

Health Benefit Exchange Regional Advisory Committee Meeting

November 29, 2012

Agenda

- Welcome & Introductions
- Exchange Updates
- SHOP Exchange Presentations
 - Analysis of Design and Operation - [KPMG](#)
 - SHOP Enrollment Web Prototype - [Bill Kerr](#)
- Question and Answer Session
- Closing Remarks

Exchange Updates

- Exchange Blueprint submitted on 10/26/12
- Level 2 Establishment Grant submitted 11/20/12
- UX2014 demonstration
- New Health Benefit Exchange Website

Crosswalk of Policy Issues to Blueprint and HHS Submissions

Policy Area	Related Documents
Merger of Individual and Small Group Markets	-----
Small Group Size	Blueprint Section 6
Risk-Adjustment and Reinsurance	Blueprint Section 5
Insurance Brokers	Blueprint Section 2
Navigator Program	Blueprint Section 2
Qualified Health Plan Certification	Blueprint Section 4
Essential Health Benefits	October 1 Letter to HHS

http://www.healthcarereform.ny.gov/health_insurance_exchange/blueprint_documents/



New York Health Benefit Exchange

THE OFFICIAL HEALTH EXCHANGE FOR NEW YORK STATE

[HOME](#)[WHAT IS AN EXCHANGE?](#)[INFO FOR YOU](#)[NEWS & EVENTS](#)[RESOURCES](#)

Q&A for Small Businesses

We expect that overall costs for small businesses will be reduced by 5%. The Exchange will lower the cost of health insurance for small businesses because it will spread administrative costs across more employers.

[READ MORE »](#)

SLIDE 2 OF 3



✓ On Oct 1, 2012

NYS formally submitted its selection of an Essential Health Benefits benchmark plan to Health and Human Services...

[Click here for details](#)

📅 Latest News & Events

- OCT 1, 2012** Essential Health Benefits (EHB) - Benchmark Plan Selection
- SEP 25, 2012** Design Review Documents Submitted to HHS
- SEP 25, 2012** Health Benefit Exchange Regional Advisory Committees

[View The Full List »](#)

🏠 Individuals & Families

The Exchange will help you and your family

🏢 Small Business Owners

The Exchange will provide affordable

🏢 Stakeholders

The Exchange seeks input from all



New York Health Benefit Exchange

THE OFFICIAL HEALTH EXCHANGE FOR NEW YORK STATE

About Us | Enrollers | Espanol

- HOME
- WHAT IS AN EXCHANGE?
- INFO FOR YOU
- NEWS & EVENTS
- RESOURCES**

Resources

Home » [All Items] » Presentations & Videos

Sep 7, 2012

September 7, 2012 Exchange Stakeholder Meeting: Utilizing the Exchange to Decrease Health Disparities



On September 7, 2012, the Health Benefit Exchange convened stakeholders to discuss the ways in which the exchange can be used to decrease existing health disparities in NYS.

Resource Type: Presentations & Videos

Aug 2, 2012

August 2, 2012 Exchange Stakeholder Meeting: Milliman Study of Essential Health Benefits



On August 2, 2012, the Health Benefit Exchange convened stakeholders to discuss preliminary results from Milliman's study of Essential Health Benefits.

Resource Type: Presentations & Videos

Audience

- Stakeholders (8)
- Individuals & Families (5)
- Small Business Owners (4)

Type

- (-) Presentations & Videos

Year

- 2012 (6)
- 2011 (2)



New York Health Benefit Exchange

THE OFFICIAL HEALTH EXCHANGE FOR NEW YORK STATE

[HOME](#)[WHAT IS AN EXCHANGE?](#)[INFO FOR YOU](#)[NEWS & EVENTS](#)[RESOURCES](#)

Individuals & Families

[Home](#) » [Info For You](#)[FAQs](#) [News & Events](#) [Resources](#)[Share this Page >>](#)

What Steps do I Need to Take?

Starting in October 2013, you will be able to shop for and enroll in health insurance through the Exchange for coverage that begins on January 1, 2014.

Key Dates

November 16, 2012

Blueprint application due to HHS for Exchange certification

October 1, 2013

Exchange begins accepting insurance coverage applications

January 1, 2014

Helping Individuals and Families Afford Insurance

If you do not have health insurance or your health insurance costs too much, you can enroll in health coverage through the New York State Health Benefit Exchange starting October 1, 2013. If you need health insurance coverage immediately, New York State has several programs available that may help. Click [here](#) for more details.

