

A Health Insurance Solution By Mississippians, For Mississippians

Town Hall Meeting

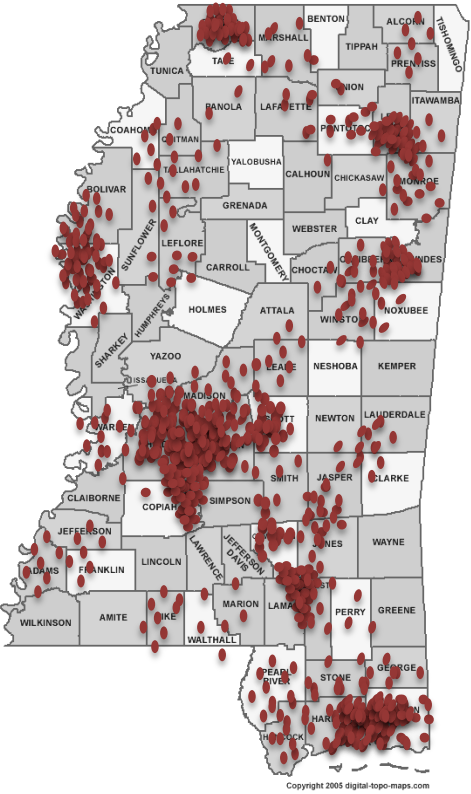
Who Are We?



- Mississippi Insurance Department**
- Mission: Encourage a competitive insurance marketplace and ensure Mississippians have the necessary consumer protections.**
- Commissioner: Mike Chaney**
- Holding town hall meetings across the state to talk about what Mississippi is doing to assist businesses with health insurance**

| | | |
|--------------|------------|-------------|
| Meridian | Clarksdale | Clinton |
| Starkville | Cleveland | Hattiesburg |
| Tupelo | Greenville | Gulfport |
| Olive Branch | Jackson | |
| Oxford | Pearl | |

The State of Mississippi is proactively seeking feedback to create health insurance solutions. Over one thousand small businesses and consumers across Mississippi have shared feedback in person, by mail, telephone, and online.



Who Participated

- Small Businesses
- Employees
- Business Associations
- Economic Development Leaders
- Consumer Advocates
- Legislators
- Health Care Providers
- Insurance Carriers
- Broker Representatives
- Policy Analysts

Town Hall Discussion Objectives

- 1** Provide context about the Affordable Care Act and the State of Mississippi health benefit exchange.
- 2** Share the findings from the Mississippi Insurance Department's research.
- 3** Seek feedback from business owners and employees to shape the optimal health benefit exchange.

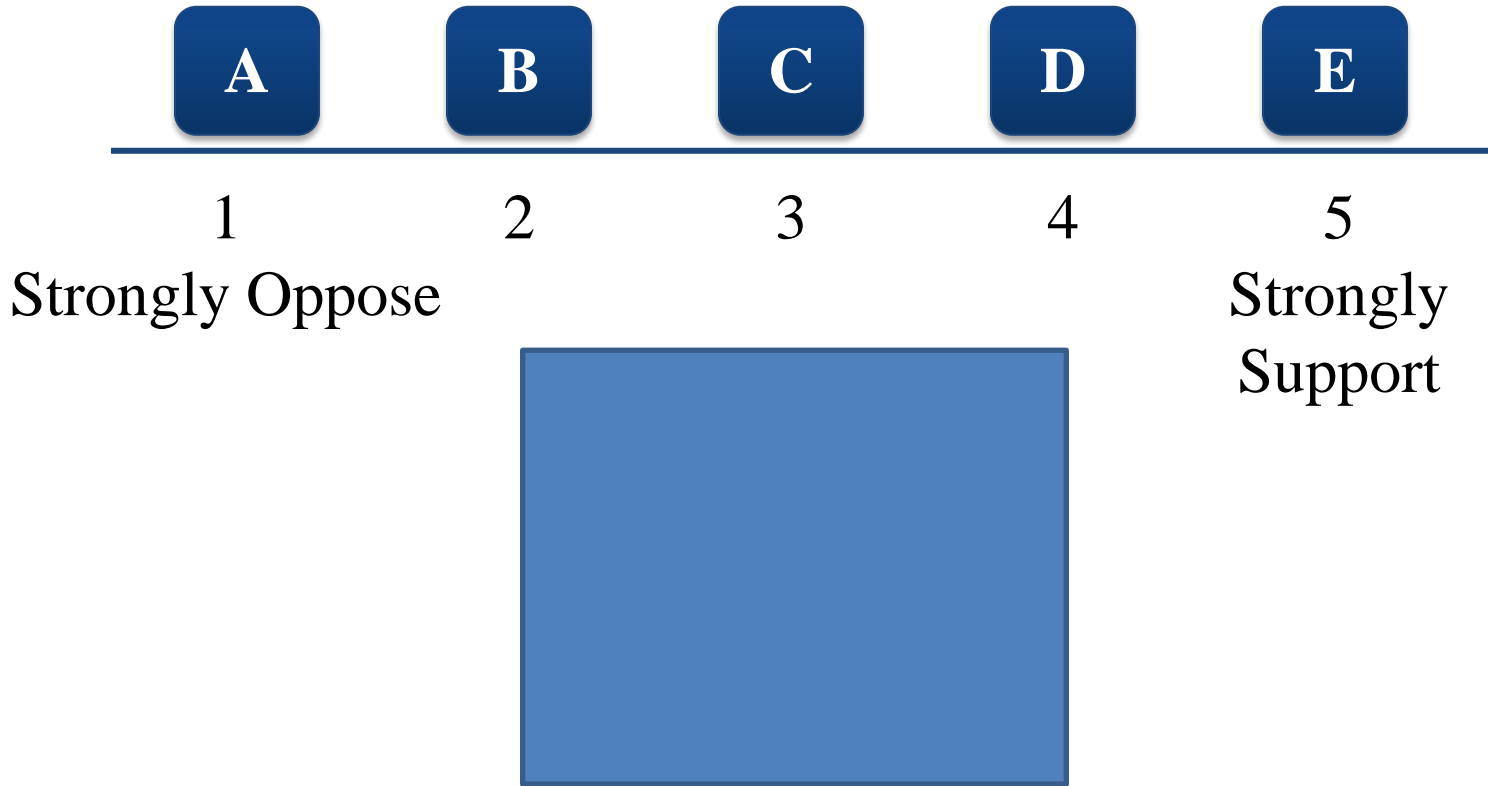
Agenda

- Introduction**
- Town Hall Discussion Objectives**
- Executive Summary**
- Mississippi and the Affordable Care Act**
- Designing a Health Benefit Exchange for Mississippi**
- How Does the Health Exchange Help Businesses and Employees**
- Challenges for the Health Benefit Exchange**
- Frequently Asked Questions**
- Open Discussion: Questions and Answers**

