



West Virginia Connect

WV's Health Insurance Exchange

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SHAP and FED HEALTH REFORM





WV CONNECT WORK TO DATE

- Coordinating with other states
 - Reviewed other exchanges (past and present)
 - Received TA from national experts
 - Engaged various stakeholder groups
 - NAIC Exchange Subgroup member
- SHAP Exchange Group
 - Discussions with federal government
 - Reached out to constituent state agencies
 - Building staff
 - Concept research and development
 - Planning Exchange Grant



PLANNING EXCHANGE GRANT

- Received August 1, Due September 1
- Surveys, studies, models
- Facilitation Contract
- Component plans and strategic plan
- Leverage with SHAP and draw down next round of OCIO exchange grants for big ticket procurements



INSURANCE EXCHANGE CONCEPT

- Organizes private insurance market
- Promotes transparency in health insurance
- Provides neutral source of consumer information
- Facilitates access to coverage

ACA EXCHANGE TIMELINE

Timeline

- September 2010 through January 2015- HHS grant awards
- January 1, 2013- HHS must know state's exchange plan
- January 1, 2014- State must implement exchange
- January 2015- Exchange must be self-sustaining





EXCHANGE OPERATION

- The Exchange must be operated by a governmental agency or nonprofit entity
- The Exchange may only offer qualified plans to individuals or employers
- The Exchange may also offer qualified CO-OP plans and qualified direct primary care medical home plans
- The Exchange may offer plans with additional benefits but states must assume cost of mandates
- The Exchange must provide for:
 - Initial open enrollment period
 - Annual open enrollment period
 - Special enrollment periods



STRUCTURE OPTIONS

- States are to establish a Small Business Health Options Program, referred to as SHOP
- States are also to establish exchanges where individual consumers may purchase qualified insurance.
- States may choose to establish a single exchange that performs both functions.

Regional Exchanges

- States may jointly form regional Exchanges or may form multiple subsidiary exchanges if each one serves a distinct geographic area.

PLAN TIERS AND RATING

Levels of Coverage

Plans in exchange will fall within specified actuarially defined tiers:

Catastrophic Plan

Bronze- 60%

Silver- 70%

Gold- 80%

Platinum- 90%

Rating

Limited Rating

- Age (3:1 maximum)
- Tobacco (1.5:1 maximum)
- Geographical rating area

We do not yet know what premiums will be



FEDERAL SUBSIDY

Premium subsidies are based on second lowest cost silver plan

Consumer can select less expensive or more expensive plan and pay accordingly

FPL range for individuals*:

- 133FPL- \$14,404- 2%
- 150FPL- \$16,245- 4%
- 200FPL- \$21,660- 6.3%
- 250FPL- \$28,735- 8.05%
- 400FPL- \$43,320- 9.5%

*Numbers are estimated provided by Kaiser Family Foundation and will be further studied once essential benefit regulations are available.

Ike is 45 years old and has an income in 2014 that is 250% of poverty.

The cost of the second lowest cost silver plan in the exchange in Ike's area is projected to be about \$5,733

Ike pays no more than 8.05% of income, or approximately \$2,310, for second lowest cost silver plan

*Numbers are estimated provided by Kaiser Family Foundation and will be further studied once essential benefit regulations are available.



CONSUMER CHOICE

Consumer Choice of Insurance

- To be eligible for federal subsidy (those between 133-400 FPL) consumers must use exchange
- Only lawful residents may purchase coverage in exchange
- ACA gives consumers choice of inside or outside exchange

Consumer Choice in Exchange

- Individuals may choose any plan in exchange
- Employers will designate tier of plans for which employees are eligible



PLAN TRANSPARENCY

Plans must disclose:

- Claims payment policies and practices
- Periodic financial information
- Data on enrollment and disenrollment
- Number of claims denied
- Enrollee rights under ACA

Plans must disclose:

- Rating practices
- Cost-sharing and payments for out-of-network coverage
- Justification for any premium increase prior to implementation
- Other information required by the Secretary



EXCHANGE FUNCTIONS

- Operate toll free consumer hotline
 - Use a standard format for presenting coverage options
 - Certify mandate exemptions
 - Establish a navigator program for education and outreach
 - Inform consumers of eligibility for federal subsidy, Medicaid, CHIP
- Implement procedures for certification, recertification and decertification of health plans
 - Assign a rating to each plan
 - Make available a premium calculator
 - Transfer to the Treasury a list of exempt individuals and employees eligible for tax credit

NAVIGATOR GRANTS

- Section 1311 of ACA
- Agents and Brokers are specifically listed as eligible
- Duties:
 - Public education
 - Distribute impartial info about plans and subsidy
 - Facilitate enrollment
 - Provide referrals when consumer has complaint, grievance
- HHS shall establish rules for navigators
- HHS will establish criteria to ensure impartiality of navigators
- Navigators shall not receive any consideration from any issuer for enrollment of consumer in exchange plan
- Grants to come from operational funds in exchange