FAQs for Individuals & Families



New York Health Benefit Exchange

THE OFFICIAL HEALTH EXCHANGE FOR NEW YORK STATE

Search

[HOME](#)[WHAT IS AN EXCHANGE?](#)[INFO FOR YOU](#)[NEWS & EVENTS](#)[RESOURCES](#)

Small Business Owners

[Home](#) » [Info For You](#)[FAQs](#) [News & Events](#) [Resources](#)[Share this Page >>](#)

What Steps do I Need to Take?

Starting in October 2013, you will be able to use the Exchange to provide your employees health insurance coverage that begins on January 1, 2014.

Have a Question?

Select your county and find contacts to help you find coverage now.

See all counties [Apply](#)

Giving Small Businesses More Power

The Exchange is a tool for small businesses to have a better choice of health insurance policies and insurers at a lower cost, the way larger employers do now. Small businesses that purchase coverage through the Exchange will be able to pool together. This will help lower administrative costs compared to choices available in the small business market today.

Tax credits for Providing Health Insurance

Small businesses that use the Exchange to provide health insurance to their employees



cutting through complexity

New York State Health Benefit Exchange

Regional Advisory Council

SHOP Update

November 29, 2012

kpmg.com



Table of Contents

Agenda

- Introductions
- SHOP Implementation Timeline
- SHOP Policy Analysis Scope and Approach
- SHOP Value-Add and Realization for Stakeholders
- Additional SHOP Topics
- Summary
- Questions

Introductions

With you today from the KPMG team:

- **John Druke**, Principal
- **David Gmelich**, Director
- **Bob Carey**, Project Partner
- **Deirdre Brodie**, Senior Associate

New York SHOP Implementation Timeline

2010

- August: NYS Exchange Planning and Research begin

2011

- February: Early Innovator Grant received
- August: Level 1 Establishment Grant received (#1)

2012

- February: Level 1 Establishment Grant received (#2)
- April: Exchange established via Governor's Executive Order 42
- July: System Integrator retained for Exchange Implementation
- August:
 - Level 1 Establishment Grant received (#3)
 - **KPMG SHOP policy research begins**
 - **External consultant small employer research begins**
- October: **NY submits Exchange Blueprint**
- November:
 - **Broker Training & Certification curriculum development begins**
 - Level 2 Establishment: Grant application submitted
- December: **KPMG & other consultant SHOP research complete**

2013

- Winter: **Health Plan invitation issued**
- Spring:
 - **Small Business outreach begins**
 - **Exchange and SHOP enrollment applications approved**
- Summer:
 - **SHOP premium aggregation functionality established**
 - **Broker and Navigator certification and training begins**
 - **IT SHOP system build complete**
 - **Exchange advertising campaign begins**
- September: **Customer Service Center and website go live**
- October: **Open enrollment begins**

2014

- January: **Coverage effective date**
- Ongoing: **Small Employer open enrollment**
- October – December: **Open enrollment**

Objective of SHOP Policy Analysis

Project Objective:

Facilitate the State's analysis, decision making, and further planning to help specify the business requirements and supporting processes for the SHOP.

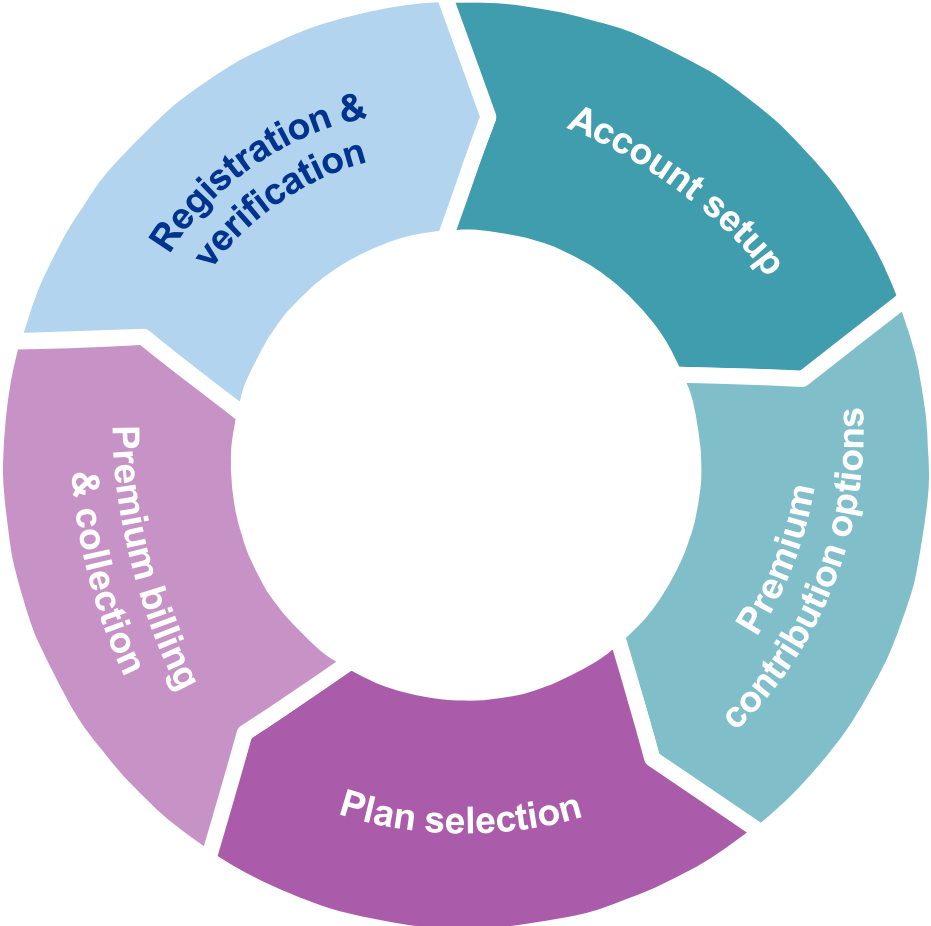
KPMG assisted the SHOP Working Group by performing the following:

- Reviewing key documents
- Performing focus interviews with State officials
- Reviewing pertinent federal and NYS laws and guidance
- Researching comparable state examples and precedents
- Assessing and analyzing data collected

SHOP Policy Analysis – Stakeholder Perspective Approach



Employer Value Realization



Employer Value Realization (continued)

Registration & Verification

- Standard employer application requiring only essential information will be submitted online, in person
- NYS-45 will be used to verify the employer's eligibility to purchase coverage
- Electronic validation is being explored as an alternative

Account Setup

- Employers will upload their employee census, which will capture:
 - Name, address, and SSN of all eligible employees
 - Employee participation in the insurance plan (or waiver coverage if applicable)

Premium Contribution Options

- No minimum contribution towards employee premiums required
- Employers will determine premium contributions by one of the following:
 - Defined percent
 - Defined percent up to a maximum cap
 - Fixed dollar amount (i.e., defined contribution)

Employer Value Realization (continued)

Plan Selection

- **Broad range of plan selection options should be offered**
- **Employers will enter a limited amount of data to generate premiums and compare plans, including:**
 - **Employer zip code**
 - **Total number of employees participating in the group health plan**
 - **Number of participating employees purchasing each rate basis type**

Premium Billing and Collection

- **One monthly employer bill will cover all employees, insurers, and plans**
- **The Exchange's premium processing system will need to accommodate employee choice and list billing while allowing for enrollment reconciliation monthly and rate changes as needed**

Customer Service

- **Assistance will be available via the website, phone and in person**

Producer Value Realization



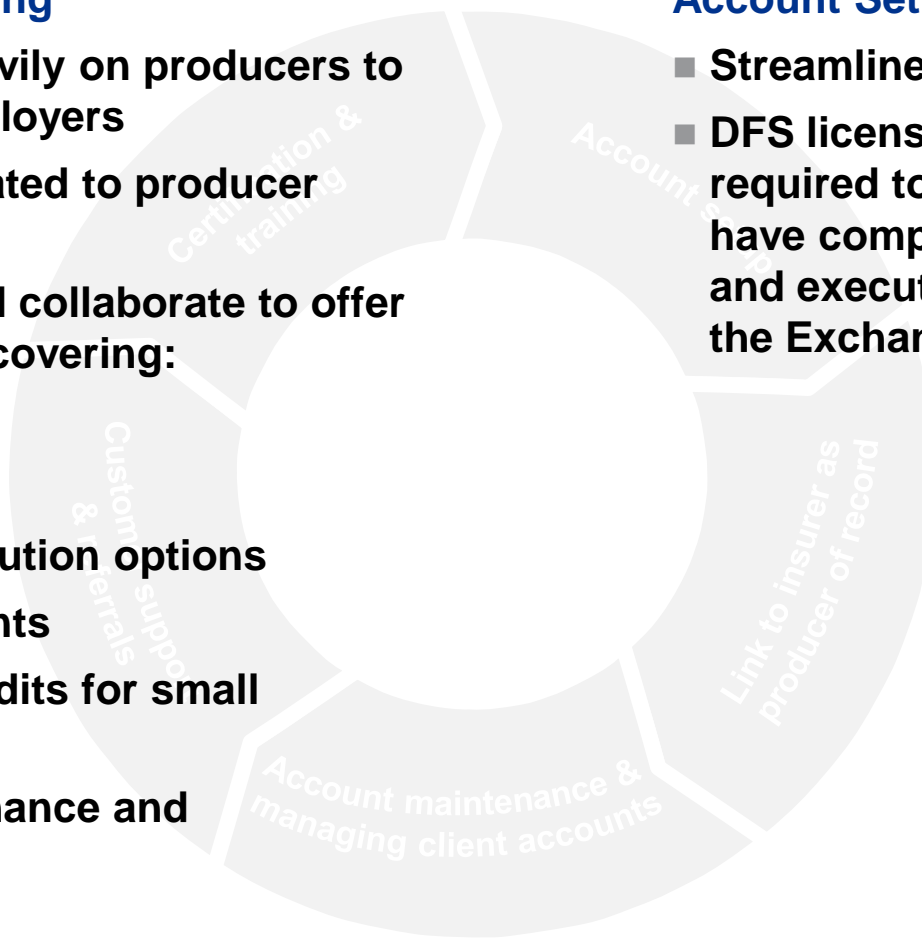
Producer Value Realization (continued)

