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

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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
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
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 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

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

State Authorization

Executive leadership search
Appoint Advisory Committee Members

Determine Approach to Navigator Program
Determine the Role of Insurance Producers
Establish Qualified Health Plan Certification Process
Determine Essential Health Benefits
Determine Whether to Offer a Basic Health Program
Determine Approach to Reinsurance and Risk Adjustment Programs
Determine Small Group Size (50 or 100)
Determine Funding Mechanism for Exchange Sustainability
Public Program Integration and Bridge Plan Transition
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?
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