

Health Insurance Exchange Forum – Notes  
Molly Blank Conference Center, National Jewish Hospital  
August 12, 2010

Joan Henneberry began the Exchange forum at 9:00 a.m. with introductions and thanks. Gretchen Hammer followed with a quick summary of the forum goals and ground rules.

Tracy Johnson gave her [presentation](#) on the role of insurance exchanges in the market, and her presentation set the context for the 2014 market; then opened up for questions:

- Has it been decided if the exchange is confined to the state of Colorado or can be national? It will depend on which providers are in which networks and which plans will be available in the exchange. No decisions have been made yet.
- Will there be requirements about state-wide or regional certification, for example, will there only be limited coverage in rural areas?
- United is initiating three pilot projects to determine which slice of the market they will be targeting; likely newly insured patients.
- Is consumer protection built in to the exchange? Yes, and that will be discussed in the next forum.
- Why was industry taken out of the rating criteria? It was an intentional decision to exclude health status from rating.
- Large groups may still need the subsidy or may not be able to put dependents on their coverage, and may cause some movement? There is a financial penalty for employers if their employees are seeking subsidies.
- For the first couple of years small businesses may also received subsidies if purchased through the exchange, likely beginning in 2017.
- Will there be standardized benefits? What will policies compete on besides the price? Packages may be very different, but actuarial values will stay the same across packages.
- The estimated 300,000 and 100,000 people are those potentially eligible for subsidies. The number that may actually purchase through the exchange (because anyone can buy in) is unknown.

Gretchen asked the audience what kind of influence, if any, they would like to see the exchange having on the market:

- Make sure the playing field is even: the same outside of the exchange and within.
- With potentially only 6% of the market, how does it affect the market at all? The 6% is only the number who qualify for subsidies, and the number of people who may purchase on their own is unanticipated at this point in time. Small businesses as well may qualify. There are a variety of rules that aim to prevent the insurance companies from drawing people out of the exchange, but the market will not be eliminated. If, as in Massachusetts, we decide to include lots of mandated coverage, we will have to raise the price. It must be reasonable or there will be a strong push back from the insurance market.
- In Medicare advantage plans, we've seen people forced price-wise to pick for physical health with insufficient care for mental health, so we need to find the balance between cost and ensuring that we have a sufficient bottom line.
- The bigger issue to be dealt with is much more difficult – controlling the cost of health care itself. In the decades to come, this must be handled. Critical mass is very important, and 6% may even be too low: the exchange is a tremendous opportunity for Americans to get coverage.

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- Even people who do have coverage may not be covered adequately when the worst happens, such as specific diseases and conditions.
- Discussion of the principles should be an iterative process. One of the core issues is maximizing risk pools and looking through a consumer-focused lens to provide choice for consumers – but clear and concise choice, and not just choice for its own sake. Advocate for combined individual and small business pool.
- An exchange is something we have never done before, and we should be careful to respond effectively and responsibly to changes that may be unforeseen. The exchange must be easy to use and convenient. Advocate for separate individual and small business pools.
- What people want to find is health care – does that mean choice of insurance or choice of providers? Advocate for a public-private partnership and at least one plan being a public option; take advantage of the economies of scale of the larger risk pool.
- Must consider the impact of all changes on the market.
- With non-profits and government regulated low cost plans, the insurance market may be put out of business.
- Private health insurance as it exists now is not working for very many families. It is about the essential benefits package – will it include rehab, mental health, durable medical equipment, etc. – and what the market will look like in 2014, because some of these challenges may already be mitigated in other ways.

Gretchen summarized her notes about what the audience would like to see from the exchange:

- A moderate influence may be best: a good place to land with something new while still making enough of an impact;
- Maximizing access;
- Minimizing adverse selection;
- Provide choice, including potential for public option;
- Choice needs to vary between plans, provider networks, etc.;
- Careful attention to balance between benefits, price, and quality;
- Pool management discussion remains unfinished: some agree on one bigger pool and some agree on separately managed pools for individuals and small businesses;
- Data, transparency and accountability are critical to understanding how it is managed.

Reflections from the audience:

- Moderate influence concern of widening choice of plans, because people can become very confused about what is covered and what is not; will have difficulty identifying appropriate plans so narrow the choice of plans to the well-vetted options.
- Looking for disruptive innovation with the exchange, because it may be our opportunity to save us from going over the cliff of cost and care. This is an opportunity to look at whole new ways and business plans for delivering care effectively. If it remains business as usual, then an opportunity has been missed.
- The reasons for influencing the market remain consumer-driven: cost and transparency.

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- Look holistically at the family unit, and at all segments of how people get coverage – including the public market.
- Recommend evidence-based choices that will bring health.
- Recommend alternative medicine options, and catastrophic coverage options.
- Certain areas of the market need a more significant influence, and consumer protection needs to be addressed to ensure that people are choosing appropriate products and being guided ethically. This small market will produce just enough disruption for unanticipated effects.
- A wide range of providers, including mid-level, needs to be included in the exchange.
- Choice is good, but limitless choice does not help. A significant influence is needed in the area of lessening administrative work and standardizing options.

Gretchen Hammer concluded the forum at 10:50 a.m., and announced the next meeting on August 30, 2010 from 3:00 p.m. – 5:00 p.m.; location to be determined. In October the forums will go on the road to various cities around the state. All presentational materials and notes will be posted on the web site.