

**August 7, 2015**

*Support for this resource provided through a grant from  
the Robert Wood Johnson Foundation's State Health Reform Assistance Network*

# Agenda

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- **Background**
  - **Early Insight From Stakeholder Interviews**
  - **Overview of State Innovation (1332) Waivers**
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## Background

# Task Force Statutory Charge and Goals

## Task Force to Consider:

1. Options for providing and financing seamless coverage for insurance affordability programs
2. Options for transforming health care purchasing and delivery
3. Options for alignment, consolidation, and governance of insurance affordability programs
4. Impact of options on the health care workforce and delivery system

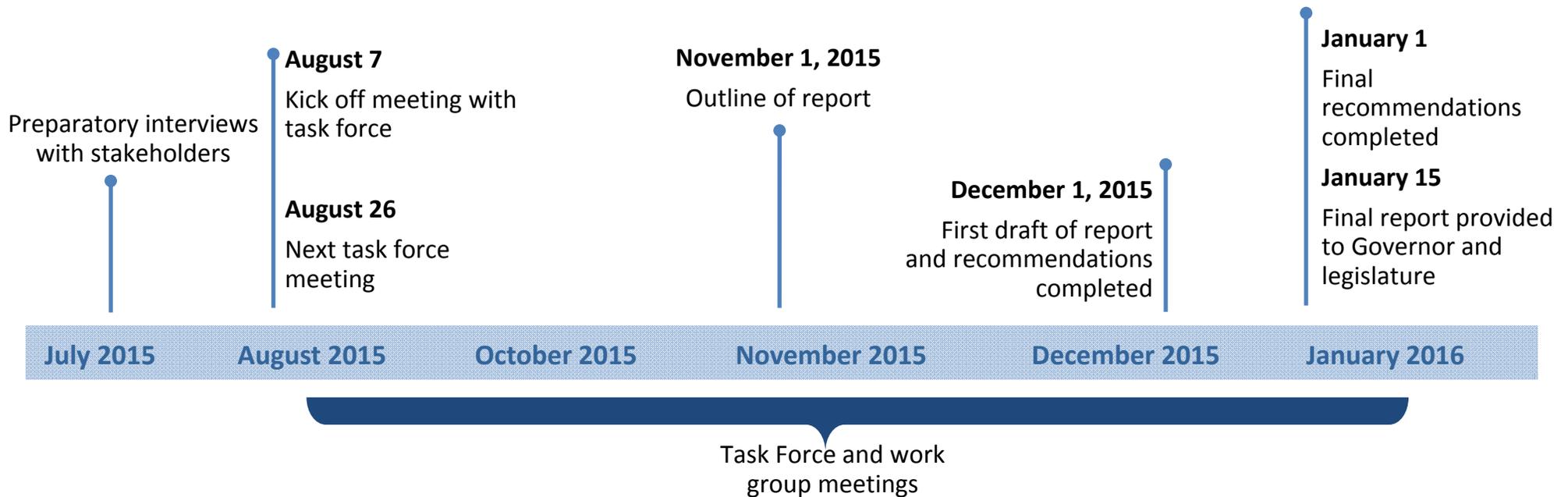


## Goals:

1. Seamless consumer experience
2. Reduce accessibility and affordability barriers
3. Improve health program financial sustainability
4. Assess options to reducing health disparities
5. Expand purchasing/delivery strategies to reduce cost and improve health
6. Align program resources
7. Increase transparency and accountability of programs