Summary

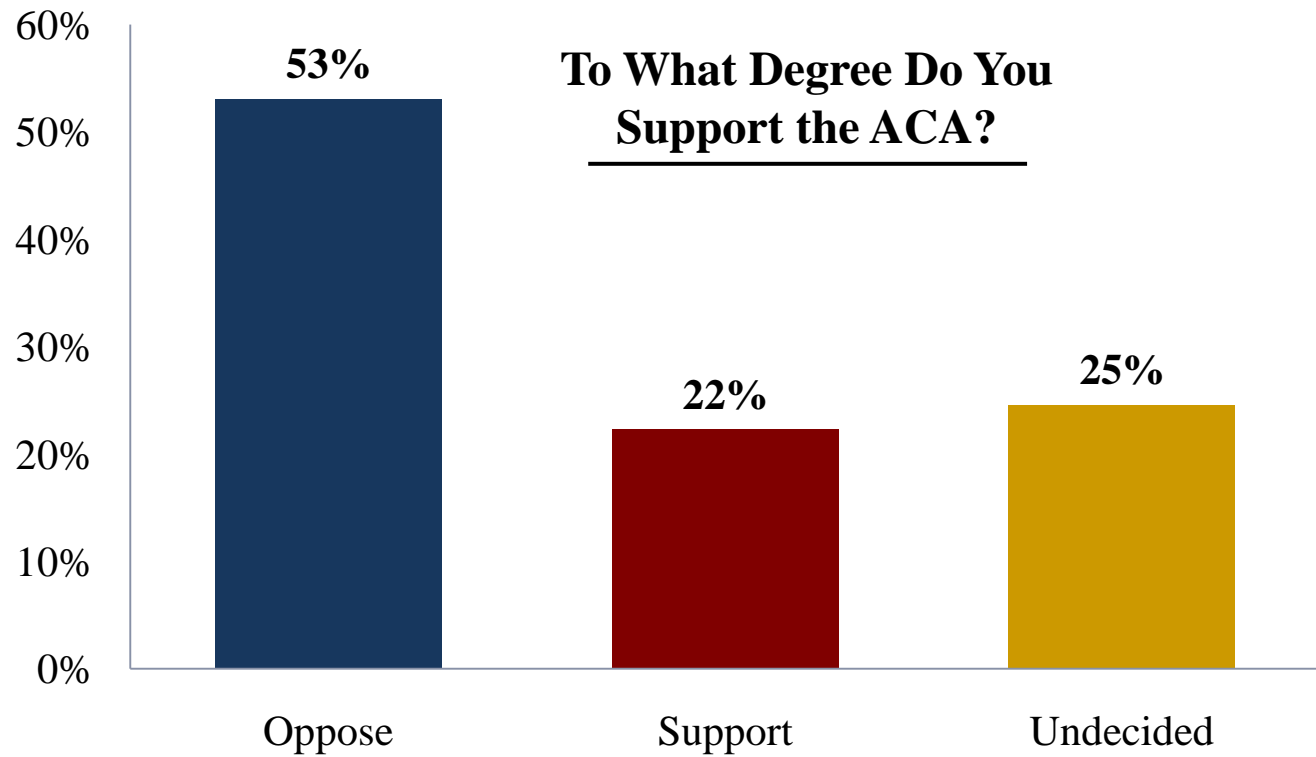
- 1** Federal law requires the creation of a health benefit exchange by 2014. Mississippians believe the state, and not the federal government, is best equipped to design that exchange and tailor it to the needs of Mississippians.
- 2** A health benefit exchange is a tool for improving access to health insurance by creating a marketplace where businesses and individuals can easily select and compare health plans.
- 3** A health benefit exchange will increase transparency, simplify enrollment, and reduce the administrative burden experienced by businesses offering health insurance. The exchange is just one of a combination of solutions needed to improve access to health care.
- 4** There are many challenges to implementing a health benefit exchange in Mississippi. But the state is committed to working collaboratively with businesses and consumers to create an exchange by Mississippians, for Mississippians.

To what degree do you support the Affordable Care Act?





How do Mississippians feel about the ACA? The vast majority of respondents oppose the Affordable Care Act.



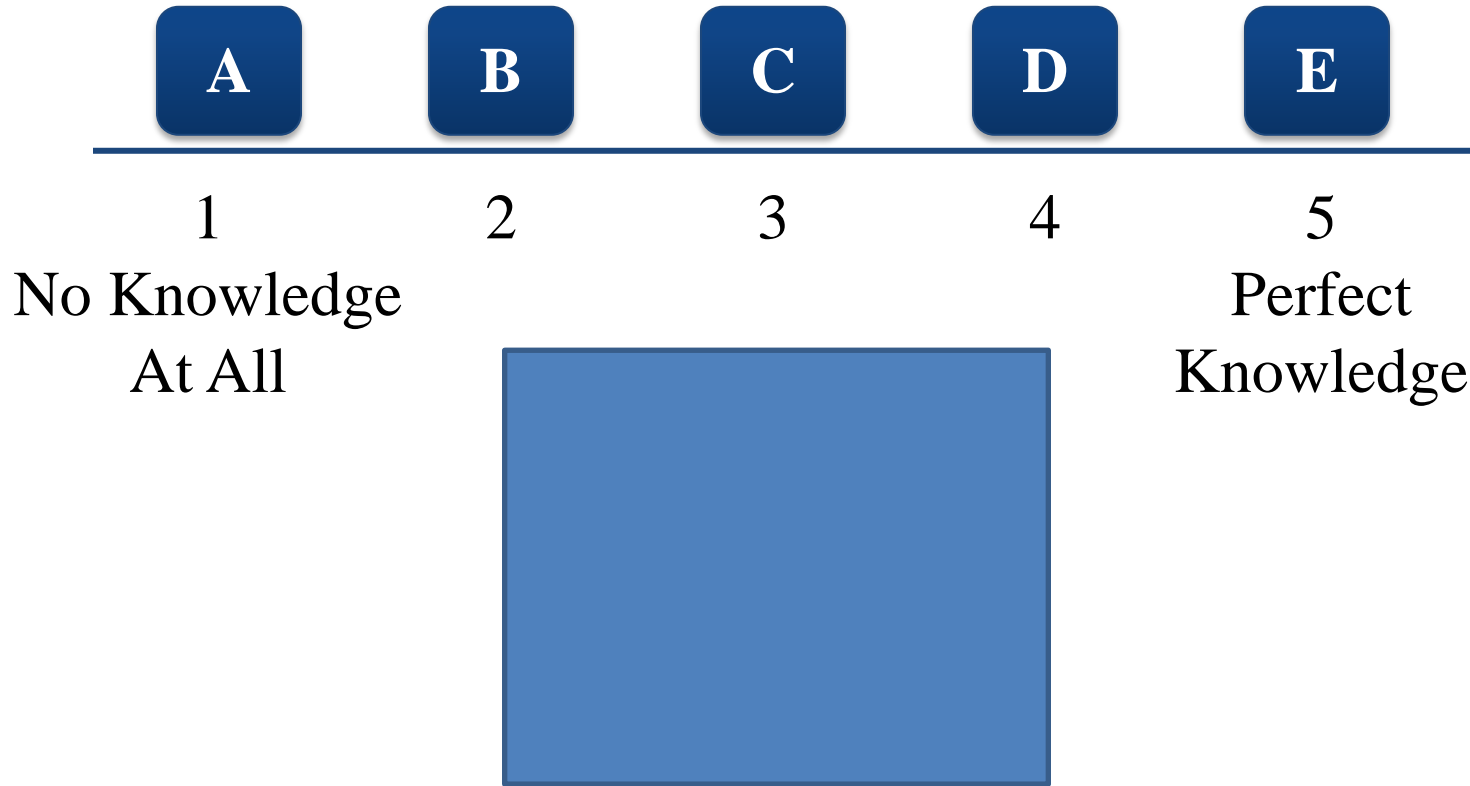
The primary theme we've heard is that the State of Mississippi should do all it can to implement state solutions to health reform.

