

Health Insurance Exchange

DRAFT Stakeholder Perspective Brief

Process

Between August and September, 2010 five stakeholder community forums were held in the Denver Metro Area. The Health Reform Implementation Board and Director of Health Reform Implementation convened these meetings in partnership with two state level health advocacy organizations, The Colorado Consumer Health Initiative and the Colorado Coalition for the Medically Underserved.

The attendance at the community forums was well over 140 individuals at each forum representing a wide variety of perspectives and stakeholder groups single payer advocates, health underwriters, health plans, consumer groups, provider groups, business representatives and health care consumers.

The goals of the community forum process included:

1. Build shared understanding about Exchanges
2. Seek and collect input from wide range of stakeholders on best way to structure the Exchange(s)
3. Gather information to develop a “Stakeholder Perspective” document that can inform the efforts of the general assembly and new governor during the 2011 session and moving forward.

The stakeholder community forums were informed by policy research conducted by Tracy Johnson, Ph.D., Health Policy Solutions and Rebecca Kellenberg, MPP, Health Management Associates through three policy briefs – ***Health Insurance Exchanges: Viability and Influence on Private Markets, Health Insurance Exchanges: Improving the Consumer Experience, and Health Insurance Exchanges: Governance Options and Considerations.***

In October 2010, four to six additional forums will be held in communities outside the Denver metro area including Alamosa, Colorado Springs, Grand Junction and Greeley and with specific stakeholder groups including consumers and small businesses in the metro area.

Stakeholder Perspectives

- **There is a strong commitment across stakeholder groups to establish and maintain a successful health insurance exchange(s) in Colorado.**
- **The core function of a successful Exchange(s) is to organize the marketplace to ensure access to understandable and reliable information for consumers and small businesses.**
 - The Exchange should include general education materials for consumer and small businesses about basic health insurance concepts including, premiums, deductibles, co-insurance, out of pocket maximums, provider networks, etc.
 - Stakeholders throughout the forums stressed the importance of improving consumers’ ability to understand and compare risk between products. To enable this comparison, the Exchange should include tools and resources for comparability including the ability to compare “apples to apples” across products:
 - Benefits

- Cost
 - Financial risk
 - Claim scenarios that outline benefits and costs for common health events
 - Benefit availability and cost implications for common chronic conditions
 - Provider availability
 - Payment history of the plan and customer service ratings
- Stakeholders agree that information available for consumers and small businesses must be available through multiple sources, not just a computer, in plain and understandable language and in multiple languages.
- **A successful Exchange in Colorado should judiciously utilize certification and other requirements to ensure consumers and small businesses have meaningful choices among high quality options.**
 - There are a range of stakeholder perspectives on the degree of influence the Exchange should exert on the marketplace with some participants believing the Exchange should have rigorous certification standards that lead to fewer, but higher quality options, creating a more easily navigable marketplace for consumers and small businesses and exerting pressure on health insurance plans to compete on quality and value.
 - Other stakeholders believe the Exchange should not aim to limit the availability of products with stringent certification standards arguing that more competition in the Exchange will control costs and enable creativity in the marketplace for the development of new, high value products.
 - Some stakeholders participating in the forum strongly advocate for the inclusion of a government managed public coverage option or Medicare buy-in option in the Exchange. Many stakeholders agreed that a “public option” is reasonable to include as a product in the Exchange as long as it competes under the same established rules and regulations of private non-profit and for-profit products.
 - Even among those with different perspectives about how the Exchange might influence the market, there was wide agreement that plans that operate in the Exchange should compete on value and quality.
- **A successful Exchange should maximize participation and minimize adverse selection of risk into Exchange based products.**
 - The exchanges must be protected against adverse selection. If only sick or high-risk individuals enroll in the plans offered, coverage will become expensive for participants and unattractive to insurers. A number of provisions of the Affordable Care Act seek to level the playing field inside and outside of the exchange, but states can further enhance protections against adverse selection. The state should ensure a level playing field. Examples of this are having defined open-enrollment periods or the same required compensation for brokers inside and outside the exchange.
- **A successful health insurance exchange in Colorado will ensure all plans sold in the exchange offer the federally defined essential benefit package.**
 - Following the definition of the essential benefits package by the federal government, additional stakeholder engagement and dialogue will be needed to determine what, if any, additional benefits should be deemed “essential” in Colorado to ensure the products sold in the Exchange will meet the needs of consumers with disabilities and chronic conditions.

- There should be consideration to include lower cost, higher risk plans for Colorado consumers who manage their health using alternative medicines and therapies as well to create an affordable option for younger consumers without current complex health needs.
 - Products sold within the Exchange should aim to promote health with both benefit design and incentives.
- **A successful Exchange will create a marketplace that will enable consumers and small businesses to purchase coverage without assistance and will ensure support for consumers and small businesses that want and need assistance navigating the Exchange.**
 - Stakeholder perspective varies about the need for consumer assistance within the Exchange. Some stakeholders believe that the Exchange should be navigable on its own and that consumers and small businesses must be able to search for and purchase health coverage without assistance.
 - Other stakeholders, particularly the health insurance broker community, believe that “brokers need to be part of the Exchange,” and that brokers are well trained, certified and held accountable to provide high quality service through a commission structure.
 - Most stakeholders agree that all consumer assistance should be provided by a trusted, trained individual, whether that is a trained volunteer such as a SHIP volunteer, a salaried navigator, a commission based broker, or a peer assistor for those with complex health needs such as a chronic physical or mental illness.
- **The Exchange should be structured to maximize continuity of coverage and seamlessness between public and private health coverage**
 - Efforts should be made to maximize continuity of coverage for consumers to enable consumers to stay with their health plan of choice over time and ensure easy transitions for consumers moving between public coverage and subsidized private coverage sold through the Exchange.
 - The Exchange should be designed to manage statistically predictable transitions of populations groups, especially consumers who may transition between public health insurance coverage through Medicaid and CHP+ and subsidized private coverage available through the Exchange.
- **A successful Exchange will not duplicate the current regulatory functions of the Division of Insurance.**
 - There should be clear delineation and delegation of authority between the governing body of the Exchange and the Division of Insurance with mechanisms in place to ensure a good relationship between the two entities.
 - Efforts should be made to provide the Division of Insurance adequate resources to successfully perform their regulatory role.
- **A successful Exchange will include robust data collection mechanisms to support transparency and accountability.**
 - Data collection and management efforts should ensure public investments can be tracked and identify areas for improvement or issues that need to be addressed in the ongoing management of the Exchange.
 - Stakeholders identify three potential areas for data collection – consumer related data, data needed to ensure proper regulation and data to inform policy.

- Mechanisms should be developed to allow for continued consumer engagement and consumer oversight of the Exchange.
- **A successful Exchange will attempt to hold down administrative and premium costs.**