*Laws of Minnesota 2015, chapter 71, article 11, section 62*

# Task Force Timeline



**Charge is broad and time frame is short; critical to identify priorities to enable actionable recommendations**

# Manatt's Role in Preparing for Task Force Launch

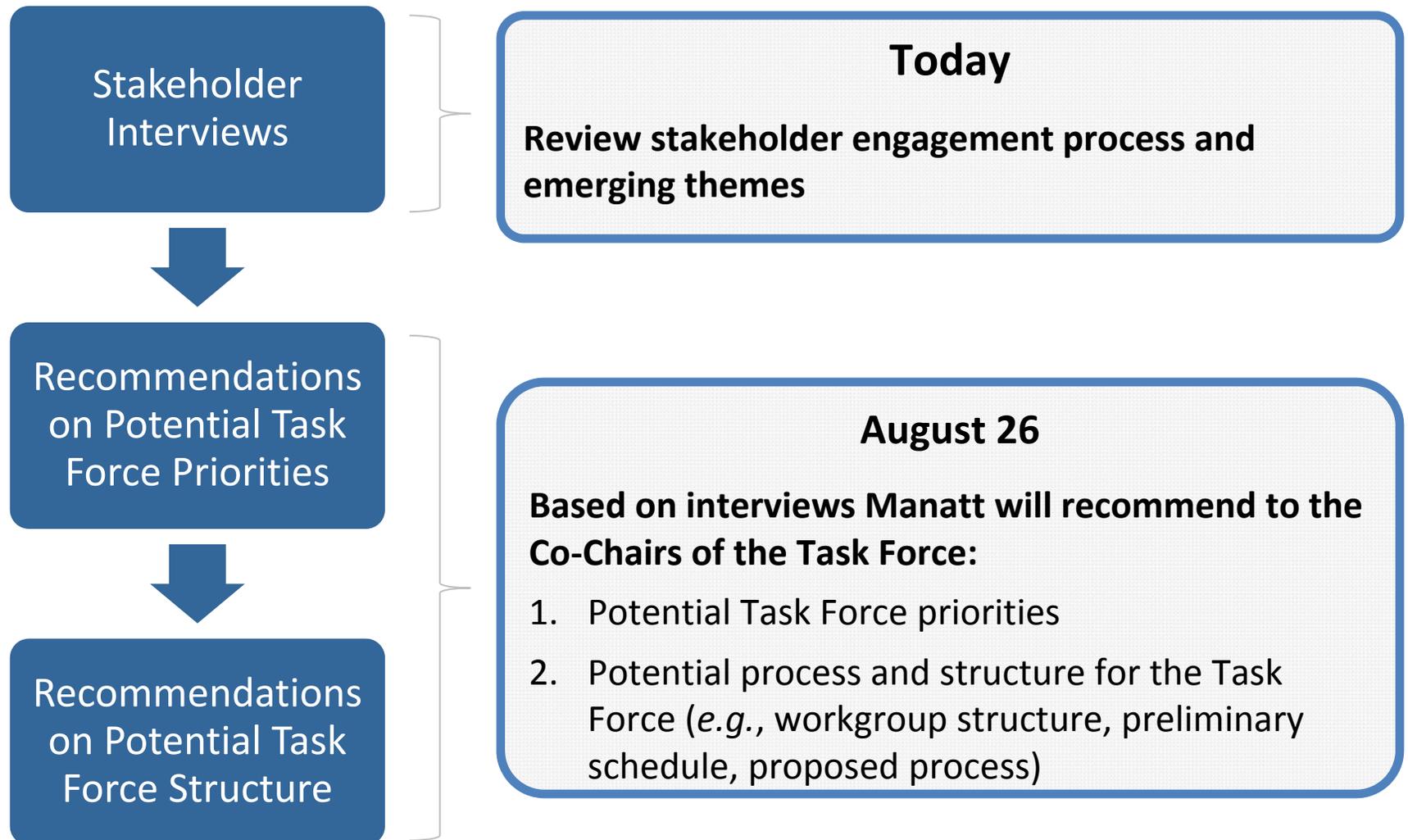
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Minnesota Department of Human Services engaged Manatt under the RWJF State Network project to assist in preparing for Task Force launch by undertaking the following activities:

- Interview Task Force members and other key stakeholders
  - July 20 – August 4
- Develop recommendations regarding potential Task Force priorities
  - July 27 – August 24
- Develop a straw model for potential Task Force structure
  - July 27 – August 24



- Governor's Office
- Senate Health and Human Services Budget Division
- House Health & Human Services Finance Committee
- MN Department of Commerce
- MN Department of Health
- MNsure
- MN Council of Health Plans
- MN Hospital Association
- Take Action Minnesota
- Chamber of Commerce
- Center for American Experiment
- ISAIAH