Health system is broken. But....

**“We need a solution built by
Mississippians, for Mississippians.”**

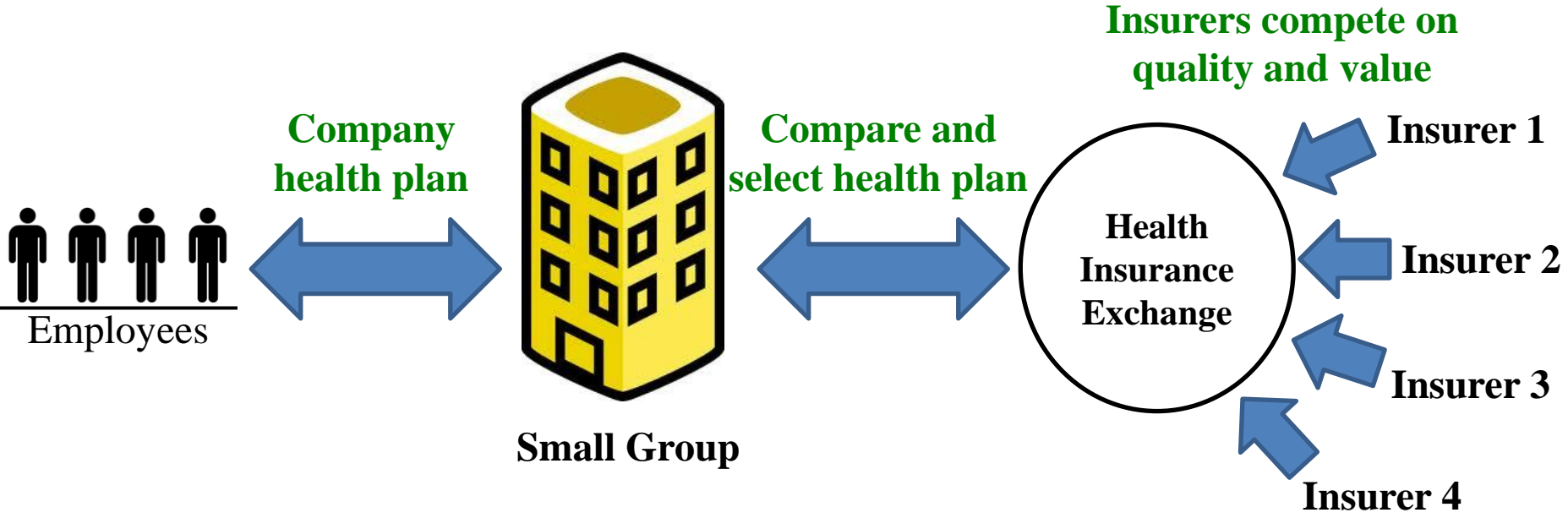
What is the Health Benefit Exchange?

How would you rate your current level of knowledge about a health benefit exchange?



A health benefit exchange is a marketplace where individuals and businesses can compare and shop for health insurance. Mississippi's health benefit exchange will be a competitive solution, not a government entitlement program.

How a Health Benefit Exchange Works



The health benefit exchange is not a silver-bullet for improving all health care challenges, but it is one critical component in expanding coverage and improving the health insurance markets.

Health Insurance Challenges

- Lack of Transparency
- Administrative Burden
- Unpredictable Costs
- Difficult Enrollment
- One-Size-Fits-All Plans

Health Benefit Exchange

Health Benefit Exchange Solutions

- Easily compare plan options among insurers
- Easy to Manage Policies
- Tools for predicting and managing costs
- Simple enrollment process
- Employees can select customized plans

By whom would you prefer Mississippi's health benefit exchange be operated?

A

B

C

The Federal
Government

The State of
Mississippi

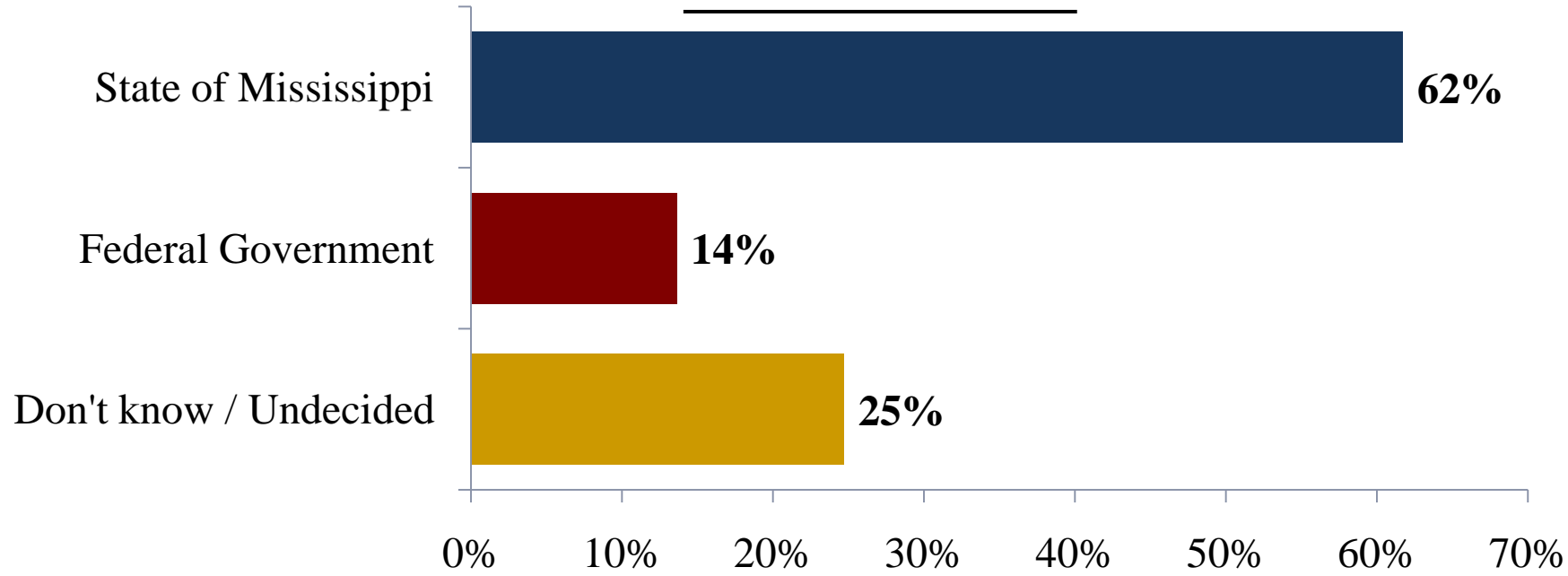
Undecided





The ACA requires that a health benefit exchange be in place by 2014. If the state does not create an exchange, Mississippi will be automatically enrolled and required to pay for using the federal health benefit exchange.