Certification & Training

- **SHOP will rely heavily on producers to support small employers**
- **Staff will be dedicated to producer relations**
- **SHOP and DFS will collaborate to offer producer training covering:**
 - Available QHPs
 - QHP selection
 - Premium contribution options
 - Premium payments
 - Available tax credits for small employers
 - Account maintenance and management

Account Setup

- **Streamlined account setup**
- **DFS license number will be required to verify that producers have completed SHOP training and executed an agreement with the Exchange**



Producer Value Realization (continued)

Compensation for Producers of Record

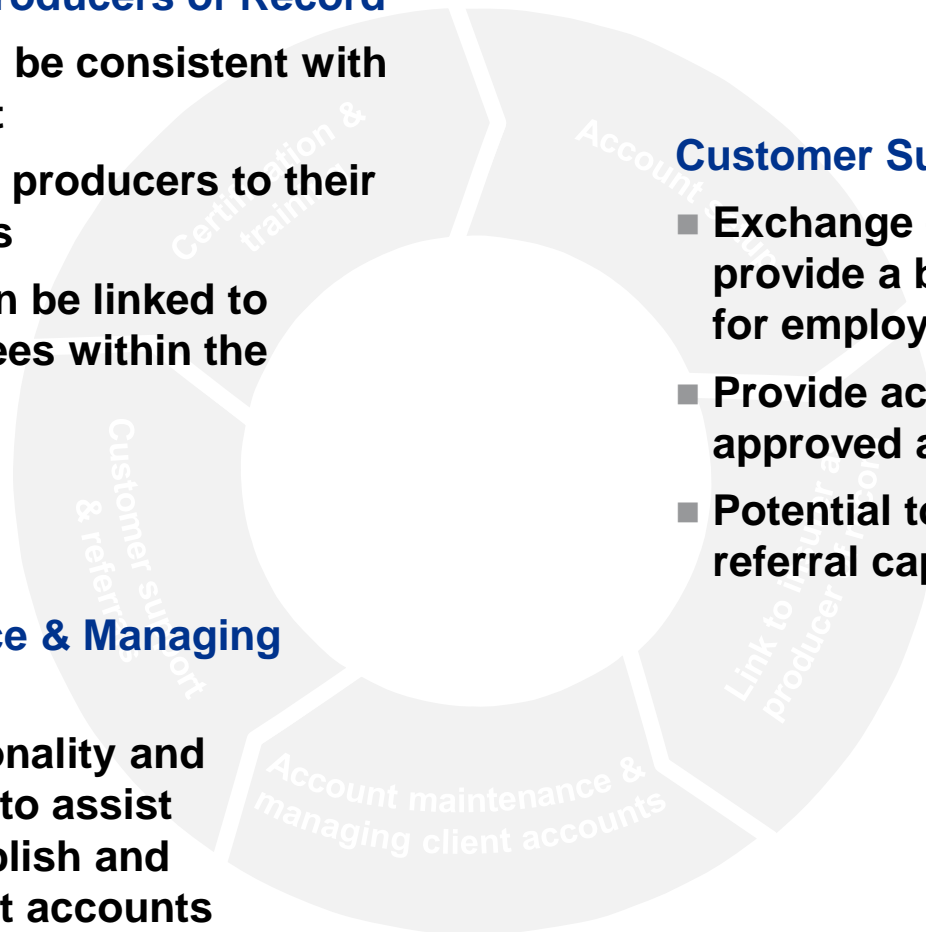
- Compensation will be consistent with the outside market
- The SHOP will link producers to their employer accounts
- Producers will then be linked to individual employees within the employer account