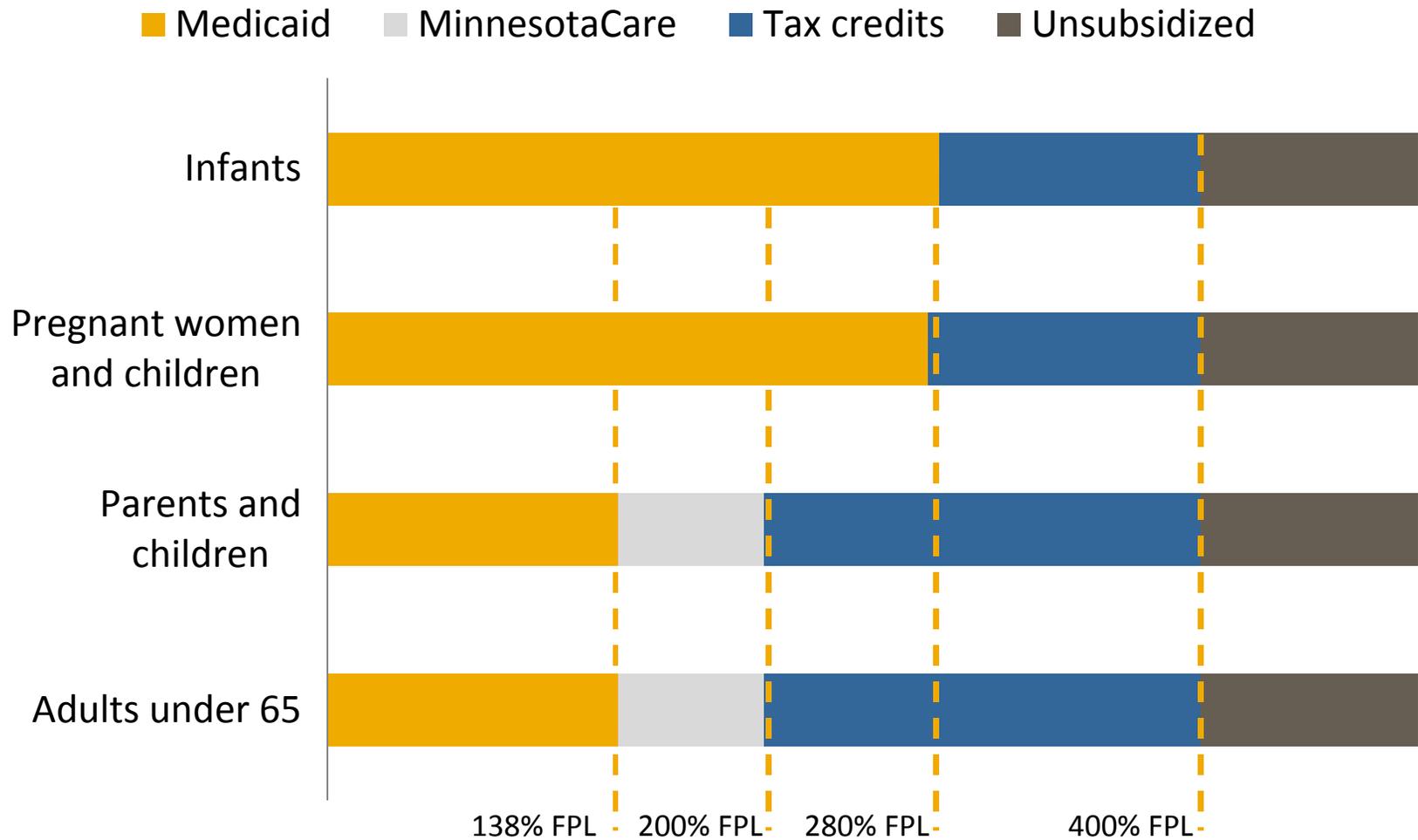
# Emerging Themes From Stakeholder Interviews

- Build a stronger, seamless coverage continuum
  - Public, private and employer sponsored coverage must be affordable for all Minnesotans
  - State-funded programs must be sustainable for the State budget
  - Consumer access to integrated eligibility and enrollment systems is key
- Advance delivery system and payment reform
  - Strong continuum of coverage provides a critical foundation
  - Necessary for slowing health care cost growth
- Reach the remaining uninsured
- Address health disparities

To advance these themes, stakeholders point to the following potential Task Force priorities:

- ① Subsidized Coverage Structure and Sustainability
- ② Marketplace Structure and Sustainability
- ③ Promoting High Quality, Cost-Effective Care

## Minnesota Coverage Continuum



# Subsidized Coverage Structure and Sustainability: Questions 12

- How should Minnesota's subsidized coverage programs relate and align?
- Should the State restructure subsidy levels or benefits across its subsidized coverage continuum?
- How might Minnesota smooth the "cliff" for individuals transitioning from Medical Assistance to MinnesotaCare and from MinnesotaCare to QHPs?
- Is MinnesotaCare the best vehicle for covering populations 138-200% FPL?
- How should the State fund MinnesotaCare in the longer term?
- How might the State leverage its subsidized coverage programs to address health disparities?
- Should the State pursue a 1332 waiver to draw down additional federal funding for MinnesotaCare or a modified program? Restructure subsidies and benefits more broadly?
- How might the State leverage its coverage continuum to accelerate and expand delivery system and payment reform?
- Should the State move to one public program, combining Medical Assistance and MinnesotaCare?