Who Should Build the Health Benefit Exchange



Why should Mississippi build the health benefit exchange rather than the federal government?

State Health Exchange

- Tailored to the needs of Mississippians
- Better able to understand and allocate resources
- Lower administration costs that can be passed on to consumers

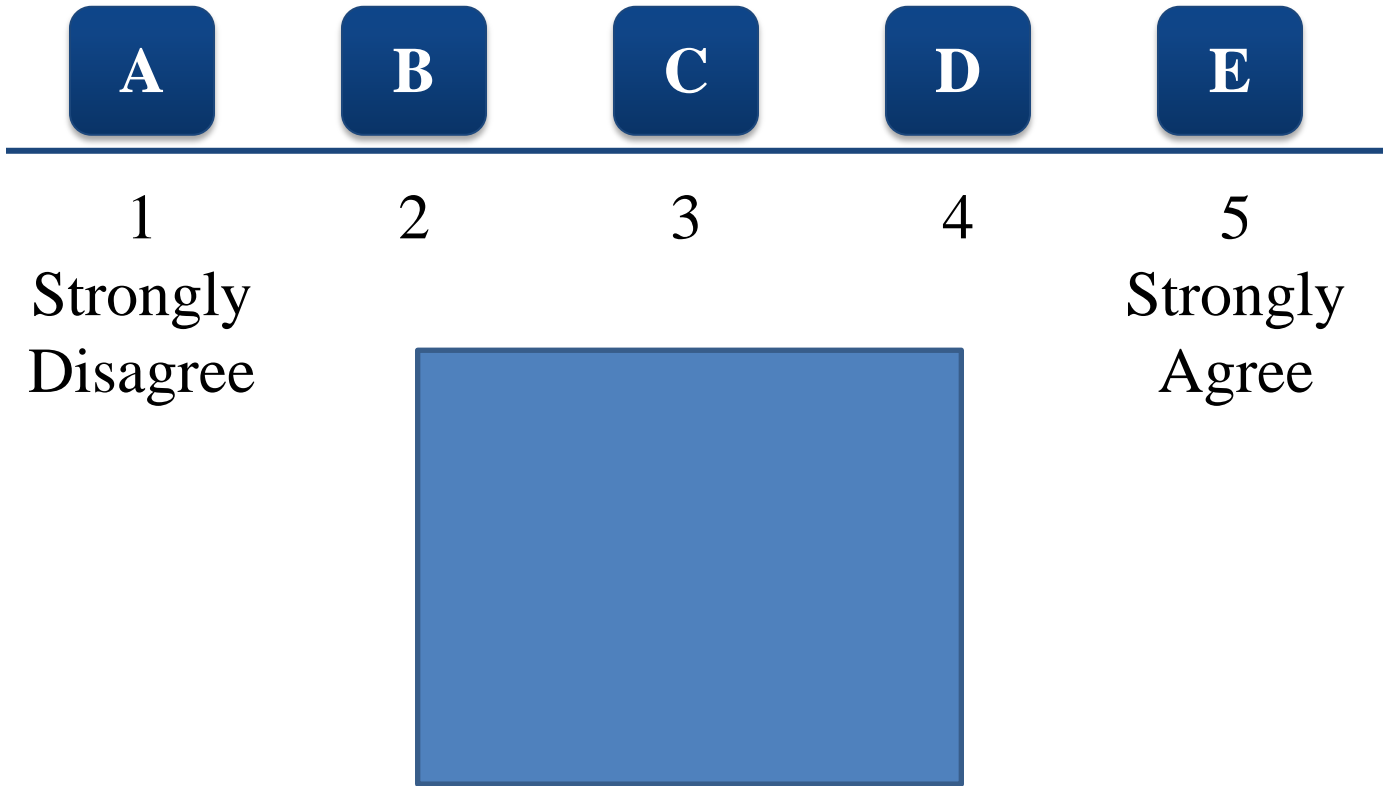
Federal Health Exchange

- Generic exchange (i.e. one-size-fits-all)
- Increased costs to states for having a higher proportion of their population on Medicaid.

How Does A Health Exchange Directly Help Businesses and Individuals?



Improving access to health care is critical to economic growth in Mississippi.





Which of the following best describes the health insurance your organization offers?

