

Update for Agents and Brokers: New York Health Benefit Exchange

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March 22, 2013

Goals

- Provide an update on the Exchange, share new information and facilitate broker engagement
- Introduce a series of interactive webinars to prepare for your participation in the Exchange
- Encourage your use of the Exchange website as a tool for staying informed

Agenda

- Current Market State
- What is an Exchange
- Urban Institute Data - **NEW**
- New York SHOP Design - Wakely Consulting Analysis
- Preparing Brokers to Participate in the SHOP Exchange
 - Policy decisions
 - Administrative overview
 - Broker engagement
 - Certification
 - Ongoing education and communication
- Exchange Timeline

New York's Uninsured

- Today nearly 2.7 million New Yorkers under age 65, about 16 percent, do not have health insurance coverage
- Primarily workers and their families
- Uninsured people forego necessary care due to costs
- Taxpayers and the insured shoulder the burden of paying for the care of the uninsured

What is an Exchange?

- Organized marketplace
 - Easily compare health plan options
 - Makes available tax credits and cost-sharing subsidies
 - Easily enroll in Qualified Health Plans (QHPs)
- Two programs
 - “Individual Exchange“
 - “Employer Exchange“ called the Small Business Health Options Program (SHOP)

Functions of the Exchange

Eligibility and Enrollment

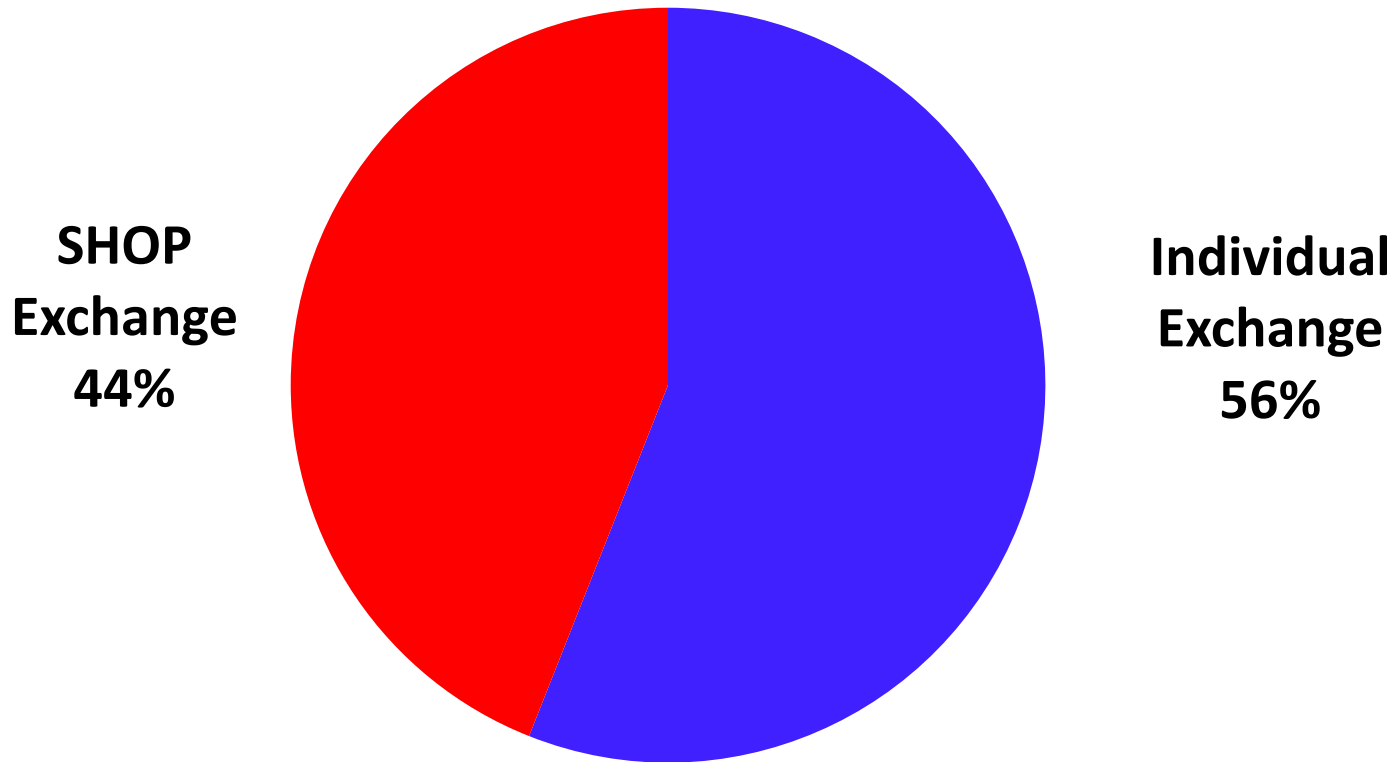
- toll-free telephone hotline
- web portal for eligibility determination and enrollment
- ability to calculate the actual cost of coverage after individual tax credits and cost sharing reductions
- certify individuals as exempt from individual responsibility