Account Maintenance & Managing Client Accounts

- Web-based functionality and customer support to assist producers to establish and manage their client accounts

Customer Support & Referrals

- Exchange call center should provide a basic level of support for employers and brokers
- Provide access to a list of SHOP approved assistors
- Potential to build a producer referral capacity in the future



Insurer Value Realization



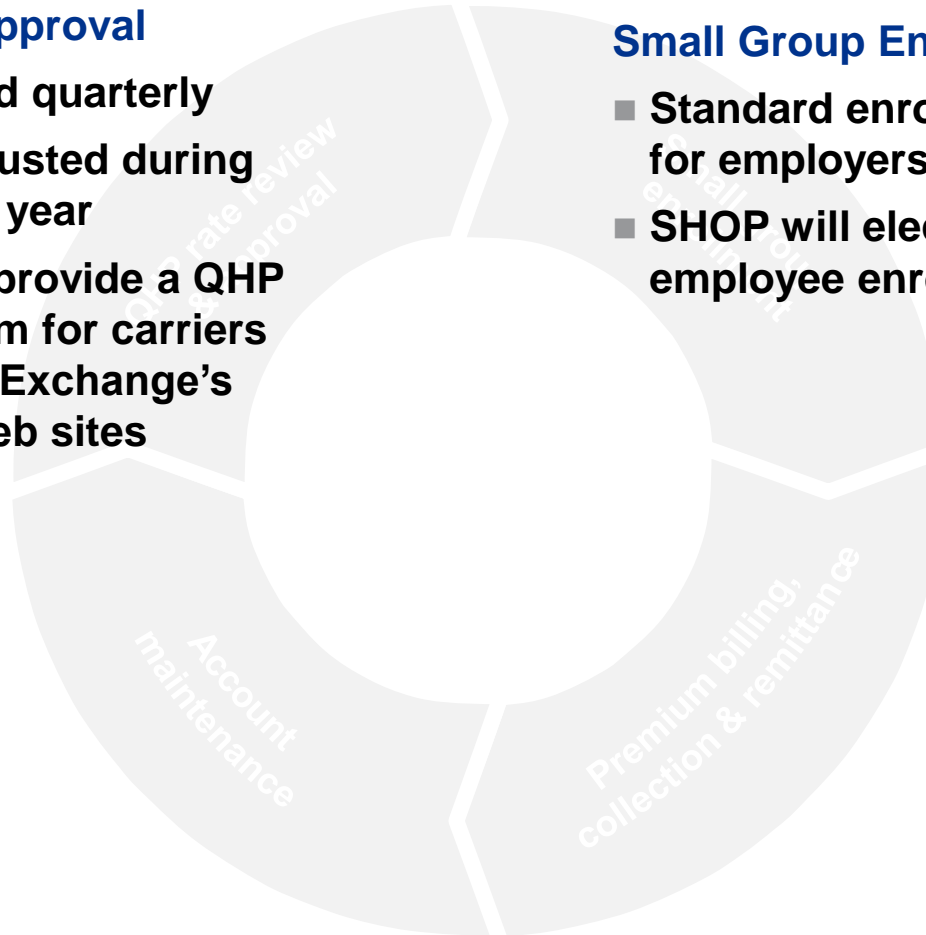
Insurer Value Realization (continued)

QHP Rate Review & Approval

- Rate can be adjusted quarterly
- Rates cannot be adjusted during the employer's plan year
- SHOP and DFS will provide a QHP rate justification form for carriers to be posted on the Exchange's and the insurer's Web sites

Small Group Enrollment

- Standard enrollment form and process for employers and their employees
- SHOP will electronically facilitate employee enrollment in QHPs



Insurer Value Realization (continued)