A

Offer to full-time and part-time employees

B

Offer only to full-time employees



C

Have never offered

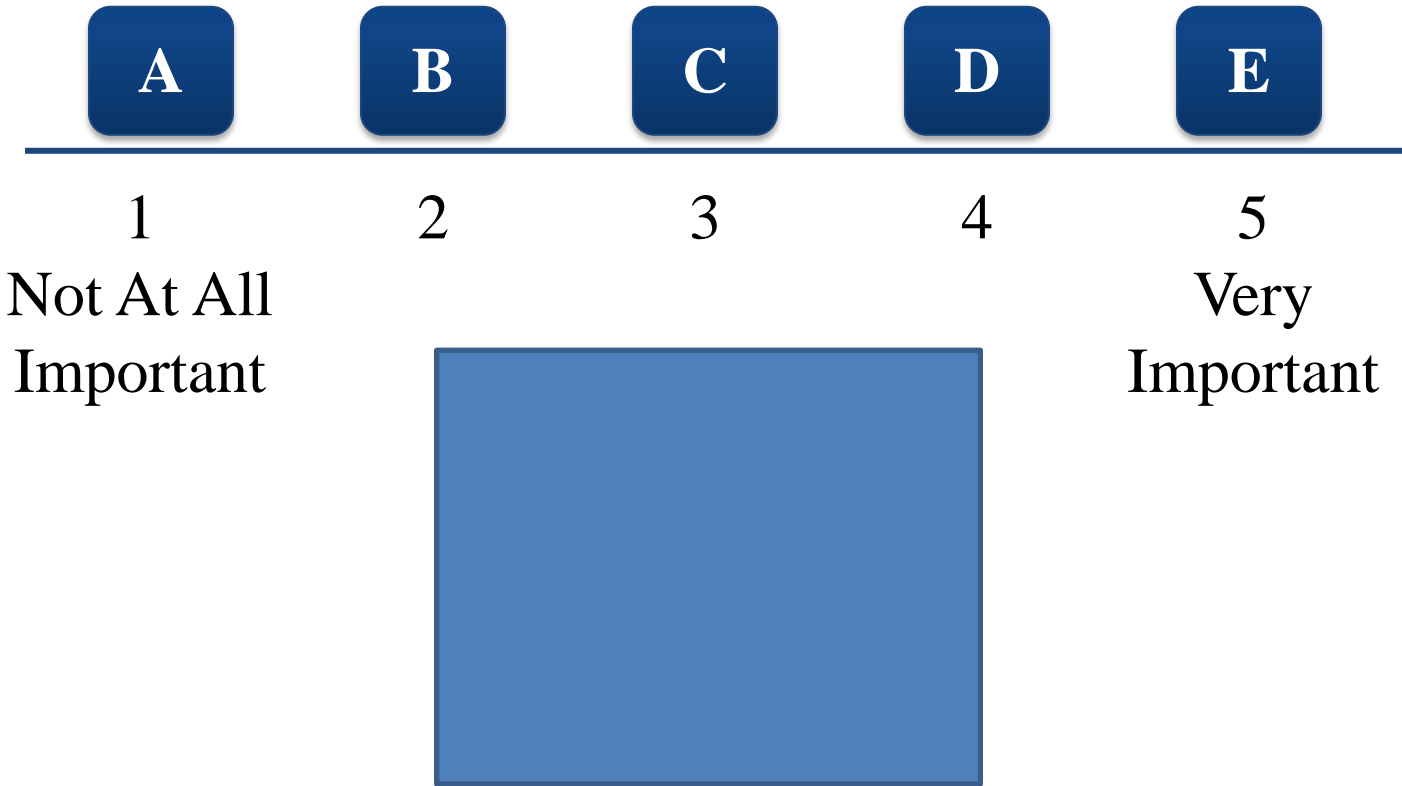
D

Do not currently offer, but did in the past

How do businesses and consumers feel about the health insurance market in Mississippi?

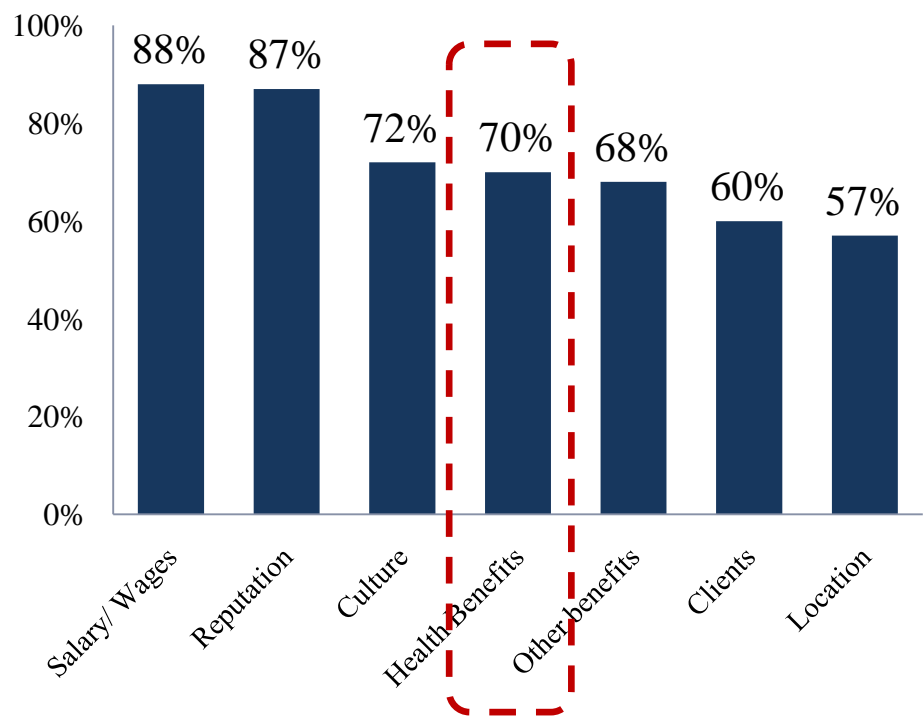
| Statement | Percent of Mississippians Agreeing with Statement |
|--|---|
| “Improving access to health insurance is critical to economic growth in Mississippi.” | 73% |
| “I support a solution sponsored by Mississippi to improve access to health insurance.” | 70% |
| “It is currently easy to compare the different health plan options available to Mississippians.” | 26.5% |

How important are health benefits in attracting and retaining quality employees?

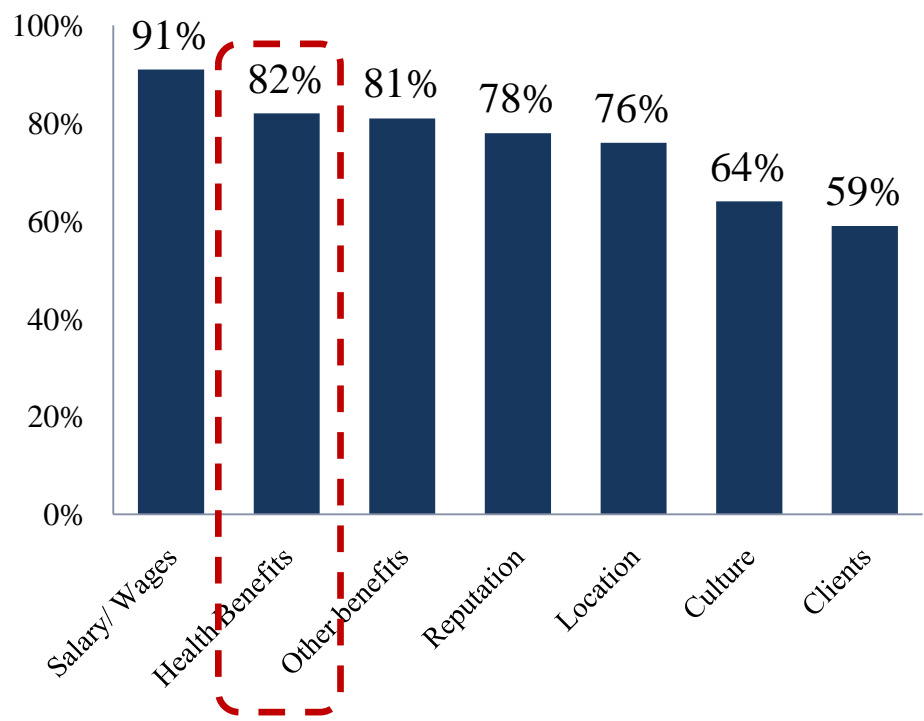


Health insurance benefits are more important in attracting the best employees than most employer respondents realize.

How to Attract and Retain Employees: Employer Responses



Most Important Factors When Choosing An Employer: Employee Responses





Other than decreasing costs, businesses in Mississippi see the health benefit exchange as a tool for attracting the best employees and reducing the costs of unhealthy employees.