Certify Qualified Health Plans (QHPs)

- Make available qualified health and dental plans to eligible individuals and employers
- Assign a quality rating and actuarial value to each QHP offered through the Exchange
- Require QHPs to offer Essential Health Benefits
- Ensure adequacy of plan networks

New York Health Benefit Exchange

Total Exchange Enrollment



N = 1 million people

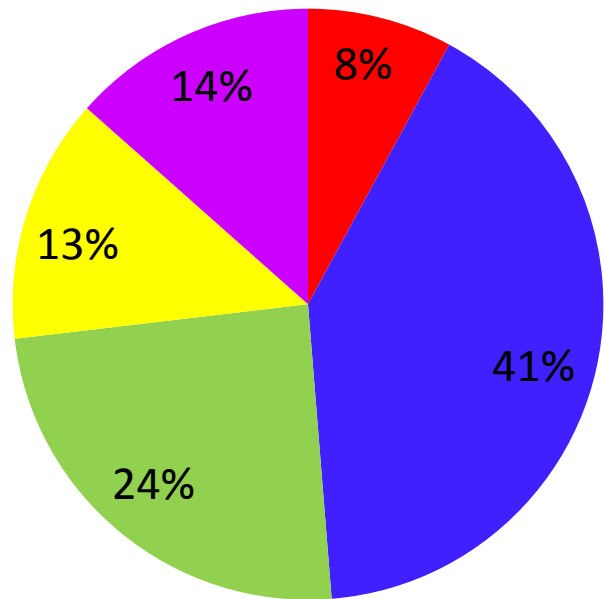
Note: The results in this report assume small employer size is set to 100 employees, non-group and small group markets remain separate, and that Basic Health Plan is not implemented, consistent with modeling assumptions for "Alternative 1" in the March 2012 report.

Source: Urban Institute, Characteristics of Nonelderly New Yorkers Likely to Enroll in the Health Insurance Exchanges Under the Affordable Care Act, February 2013.