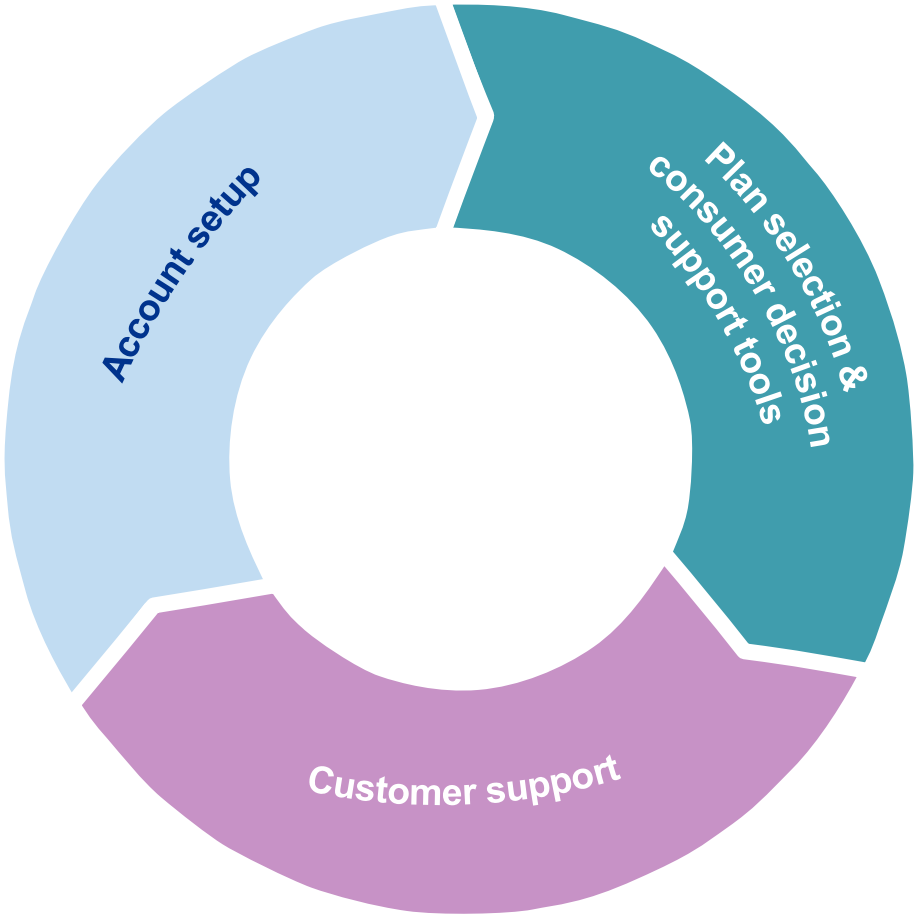
Premium Billing, Collection & Remittance

- The SHOP should establish policies and processes pertaining to:
 - collection and transfer of premium payments from employers to carriers
 - timing of transfers to effectuate enrollment
 - the monthly due date for receipt of employer payments and subsequent transfer to carriers
 - policies, procedures, and notifications regarding late payment and termination for nonpayment of premiums
- SHOP should provide Insurers with this information in advance of the open enrollment period

Account Maintenance

- QHP issuer and SHOP enrollment files will be reconciled monthly
- Enrollment and premium processing systems will coordinate the transfer of enrollment and premiums to the QHP issuers

Employee Value Realization



Employee Value Realization (continued)

Account Setup

- **Standard enrollment form collecting the following data:**
 - **Name, home address, and date of birth**
 - **Rate basis type**
 - **Names and dates of birth of covered spouse and dependents, if applicable**
- **SHOP should develop automated business processes for employee notifications**

Plan Selection & Consumer Decision Support Tools

- **IT systems and customer support services should provide flexibility to weigh coverage options**
- **Coverage options should be displayed in a user-friendly manner**
- **Plan information will be available on the SHOP Web portal**

Customer Support

- **Customer support services should resemble those offered through the individual Exchange**