PROVIDER QUALITY

- HHS will develop guidelines for increased payment for quality
- Exchange plans must report on these efforts
- Quality improvements include:
 - Effective case management
 - Use of medical home
 - Prevention of hospital readmissions
 - Prevention of medical errors
 - Wellness initiatives
- In 2015, a qualified health plan may contract with
 - Hospital with greater than 50 beds only if hospital
 - Utilizes patient safety evaluation system
 - Implements comprehensive program for discharge planning
 - Health care provider only if plan to improve quality as the Secretary may require in regulation



HHS RULES

- Develop a rating system to measure quality and price
- Develop an enrollee satisfaction survey system for plans with more than 500 enrollees
- Define the Essential Health Benefits
- Procedures for agents/brokers in exchange
- Set marketing requirements
- Determine sufficient choice of providers (no requirement to contract if provider does not accept payment rates)
- Develop uniform enrollment form in PPACA
- Determine standard format for presenting plan options

WV CONNECT KEY CONCEPTS

Key Functions

- Eligibility Portal
- Premium Aggregator
- Carrier Menu
- Standardized Enrollment Portal
- Premium Collection and Remittance
- Consumer Coverage Recommendation Tool





OTHER WV EXCHANGE CONCEPTS

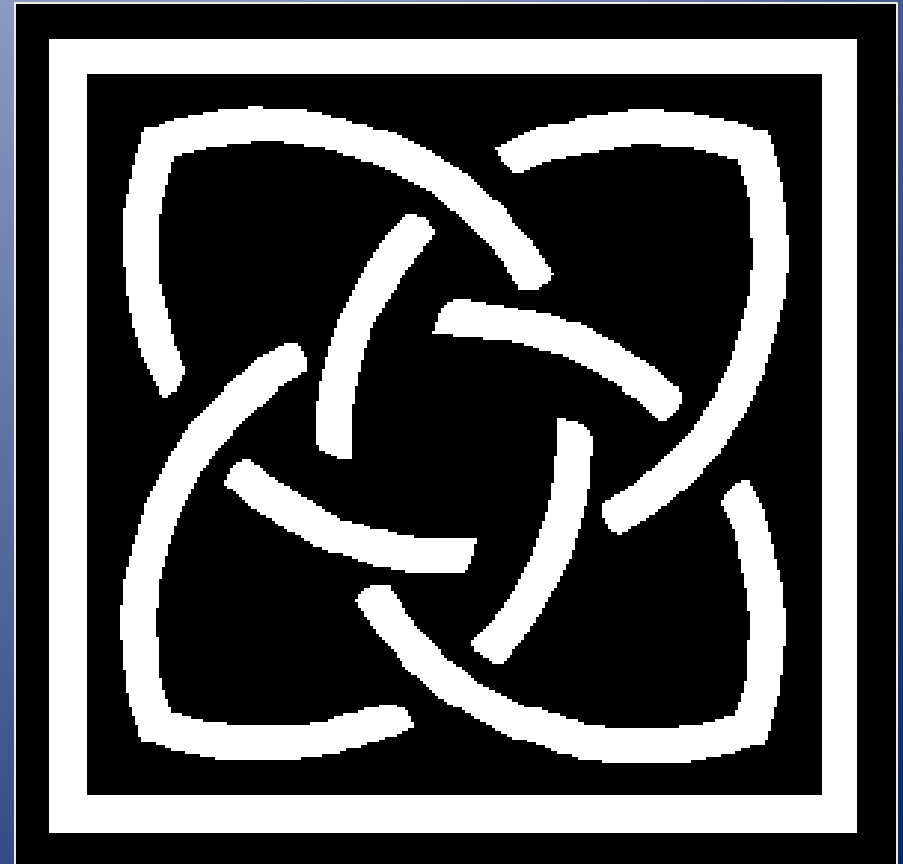
- Employer Exchange Kit
- Link to regional exchange/
cross border coverage
options
- Multi state vendor
agreements
- Multi Exchange Access
Points
- Market Risk Adjuster
- Exchange Tutorials

- Portability of Coverage
- Health Coverage Matrix
- Cost Compare Providers
- Review Carrier Complaints
- Review Provider Quality
- Consumer Assistance
- Case Management/ Agent
Portal
- Stakeholder Surveys
- Exchange service tracking

EXCHANGE & OTHER STATE EFFORTS

Interconnected Issues

- All Payer Claims Database
- Master Client Index
- Public Plan Eligibility
- Insurance Reforms
- Quality Improvement Initiatives





KEY DECISION POINTS

- Governance
- Roles of Various State Agencies
- Additional Functions of the Exchange
- Additional Information for Consumers
- Role of Agent, Navigators, Consultants
- Active Purchaser
- Addressing Quality Care

- Regulation of the Outside Market
- Multi-State Exchange
- Mandated Benefits
- Funding of Operations
- Combining Individual and Small Group
- Parameters on bringing in Large groups
- Negotiate Provider Prices



Plans Moving Forward

- Continue work on NAIC subgroup
 - Work with federal, state agencies
 - Work with other states
 - Further engage legislature
 - Conduct baseline studies
 - Build staff capacity
 - Lead state response to HHS comment period
- Stakeholder meetings around state (ongoing)
 - Organize community of interest subgroups
 - Ensure exchange plans coincide with other reform efforts
 - Develop component plans and broader strategic plan
 - **WORK WITH YOU!**



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