

New York Health Benefit Exchange

Update on State Implementation of Federal Health Care Reform

Danielle Holahan

Lisa Sbrana

New York State Health Benefit Exchange Planning

June 15, 2012

New York's Uninsured

- Nearly 2.7 million New Yorkers under age 65, about 16 percent, do not have health insurance coverage
- Most uninsured are workers and their families who earn too much to qualify for public programs, but not enough to buy coverage
- Uninsured people forego necessary care due to costs
- Taxpayers subsidize the cost of care provided to the uninsured by hospitals
- Insured individuals pay for part of the cost of caring for the uninsured through higher premiums

Small Businesses

- There are 400,000 small businesses in New York – the engines of economic growth generating 2/3 of all new jobs
- In the past decade, nearly 800,000 New Yorkers have lost employer-sponsored coverage
- In addition to preventing small businesses from offering coverage to their employees, the high cost of insurance undercuts their capacity to attract and retain quality employees and impedes their ability to grow, create jobs and attract and retain qualified employees

Federal Law

- Under the Patient Protection and Affordable Care Act (ACA), a Health Benefit Exchange will operate in every state beginning on January 1, 2014
- Each state has the option to create its own Exchange; but if it does not, the federal government will operate the Exchange in that state
- State readiness will be evaluated by January 1, 2013

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
- Two programs
 - “Individual Exchange“
 - “Employer Exchange,” which is called the Small Business Health Options Program, or SHOP

ACA Provisions Specific to American Indians/Alaska Natives

- Monthly enrollment in Qualified Health Plans (QHP) through the Exchange
- Cost-sharing exemptions for enrollees in QHPs
 - All covered health care services if income below 300% FPL
 - All health care services regardless of income if received from or with a referral from an I/T/U provider
- Exemption from mandate to purchase minimum health coverage
- Possible Navigators and Essential Community Providers
- Tribal consultation process

Exchange Planning in New York

•Inter-agency Exchange Planning Team

- Led by the Governor's Office, with the Departments of Health and Financial Services
- Coordinates with IT Project Office
- Consults with other State agencies (Civil Service, OMH, OASAS, and Tax and Finance) on specific issues

•Stakeholder Input

- Regularly convene 125 stakeholders representing business, brokers, consumers, labor, local governments, plans, providers as well as state and legislative staff
- Present and discuss preliminary findings from Exchange policy studies

•Information Technology

- Conduct numerous IT design sessions to delineate the business requirements and processes for the Exchange IT system
- Systems Integrator to design and build New York's Exchange IT system

Executive Order 42

Establishing New York Health Benefit Exchange

- Establishes New York Benefit Exchange within the Department of Health
- Directs the DOH, in conjunction with the Department of Financial Services and other state agencies, to take all steps necessary to effectuate the Exchange
- Requires the Exchange to:
 - Facilitate enrollment in health coverage and the purchase and sale of qualified health plans
 - Enable eligible individuals and small businesses to receive federal tax credits
 - Convene regional advisory committees to provide advice and make recommendations
 - Become financially self-sustaining by January 1, 2015 as required by the ACA

The Timeline for Establishing the Exchange

- A state that chooses to operate an Exchange must demonstrate to the federal government by January 2013 that it will be ready to begin accepting applications by October 2013 and be operational by January 1, 2014
- Application process begins Summer/Early Fall 2012
- Requirements for Certification
 - Authority for state-based Exchange
 - Governance – Executive Leadership
 - Operational Readiness

Exchange Blueprint

Exchange Model Options:

- **State-Based Exchange (SBE):** operate all Exchange activities, but option to use federally-managed services for:
 - Premium tax credit and cost sharing reduction
 - Individual Mandate Exemptions
 - Risk adjustment
 - Reinsurance
- **Federal/State Partnership Exchange:** State operates: plan management, consumer assistance, or both
 - State choice to operate or use federally-managed: reinsurance & Medicaid/CHIP eligibility assessment/determination
- **Federally Facilitated Exchange:** State may perform or use federally-managed: reinsurance & Medicaid/CHIP eligibility assessment/determination