What primary outcome do Mississippi businesses and consumers expect from a health benefit exchange?

| Outcome of Exchange | |
|---|-----|
| 10% decrease in health insurance premiums | 30% |
| Attract and retain the best employees by offering health benefits | 27% |
| Reduce business costs associated with sick, unhealthy, or injured employees | 15% |
| More easily compare health insurance plan options | 13% |
| Simplify health insurance enrollment and administration | 12% |
| Other | 3% |

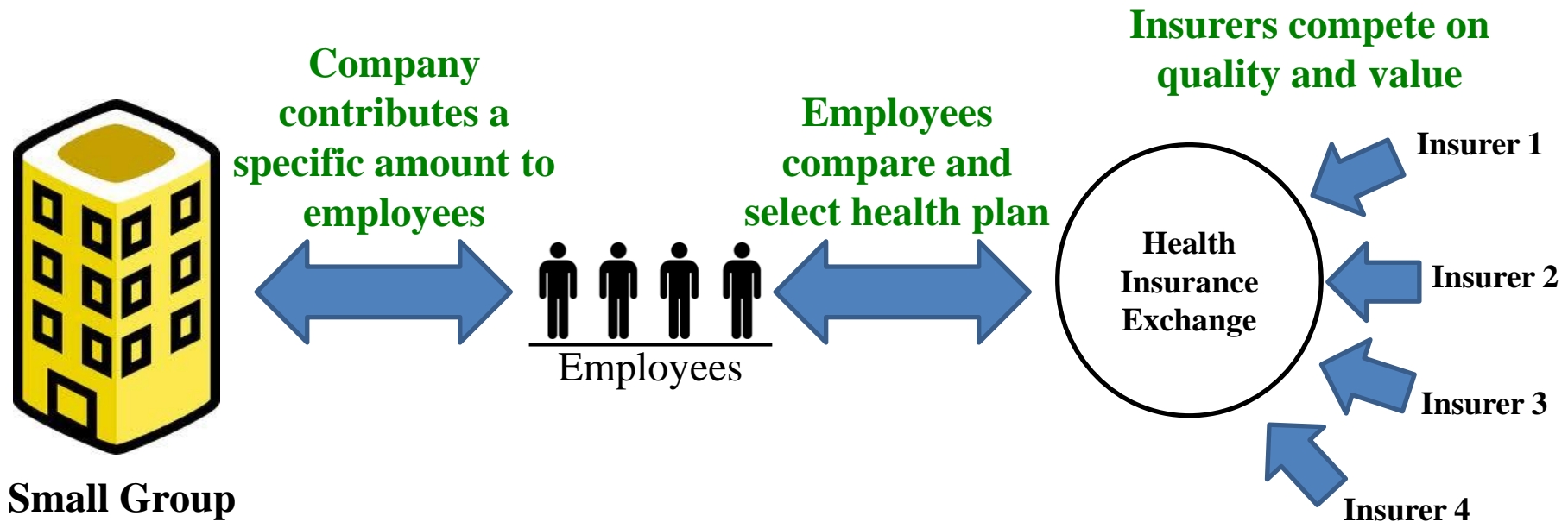
Important findings from research of diverse groups of Mississippians...

In summary: Mississippi businesses and employees recognize a direct link between improving health insurance accessibility and economic growth.

Unique Idea for Mississippi's Exchange

The health benefit exchange could allow for a Defined Contribution model where employers select a specific amount they will contribute to employee plans. Employees can then take that money and select a plan for themselves.

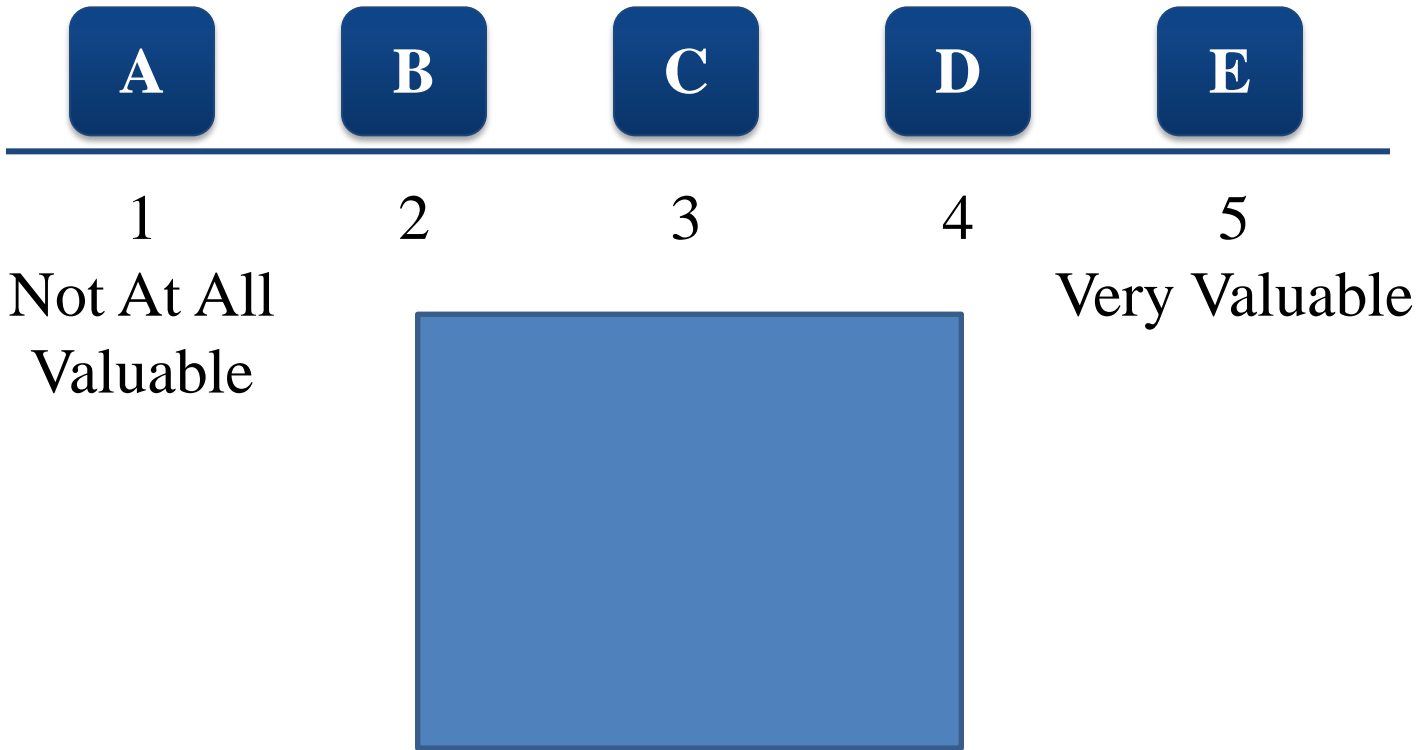
How a Defined Contribution Model Works



Defined Contribution plans have several benefits for both employers and employees.

