Status of Exchange Implementation

Presentation to

2012 Community Health Conference

October 10, 2012

Manny Munson-Regala

Key provisions of the Patient Protection and Affordable Care Act (PPACA)

Expanded Coverage
- Medicaid
- Tax credits and subsidies
- Employer and individual mandates

Insurance Reforms
- Exchanges
- MLR/Premium requirements
- High-risk pools

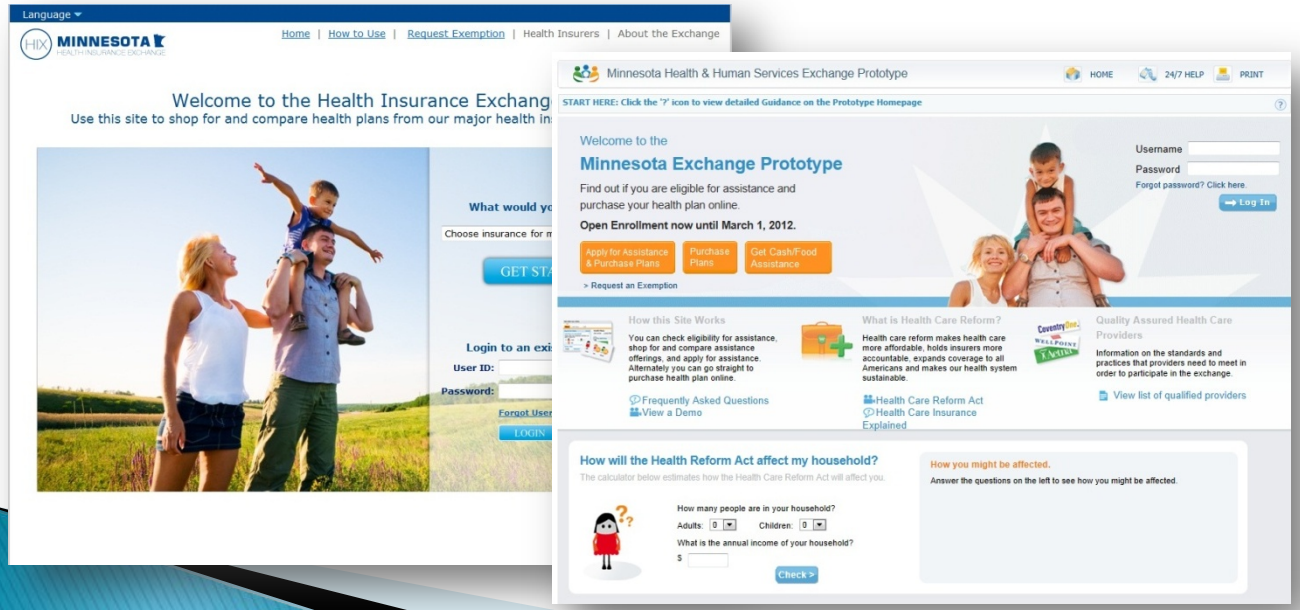
Payment Reforms
- Cuts
- Reduced Medicare Advantage subsidies
- Bundling, global payments
- Accountable Care Organizations (ACOs)

Workforce Enhancements
- Primary care physicians (PCPs)
- Advanced practice nurses and physician extenders

Quality Improvements
- Reduced payment for Hospital Acquired Conditions (HACs) and preventable readmissions
- Core measures
- Patient satisfaction

What is an Exchange?

An Exchange is an online marketplace where Minnesotans can find, compare, choose, and obtain health care coverage that best fits their personal and family needs