- Legislature authorized state-based marketplace
- MNsure has technical challenges
  - Functionality has improved considerably; further improvement necessary
  - MNsure's systems support integrated eligibility and enrollment for Medical Assistance, MinnesotaCare, and tax credits
- MinnesotaCare reduces the size of the Marketplace
  - Smaller risk pool affects premiums and makes participating in the individual market less attractive for carriers
  - Fewer enrollees reduces funding for MNsure
- MNsure is funded through a user fee
  - Applies only to policies sold on the Marketplace
  - Cost of fee is spread across products offered both on and off MNsure
- Low initial premiums reduced the value of tax credits
  - Premiums may increase as insurers learn more about the market

# Marketplace Structure and Sustainability: Questions

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- What are the financial sustainability options/considerations for MNsure?
- Should the State revisit the governance structure of MNsure?
- Would transitioning to healthcare.gov and a “supported” state-based marketplace serve Minnesota better?
  - What are the implications of a federally supported marketplace model for Minnesota coverage flexibility and innovation?
  - For Medical Assistance and MinnesotaCare eligibility systems?
- How might Minnesota leverage its Marketplace to reach the remaining uninsured?
- How might Minnesota smooth the “cliff” for individuals transitioning from MinnesotaCare to tax credits and from tax credits to unsubsidized private market coverage?
- How might the State leverage MNsure to address health disparities?
- How might the State leverage its Marketplace to accelerate and expand delivery system and payment reform?

## Minnesota must continue to advance delivery system and payment reform, enabled by a stable coverage continuum

- How might the State better engage consumers in their health care?
- How might Minnesota leverage its purchasing power to align purchasing strategies and requirements across State-supported programs (*e.g.*, Medical Assistance, MinnesotaCare, and the State Employee Benefit Program)?
- How might Minnesota extend those strategies to promote alignment with MNsure and employer-sponsored insurance?
- How might Minnesota align its purchasing strategies with Medicare?
- How should Minnesota continue to advance its delivery system and payment reform efforts?
- Should Minnesota adopt legislation regarding cost containment or quality improvement across both public and private payors?

- Long-term care
  - Medicaid sustainability
  - Private market insurance options
- Administrative consolidation across government programs
- Private market reforms
  - Merging insurance markets
- Workforce development

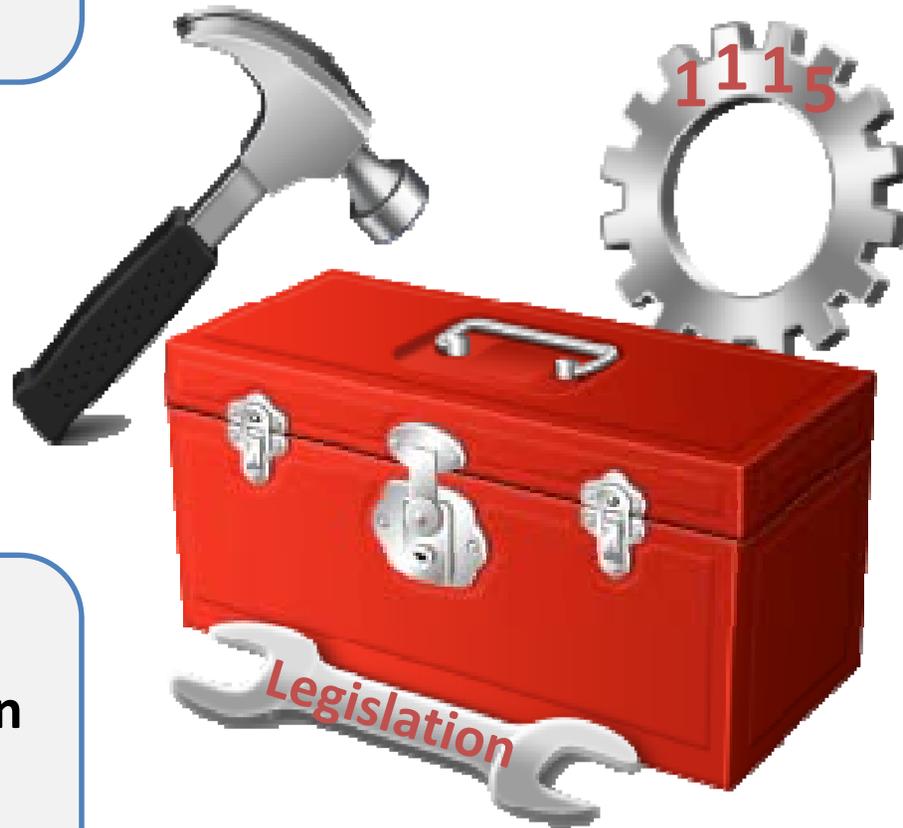
## Overview of State Innovation (1332) Waivers