SHOP Oversight, Monitoring & Reporting

Oversight & Monitoring

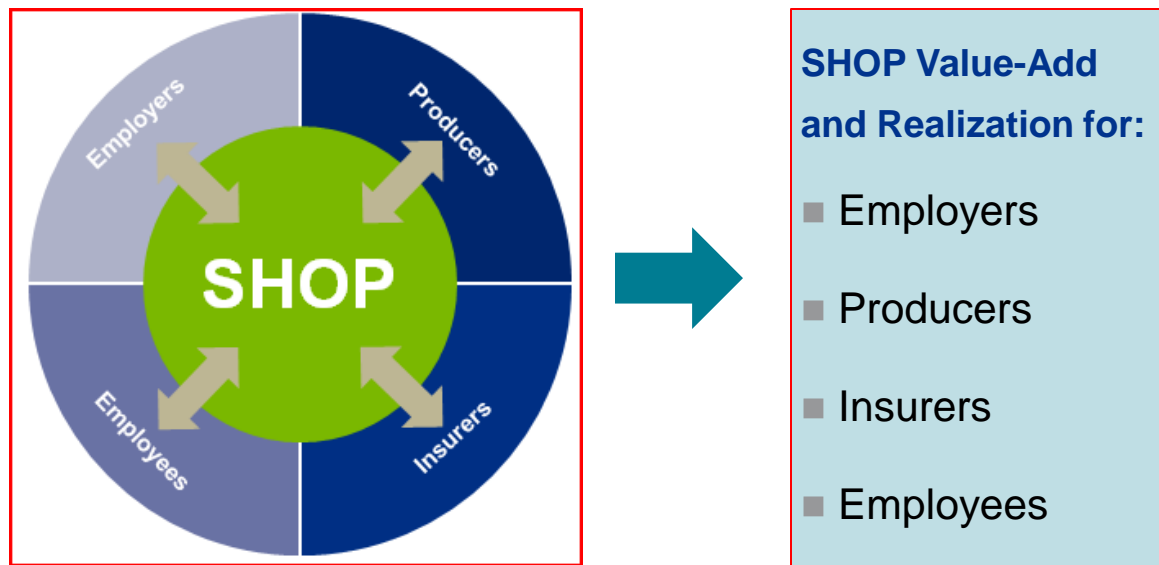
- The SHOP should establish a process to track, update, and integrate regulatory changes into its systems
- To stay competitive, the SHOP will also need to reflect changes happening in the commercial insurance market and adjust its plan offerings accordingly

Reporting

- The SHOP has minimum reporting requirements and an opportunity to add value for all constituencies if appropriate information is collected in an easily retrievable format
- The State should define and track progress towards specific performance goals using available State databases or creating new repositories

Summary

- SHOP Implementation Timeline
 - October 1, 2013: Open enrollment begins
- SHOP Policy Analysis Scope and Approach
 - Facilitate the State’s analysis, decision making, and further planning to help specify the business requirements and supporting processes for the SHOP.
- SHOP Value-Add and Realization for Stakeholders



Questions?

Appendix

Appendix 1- Additional Topics

Appendix 2- KPMG's Three Value Lens Approach

Appendix 3- KPMG's Team

Appendix 1- Additional Topics

Section 125 Plans

- The SHOP should consider facilitating the use of Section 125 plans to help employees and employers reduce coverage costs
- Include on its Web site information on the value of a cafeteria plan or POP plan, how to set one up, and links to additional pertinent IRS resources
- Develop a Section 125 plan document template for a POP plan that employers could download and complete