Exchange Blueprint

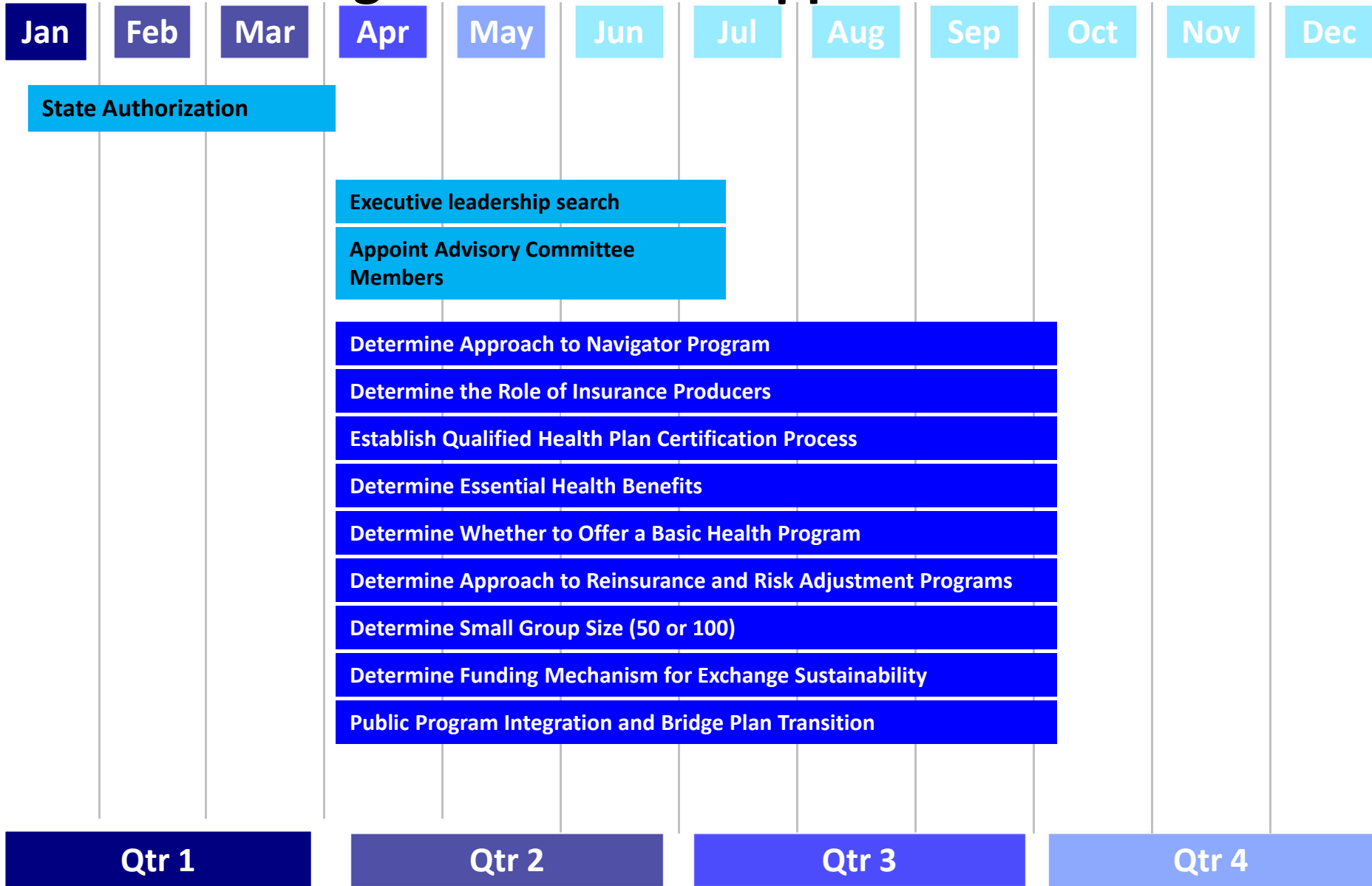
Process:

- SBE/Partnership: Submit Exchange Blueprint documenting how Exchange meets legal and operational standards
- Demonstrate operational readiness to execute Exchange activities
- Submit Exchange model **declaration letter**
 - Model chosen; decisions on federally-managed services; Governor's signature; point of contact
 - Due: Nov 16, 2012
- Submit **Blueprint Application:**
 - 13 activities
 - Attest to completion of Exchange activities or dates of expected completion
 - Describe processes and strategies
 - Attach reference files and summaries of results of test scenarios
 - Application process aligns with establishment grant review process
 - Due: Nov 16, 2012

Exchange Studies

Study	Consultant	Target date	Funding
Simulation Modeling	Urban Institute	Complete	Planning Grant
Market Merger & Group Size	Urban Institute	Complete	Planning Grant
Basic Health Plan	Urban Institute	Complete	Planning Grant
Benefit Standardization	Wakely Consulting	June 2012	RWJF
Reinsurance/Risk Adjustment	Wakely Consulting	June 2012	RWJF/NYSHF
Third Party Assisters	Wakely Consulting	June 2012	RWJF
Self-Sufficiency	Wakely Consulting	July 2012	Planning Grant
Essential Health Benefits	Milliman	June 2012	Establishment Grant
Insurance Markets	Health Management Associates	June 2012	Establishment Grant
Purchasing Role of Exchange	Wakely Consulting	July 2012	Establishment Grant
Continuation of State Health Programs	Deloitte Consulting	Aug 2012	Establishment Grant
Medicaid Policy Studies	Manatt Health Solutions	On-going	RWJF
	Health Management Associates	July 2012	Establishment Grant

State Exchange 2012 – Required Decisions for Exchange Certification Application to HHS



Next Steps - Discussion

- What is the best way to get information on the Exchange to you?
- Stakeholder meetings – who should be invited?
- Can we establish regular meetings/calls to discuss Exchange policy issues and the planning/implementation process?
- How should we move forward with the Tribal Consultation process?

Additional Information

Information on Exchange planning and implementation can be found at:

www.HealthCareReform.ny.gov

Contact information:

Lisa Sbrana: 212-417-5293; lbs05@health.state.ny.us

Danielle Holahan: 212-417-4991; dlh10@health.state.ny.us