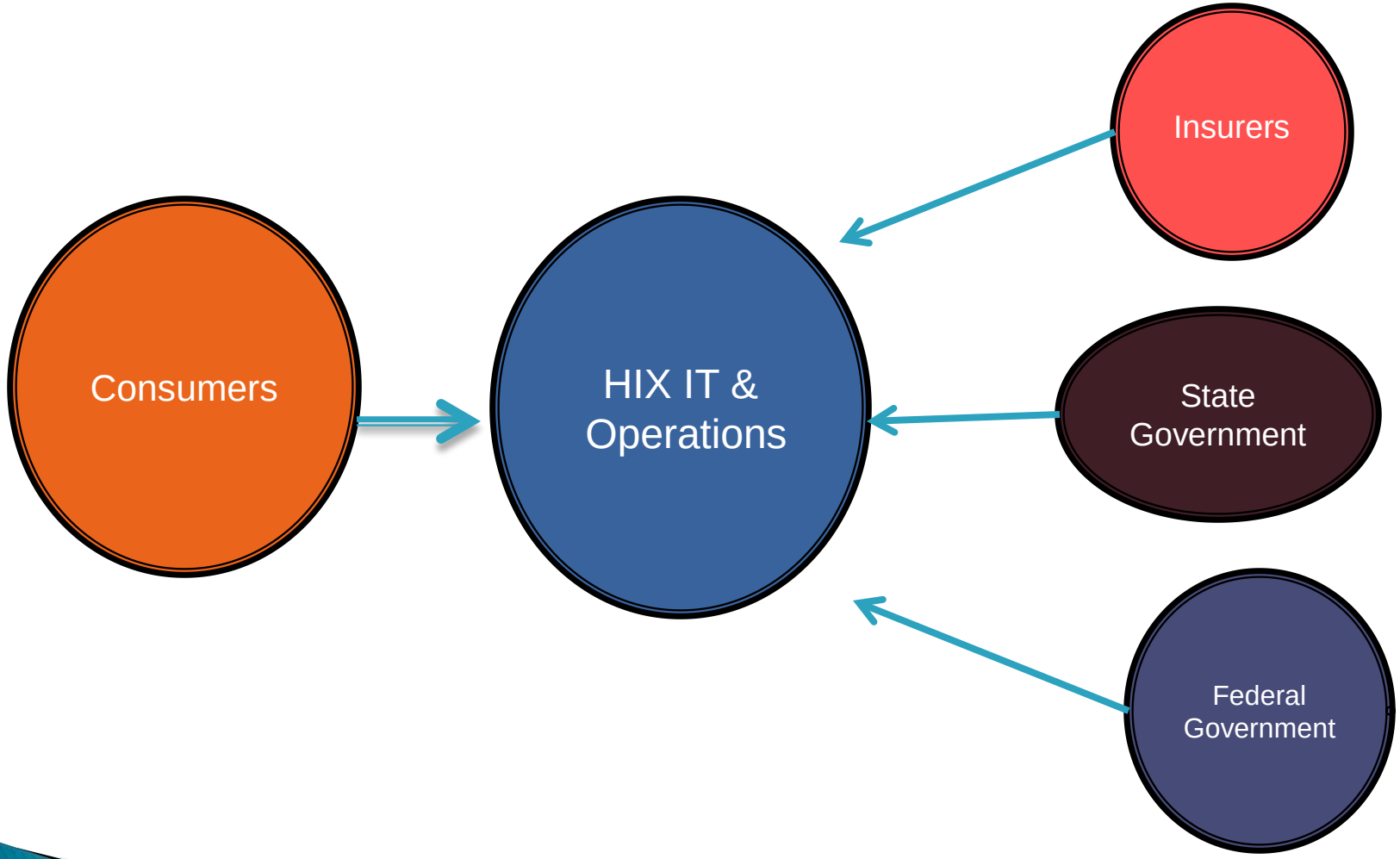


Why an Exchange?

Subject of ongoing dialogue in Minnesota since 2006

Provision within the federal **Affordable Care Act (ACA)** enacted in March 2010

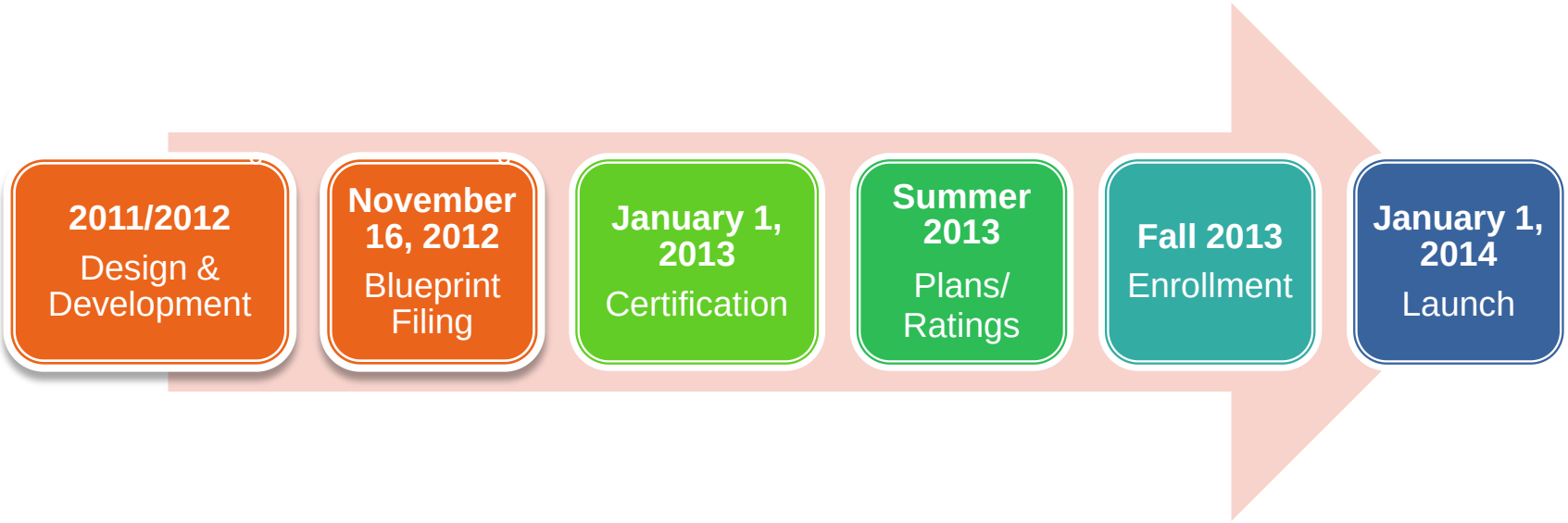
How will an Exchange work?