- 1 Costs are more predictable since the employer can choose the amount they will contribute each year to health plans.
- 2 Employers no longer have to select plans for employees thus reducing enrollment and administrative burdens.
- 3 Employees can select plans that are customized to their needs.

After hearing about a Defined Contribution Plan, to what degree do you think it would be a valuable option for Mississippi's health exchange?



How Should the Mississippi Health Exchange Be Designed?

Every aspect of the health benefit exchange must be designed with the intent of getting businesses out of health insurance administration and back to running their businesses.

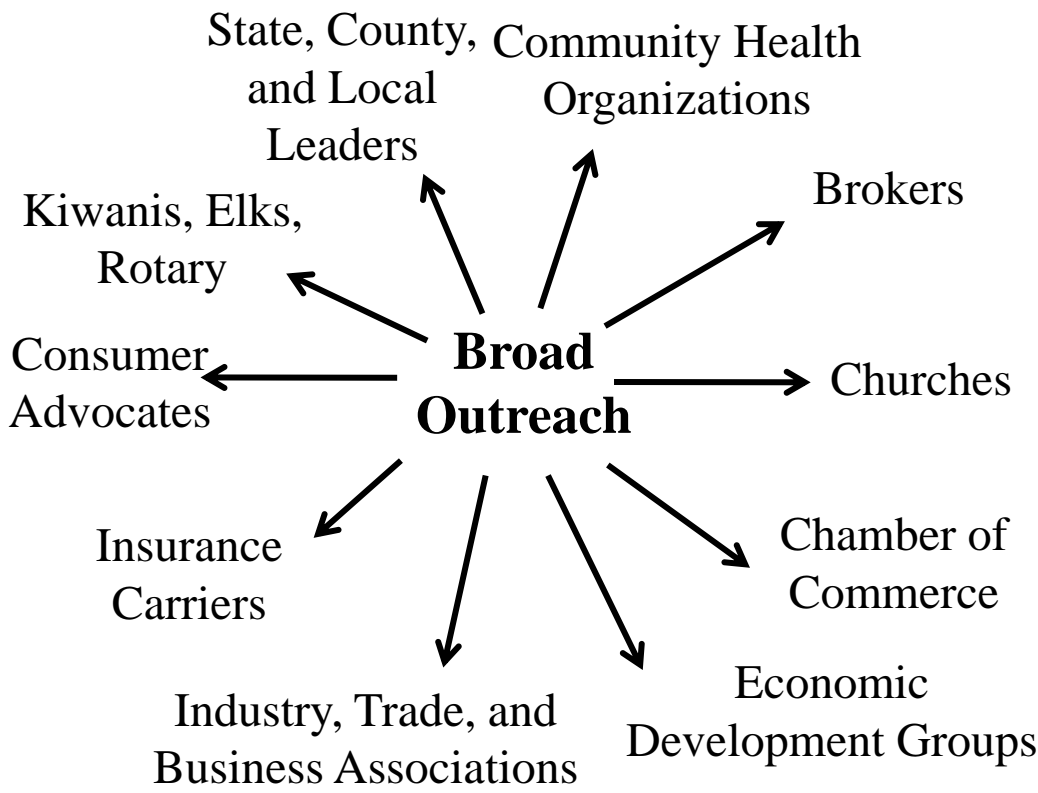
1 Broad Outreach and Marketing

2 Simple Enrollment Process

3 Simple to Compare and Select Plans

4 Easy to administer plans

Broad outreach and marketing will facilitate higher participation rates.



Simple Marketing

Mississippians are diverse; health care and health solutions are complex.

Marketing must be simple and straight-forward designed to bridge various backgrounds.

Mississippians must be able to access and enroll in the exchange through many different methods.

Many Points of Improving Access and Assistance



Internet



Phone



Mail



In-person

When it comes to providing health insurance options to employees, how many plan options would you like to see presented to each enrollee?

A

B

C

D

Three or
Fewer Health
Plan Options

4-8 plan
options

9-12 plan
options

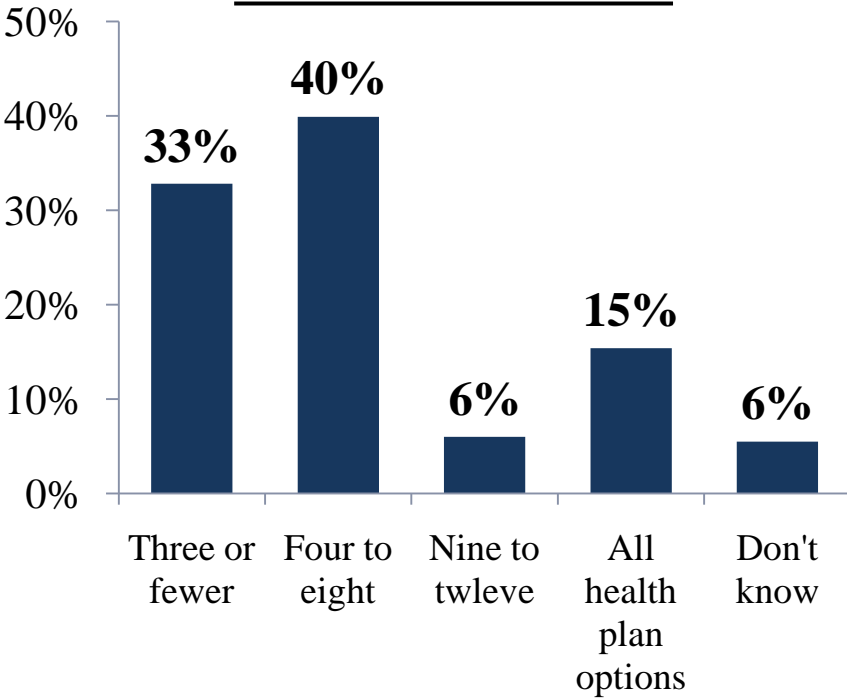
All Health
Plan Options





It must be easy to accurately compare and select health insurance plan options.

How many plan options would you prefer the health benefit exchange show?



- 1 Present fewer plan options.**
- 2 Make it easy to compare plan options.**
- 3 Easy to choose the best solution, not just the least expensive.**

Business owners need to run their businesses. The exchange must be simple for businesses to administer health plan options.

Easy Administration

- Billing and payment
- Adding and dropping employees
- Updating employee personal information
- Informing employees of benefits
- Answering employee questions
- Plan specifics like co-pays, coverage, network, customer service numbers, etc



What about My Insurance Broker?

To whom would you turn for assistance when working with the health benefit exchange?

