability and increase enrollment.



Exchanges: A Means to an End

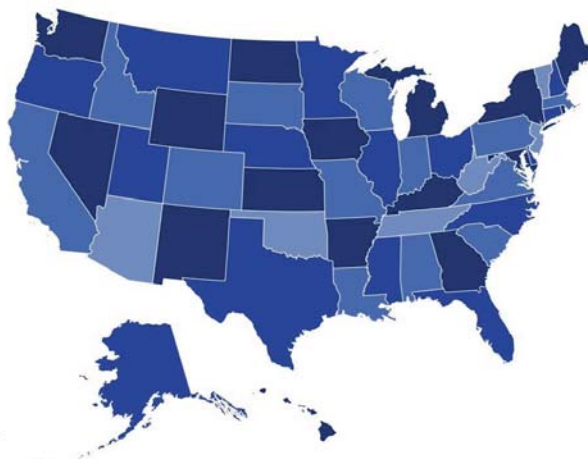
- Design decisions made with eye towards minimizing market disruption and promoting exchange viability and value for consumers while balancing practical realities
- As exchanges roll out in the fall, we can begin to assess how these design decisions impact characteristics of a high performance health system:
 - Access
 - Affordability
 - Adequacy
 - Quality and value
 - Accountability



Thank you!

For more information:

S. Dash, K. W. Lucia, K. Keith, and C. Monahan, *Implementing the Affordable Care Act: Key Design Decisions for State-Based Exchanges*, The Commonwealth Fund, July 2013.



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