# Tools for State Reform

**1332 waiver to waive certain ACA provisions**

**1115 waiver to waive provisions of federal Medicaid law**

**Combine 1332 and 1115 Waivers**



**State legislation or regulation**

**Just do it!**

# 1332 Waivers: What can be Waived?

States may request waivers from HHS and the Treasury Department of certain requirements of the Affordable Care Act (ACA), effective 01/01/2017

## 1 *Individual Mandate*

States can modify or eliminate the tax penalties that the ACA imposes on individuals who fail to maintain health coverage.

## 2 *Employer Mandate*

States can modify or eliminate the penalties that the ACA imposes on large employers who fail to offer affordable coverage to their full-time employees.

## 3 *Benefits and Subsidies*

States may modify the rules governing covered benefits and subsidies. States that reallocate premium tax credits and cost-sharing reductions may receive the aggregate value of those subsidies for alternative approaches.

## 4 *Exchanges and QHPs*

States can modify or eliminate QHP certification and the Exchanges as the vehicle for determining eligibility for subsidies and enrolling consumers in coverage.

States may not waive non-discrimination provisions prohibiting carriers from denying coverage or increasing premiums based on medical history. States are precluded from waiving rules that guarantee equal access at fair prices for all enrollees.

# 1332 Waivers: What are the Statutory Guardrails?

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A state waiver application must satisfy four criteria to be granted

## 1 *Scope of Coverage*

The waiver must provide coverage to at least as many people as the ACA would provide without the waiver.

## 2 *Comprehensive Coverage*

The waiver must provide coverage that is at least as “comprehensive” as coverage offered through the Exchange.

## 3 *Affordability*

The waiver must provide “coverage and cost sharing protections against excessive out-of-pocket” spending that is at least as “affordable” as Exchange coverage.

## 4 *Federal Deficit*

The waiver must not increase the federal deficit.

# Steps in the 1332 Waiver Process



## State

- Consider state goals and determine if 1332 waiver is desirable
- Have sufficient state authority to implement the waiver
- Draft waiver application
- Hold pre-application hearing
- Include in waiver application:
  - Actuarial/economic analyses
  - Implementation timeline
  - Ten-year budget plan



## HHS and Treasury

- Deem the waiver application complete
- Conduct federal notice and comment period
- Review the application within 180 days of determining it is complete
- Approve or reject the waiver application



## Implementation

- Waivers implemented in 2017 or later
- Quarterly and annual reports submitted to Treasury and HHS
- Waiver renewals begin no later than 2022 because the term of waiver may not exceed five years



**There is no deadline for submitting a waiver application and states may submit prior to 2017**

## At a Glance

400

Attorneys & Professionals  
Firmwide

80

Attorneys & Professionals  
in Healthcare

8

Offices  
Nationwide

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State Health Reform Assistance Network  
Charting the Road to Coverage

A Robert Wood Johnson Foundation program

- State Health Reform Assistance Network (State Network) provides technical assistance to states in order to maximize coverage expansions under the ACA
- State Network deploys a multi-disciplinary team of experts to work directly with state officials across agencies, including Health Insurance Marketplaces, Medicaid Agencies, and Departments of Insurance
  - Center for Health Care Strategies
  - Georgetown University Health Policy Institute
  - Manatt Health
  - State Health Access Data Assistance Center at University of Minnesota
  - Wakely Consulting Group
  - GMMB
- Funded by the Robert Wood Johnson Foundation and Managed at Princeton University's Woodrow Wilson School of Public and Internal Affairs in partnership with AcademyHealth's State Coverage Initiatives

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