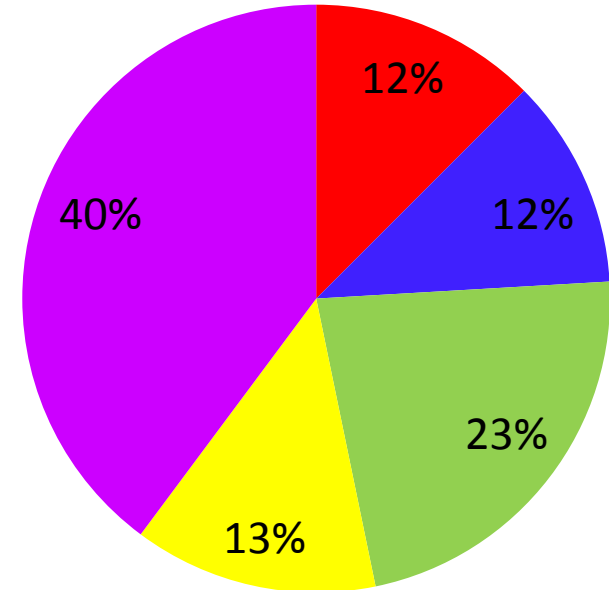
New York Health Benefit Exchange

Enrollee Characteristics, by Income

Individual Exchange



SHOP Exchange



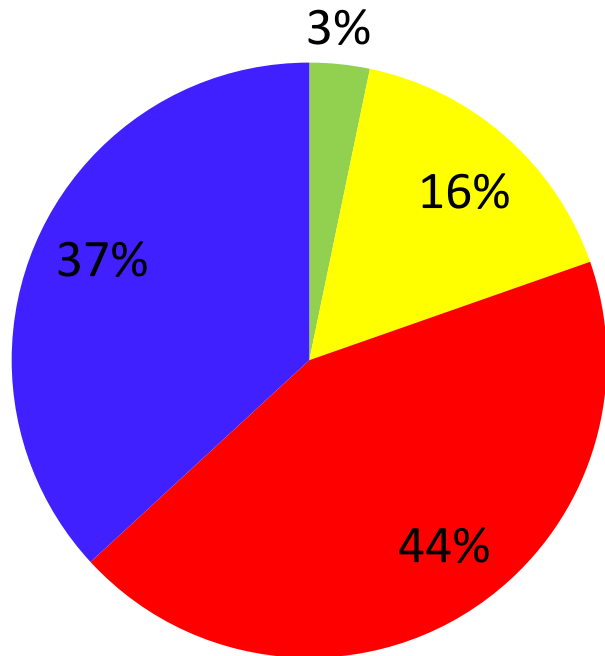
- Under 138% FPL
- 138-200% FPL
- 200-300% FPL
- 300-400% FPL
- Above 400% FPL

New York Health Benefit Exchange

Enrollee Characteristics, by Age

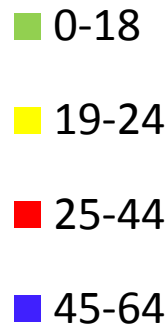
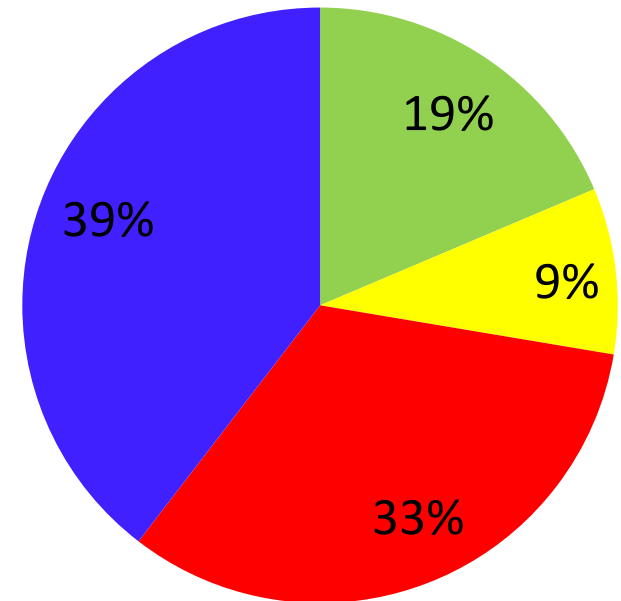
Individual Exchange

N = 560,000



SHOP Exchange

N = 430,000



Note: The results in this report assume small employer size is set to 100 employees, non-group and small group markets remain separate, and that Basic Health Plan is not implemented, consistent with modeling assumptions for "Alternative 1" in the March 2012 report.