Examples of Current Exchanges

State Exchanges	• Massachusetts Connector • Utah Health Exchange
Non-Profit	• CBIA • Health Pass New York
For Profit	• AON • Extend Health • Bloom Health

Timeline



Minnesota Department of Commerce

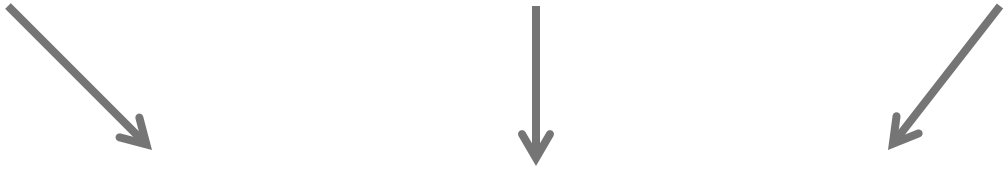
Policy Issues

- Governance
- Role vis a vis Regulators
- Facilitator vs. Purchaser
- Sustainability
- Assisters/Navigators/Agents and Brokers
- Adverse Selection
- Stakeholder Engagement

Governor said no final policy decisions until after election

Financing

Federal Grant of $1 M February 2011	Federal Grant of $4.2 M August 2011	Federal Grant of $23 M February 2012	Applied for Federal Grant of $42.5 M August 2012



Purpose

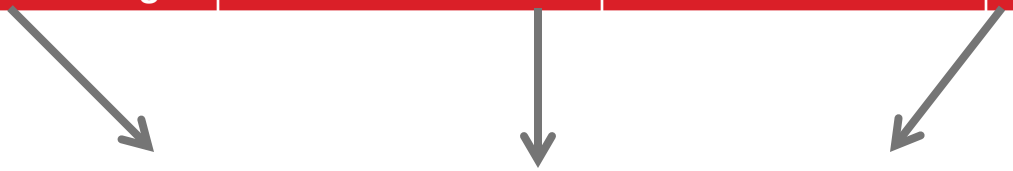
- Analyze the impact of Exchange requirements and options
- Estimate the level of upfront and ongoing funding for implementation and operation
- Develop a work plan and budget for federal implementation

Components

- Background Research
- Program Integration
- Governance
- Technical Infrastructure
- Legal and Regulatory
- Stakeholder Engagement
- Resources and Capabilities
- Financing
- Business Operations

Organizational History

Executive Order Directing Commerce to Design and Develop Exchange	Governor's August 2012 Letter	Transfer to Minnesota Management and Budget	Legislative Solution?

