

Health Insurance Exchange Forum – Notes
Pikes Peak Regional Development Center
October 26, 2010

Joan Henneberry began the forum with introductions and thanks. She gave background on the previous forums, and announced that Colorado received a federal grant to continue the planning work for the exchange.

Gretchen Hammer reminded the audience of the ground rules and the purpose of these forums, which is to compile a stakeholder perspectives document to give to the new administration.

A successful health insurance exchange in Colorado will...

- Lessen the number of uninsured.
- Make purchasing insurance easy to understand and accessible, in laymen's terms.
- End the duplication with Cover Colorado: once the elimination of pre-existing conditions and guarantee issue is enacted, entities such as this will no longer be needed.
- Hopefully include current CACP clients in 2014 under Medicaid. Several of these clients may be connected earlier because of the Hospital Provider Fee.
- Have two separate risk pools, one for individuals and another for small businesses.
- Implement ideas that will make insurance easier than it is today: essential benefits package, tiered actuarial values for comparability, a web portal, consumer assistance, etc.
- Have criteria and/or credentials for navigators, which are undefined currently.
- Be competitive with the market outside of the exchange as well. Navigators should be licensed or credentialed in some way and monitored with continuing education, errors of omission insurance, and the exact same requirements inside and outside of the exchange.
- Address the shortage of providers in rural areas. Access to services is a huge issue, but the exchange itself will not play much of a role in addressing provider shortages.
- Will the exchange be required to comply with state mandates? If the state chooses to provide coverage above and beyond the essential benefits package, it is up to Colorado to subsidize that coverage instead of the federal government.
- Who will answer claims and billing issues? What mechanism is there for continuous coverage?
- It needs to be an ongoing relationship for the consumer, and not just calling a 1-800 number.
- Does the Division of Insurance regulate who can participate in the exchange? The state will choose the certification criteria, which can be anywhere from minimal to robust, and DOI still has regulatory authority. There has been commentary that the exchange and DOI should not perform duplicative functions.
- Can work with other states, though there has been little direction on how exactly to do this. It may make sense for similar states or states with similar plans, etc.
- Once the rules are the same, how is an exchange any different from what the insurance market is already doing? The exchange will determine affordability, coordinate with the IRS, criteria for participating, and coordinate with public programs and their eligibility systems.
- There is a prohibition against turning down employer-based coverage and participating in the exchange. A consumer must first take insurance offered through their employer. Only if proven to be beyond means can a consumer opt out of employer's insurance and participate in the exchange.
- There is no difference between an ailment of nature and an ailment of personal responsibility in 2014 – all pre-existing conditions allowed to purchase, and issue guaranteed.
- The proliferation of benefit plans and information is not new, but similar to what happened with Medicare Advantage plans. The confusion around the exchange is not new.

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- The exchange will need to have excellent training and brokers who understand the language, and a relationship between the person selling the product and the person buying the product.
- Requires both the supply and demand side of the equation, with a variety of carriers and robust networks. Insurance companies do see an opportunity in participating and request a competitive and fair marketplace both inside and outside of the exchange, but a shortage of plans is unlikely.
- Include prescriptions in the plans, along with dental and mental health.
- It needs to be sustainable and viable by attracting and keeping enough people, and navigators are necessary to help people make the best decision and provide the service after the sale.
- Provider networks will still be a function of the carriers that will be participating.

Gretchen gave a [presentation](#) of feedback gathered from previous forums, and asked for additional comments.

- The application process needs to be easy and available some way besides the internet – not all people like buying online.
- People will be changing income levels, households, and so on, and we need to be sure that people are aware of how changes may affect their eligibility. Tax return will be the report on income, and thus, the qualification for subsidies.
- Balance the stakeholders in the decision process, and keep the politics out of the process.
- There is good information about how Utah's exchange has interacted with insurers and brokers.

What should the governance structure look like?

- There need to be strong conflict of interest provisions. Governing body should reflect purchasers.
- The carriers have their own risk pools, so separate risk pools would mean the distinction between individuals and small businesses. One exchange initially, with two separate pools.
- Needs an enforcement mechanism, possibly open enrollment, to avoid adverse selection by individuals buying in to a plan for a major surgery and then dropping out and paying the penalty.
- Multi-state is concerning on the delivery side, as is a level playing field across the country.
- Need a certification process for plans and for navigators.

Financing

- Planning grant awarded to Colorado, and operational funds available later to get up and running.
- The exchange will need to be self-sustained by January 1, 2015 in terms of administrative costs.
- Perhaps a quoting engine to offer a portal to brokers to do business through the exchange.
- Envisioned mostly as a virtual enterprise, with a lot of work outsourced to other companies who already do this type of work. There are some people who think that government should run this process, but private companies sometimes do things faster and more efficiently; government as the actual authority.
- It cannot be a private, for-profit entity.
- Picture somewhere between Massachusetts and Utah in terms of size and infrastructure.
- The revenue ultimately comes from dozens of different places, such as tanning bed taxes and fraud and abuse recoveries.

The last forum for this year will be held on Friday, October 29, 2010 in Greeley, Colorado.