Off-Cycle Enrollment

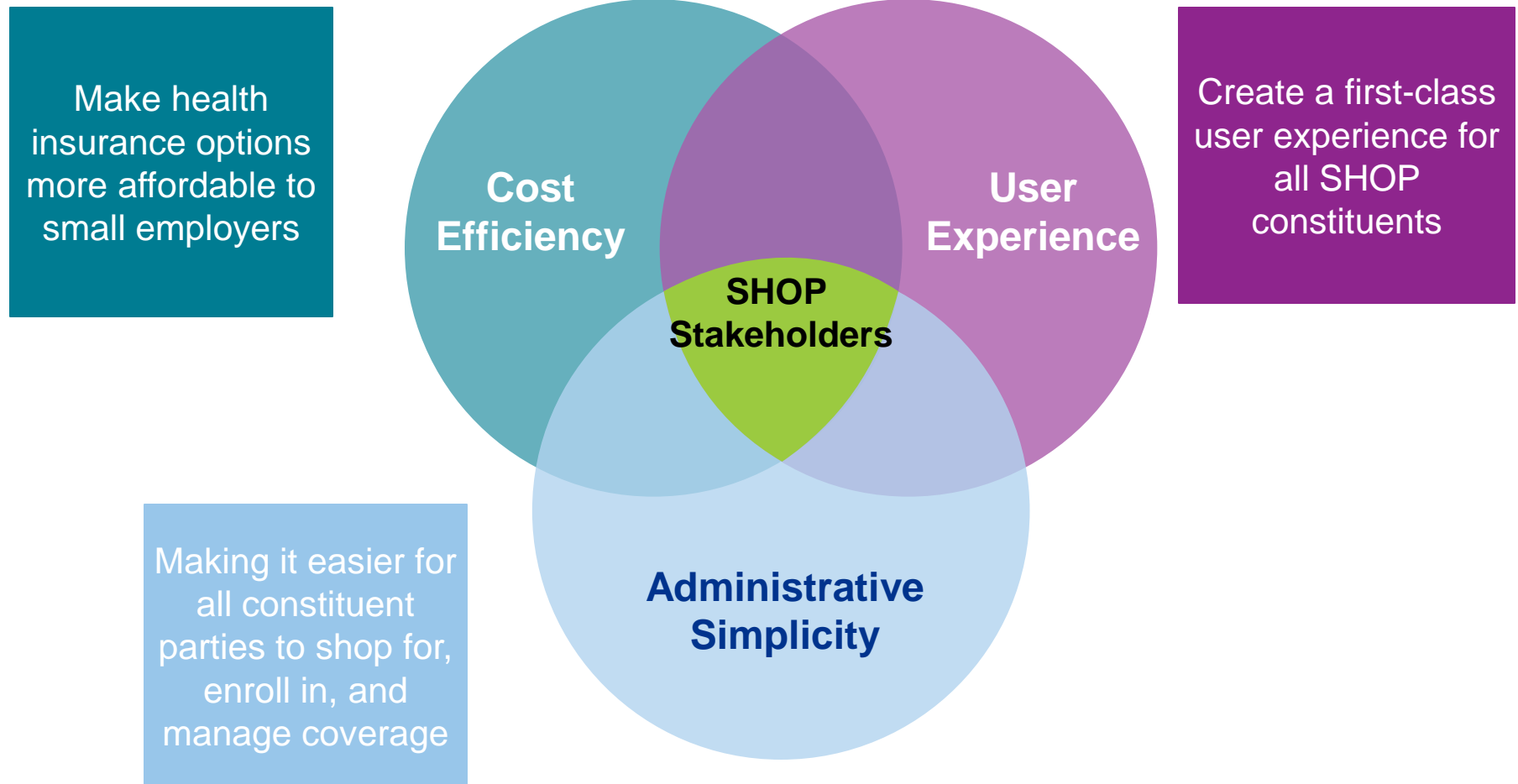
- As part of the QHP solicitation, the SHOP will include all events that can trigger a special enrollment period and require QHP issuers to accommodate these
- The enrollment and premium processing systems will allow employers and producers to add newly eligible employees and modify currently-enrolled employee plan selection and coverage

Notifications

- The ACA requires numerous regulations to be sent and/or received by the SHOP itself, employers, employees, and insurers
- SHOP stakeholders will need to understand these dependencies, the required timelines, and their resultant responsibilities

Appendix 2- KPMG's Three Value Lens Approach (continued)

Three Value Lenses



Appendix 3 – The KPMG Team

John Druke, Partner

John is KPMG’s Management Consulting Lead Partner for the State of New York. He focuses on the health and human services domain, specializing in strategic planning, project management, requirements analysis, business process analysis, project risk management, quality assurance, and information security. John led KPMG’s Health Benefit Exchange SHOP analysis for New York State.

David Gmelich, Director

David Gmelich is a Director in KPMG’s Advisory practice with over 20 years of professional experience serving federal, state, and local government clients. His related PPACA advisory experience includes HBX cost analysis, operational planning, and business technical requirements documentation assistance in multiple states. David served as the Project Manager for this SHOP Policy Analysis on behalf of New York State.

Bob Carey, Project Partner

Bob is a health and welfare benefits consultant currently assisting a number of states in planning, designing and implementing health benefit exchanges. He draws his experience from his previous positions as Director of Planning and Development for the Commonwealth Health Insurance Connector Authority and the Director of Policy and Program Management for the Massachusetts Group Insurance Commission.

Deirdre Brodie, Senior Associate

Deirdre is a senior associate in the Management Consulting practice in our Albany office. She specializes in human services design, implementation, and evaluation with an emphasis on health benefit exchange work. She has recently worked on exchange regulatory standardization across KPMG’s State clients, including New York, Rhode Island and Vermont. Deirdre served as the Lead Analyst on this project.



cutting through complexity

© 2012 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.
NDPPS 105076

The KPMG name, logo and “cutting through complexity” are registered trademarks or trademarks of KPMG International.

SHOP Enrollment Prototype

- Demonstration of hCentive “Out-of-the-Box” will be customized for New York
- To be used by:
 - employers to create accounts, choose plans and allow employees to enroll
 - by employees to enroll in a health plan
- Producer portal to be shared at later date

Questions



Summary

- Full KPMG report released soon.
- Meeting video will be posted to website www.HealthBenefitExchange.ny.gov
- Future Advisory Committee Meetings announced shortly for early 2013
- Send additional comments to us at:
ExchangeRAC@health.state.ny.us