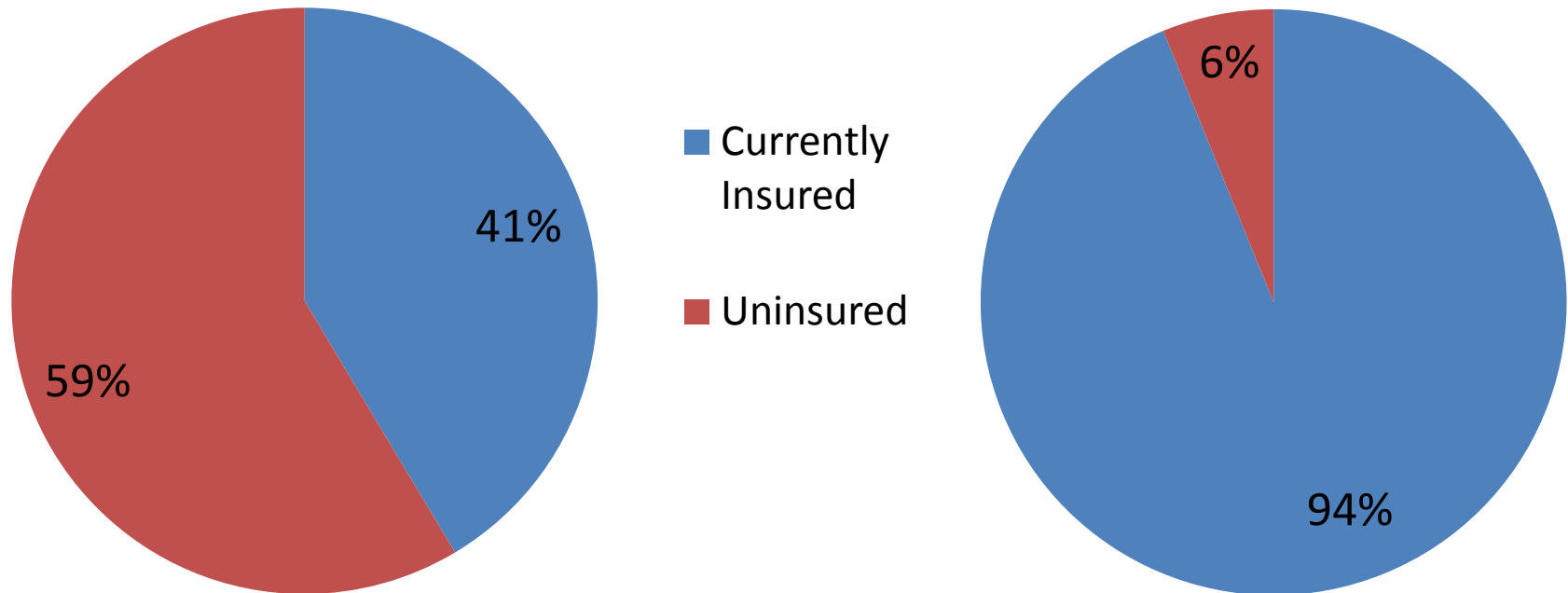
Source: Urban Institute, Characteristics of Nonelderly New Yorkers Likely to Enroll in the Health Insurance Exchanges Under the Affordable Care Act, February 2013.

New York Health Benefit Exchange

Enrollee Characteristics, by Coverage Status

Individual Exchange
N = 560,000

SHOP Exchange
N = 430,000



Note: The results in this report assume small employer size is set to 100 employees, non-group and small group markets remain separate, and that Basic Health Plan is not implemented, consistent with modeling assumptions for "Alternative 1" in the March 2012 report.

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Wakely Study – Value Propositions

Choice

- Employers and employees regard expanded choice as a key advantage to using the Exchange.

Administrative Simplicity

- The Exchange provides monthly billing to employers along with other administrative simplifications.

Tax Credits

- The Exchange will be the exclusive place to access small business tax credits in 2014.

Defined Contribution

- 76% of respondents believe this feature helps predict costs.