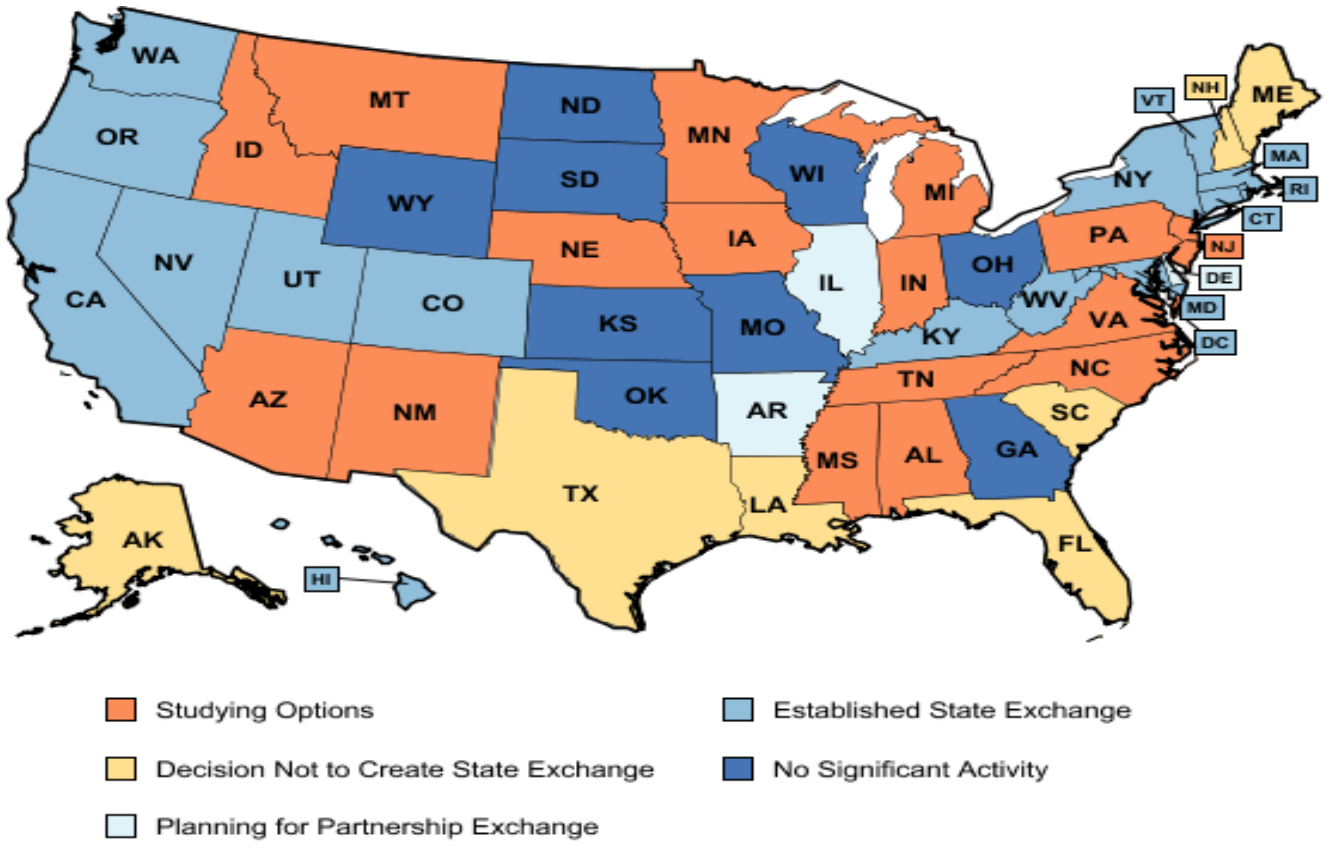


- Commerce "jump-started and incubated", then transitioning to role as insurance regulator

- MMB brings experience in coordinating, facilitating and leading these kinds of projects

- No final decisions will be made by the administration prior to the upcoming election. Legislators will have the opportunity thereafter to review options and participate in the final decisions.

Status of State Implementation



State Action Toward Creating Health Insurance Exchanges, as of September 14, 2012: Status of State Action

THE HENRY J. KAISER FAMILY FOUNDATION

statehealthfacts.org

Your source for state health data

Exchange Options

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, Exemptions, Risk adjustment program and Reinsurance program
State Partnership Exchange	• State operates activities for Plan Management, Consumer Assistance or Both
Federally Facilitated Exchange	• HHS operates; however, state may elect to perform or can use federal government services for the following activities: Reinsurance program and Medicaid and CHIP eligibility, assessment or determination

Challenges

- Time
- Money
- Uncertainty
- Expertise
- Other Market Changes
- Relationship to Cost

Value Proposition

- Consumer Engagement
- Competition
- Portability
- Administrative Efficiency
- Seamless Marketplace
- Alignment with Broader Reform

Resources

- mn.gov/commerce/healthexchange- for information on the work on the Exchange
- healthreform.mn.gov- for information on the impact of the ACA in MN
- healthcare.gov- for general information on the ACA

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