Key Policy Decisions Related to the SHOP Exchange

- Small Group Market Size
 - 2-50 in 2014
 - Must raise to 100 by 2016
- Market Merger - Individual and Small Group Markets
 - Not a federally required decision
 - NY will leave markets as is for 2014
- Benchmark Plan Selection
 - All QHPs have to offer the benchmark plan in each metal tier
 - Additional non-standard plans may be offered; all must include Essential Health Benefits

QHP Metal Tiers

Enrollees have choice of QHP coverage levels:

- Platinum – 90% actuarial value
- Gold – 80% actuarial value
- Silver – 70% actuarial value
- Bronze – 60% actuarial value
- Catastrophic plan available only for people under 30, or those with a financial or hardship exemption.
 - Sold only in the individual Exchange

Administrative Simplicity

- Exchange provides employers a single monthly bill
 - Monthly bill will include relevant breakdown of employer/employee contribution due to each QHP (employers remain responsible for collecting premiums from employees).
- Exchange collects employer contributions and remits payment to insurers
- Employers using the Exchange may be eligible for Small Business Health Care Tax Credit

Small Business Health Care Tax Credit

- Internal Revenue Code - 45R
- Exchange provides real-time estimate of credit at time of application for those who qualify
- Available to small business with fewer than 25 employees and average salary of \$50k or less
- Maximum credit
 - 50% of employer contribution
 - 35% for tax-exempt (10 or fewer employees and average annual salary of \$25k or less)
- Advised to work with tax advisor for tax information

Employer Coverage and Contribution Options

Employer Coverage Options	Employer Contribution Options
<ol style="list-style-type: none">1) Select among QHPs offered by a specific carrier2) Select specific QHPs offered by multiple carriers3) Select a metal tier of coverage4) Allow employees to select any Exchange QHP	<ol style="list-style-type: none">1) Uncapped percentage <i>(e.g., employer pays 55% of premium)</i>2) Capped percentage <i>(e.g., employer pays 55% of premium, up to \$300)</i>3) Defined dollar amount <i>(e.g., employer pays \$300/month)</i>

Customer Assistance and Enrollment Support

Online

- Through the Exchange portal (Broker and Employer portals)
- Process new applications and renewals

In-Person

- Brokers
 - List of certified brokers will be available on the website
- In-Person Assistors/Navigators

Phone and Mail

- Call center capability in English, Spanish and TDD
- Language Line available for additional languages
- Written materials in several languages and Braille

Broker Engagement

- Brokers will be a primary distribution channel for small group enrollment in the SHOP
 - 88% of NYS small group coverage currently sold through brokers
- Brokers also can choose to become certified to sell products in the individual Exchange
- Brokers will have the support of a dedicated online portal to facilitate applications and renewals
 - Broker can also serve as employer proxy in employer portal
- Exchange will support brokers with a full customer service center
- Commissions will be paid directly from carriers

Getting Started: SHOP Education and Certification

- Curriculum delivered in cooperation with NYS Department of Financial Services
- Continuing Education credit eligible
- Satisfactory completion of curriculum and written exam required
- Execute broker agreement with the Exchange
- Curriculum available mid-summer 2013

Getting Started: Individual Exchange Education and Certification

- Offers an opportunity to gain additional expertise related to the individual market
- Curriculum focuses on public program eligibility
- Emphasis on individual tax credit qualification
- Curriculum available mid-summer 2013

Next Steps for Broker Engagement

- Exchange will offer a series of web-based informational meetings for brokers
- Topics will include:
 - Employer/broker portal overview
 - Education and certification requirements
 - Results of Health Plan Invitation
 - Participating carriers, QHPs, benefit summaries, rates
- Regular updates via website and email alerts

Exchange Timeline

- ✓ Executive Order Issued - April 2012
- ✓ NY completes HHS Design Review - October 2012
- ✓ NY submits Blueprint to HHS – November 2012
- ✓ NY receives conditional certification from HHS to operate a state-based Exchange -December 2012
- HHS conducts design review – April 2013
- Rollout of broker training and certification – Summer 2013
- QHPs selected for participation in 2014 - July 2013
- IPA/Navigator Program begins – August 2013
- Customer Service Center opens for business – September 2013
- Advertising campaign begins – September 2013
- Applications accepted – October 2013
- Coverage starts – January 2014

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Get regular updates at:

www.HealthBenefitExchange.ny.gov