A

B

C

D

E

Insurance Agent
or Broker

Health
Exchange
Expert

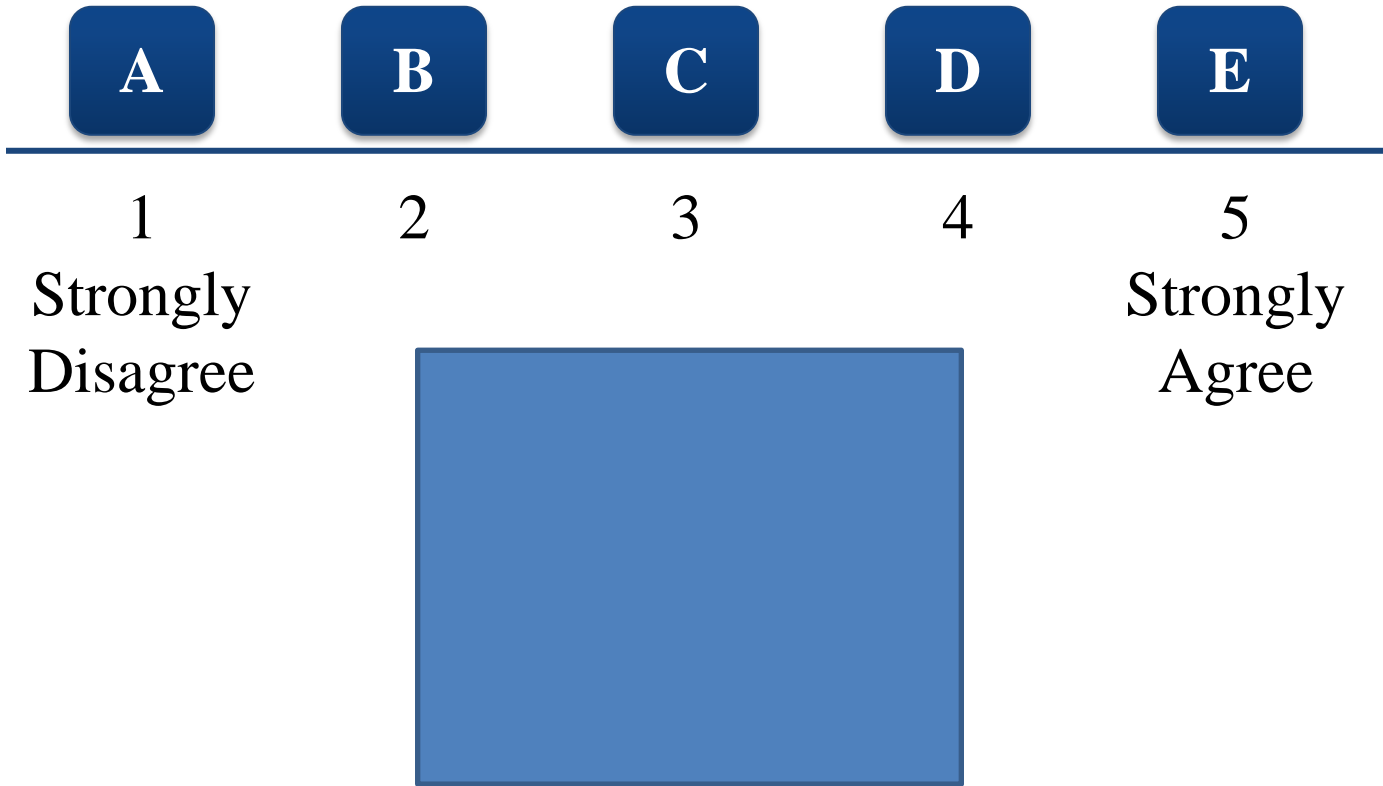
Health
Exchange
Website

E-mail /Chat with
Health Exchange
Expert

Paper
Application

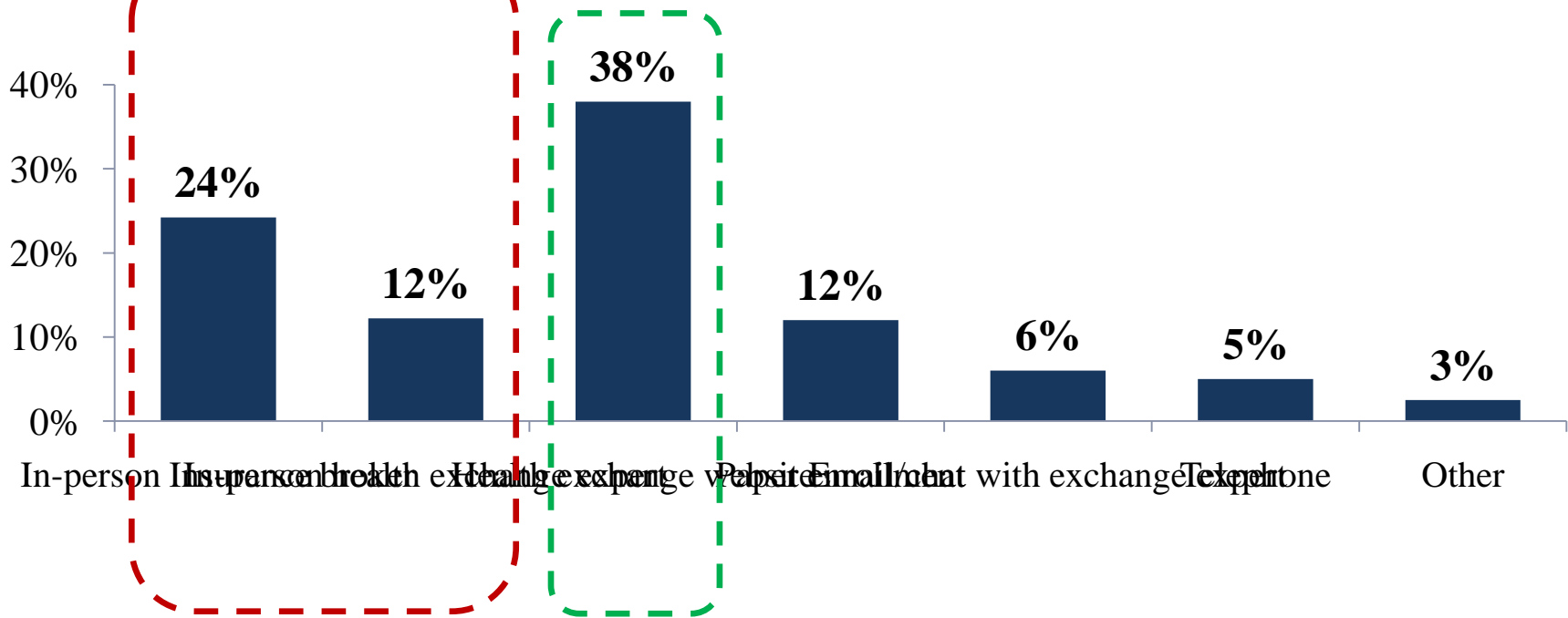


I can understand the complexities of health insurance without the help of an insurance broker.



Insurance brokers will need to play a critical role in the exchange.

What Kind of Health Exchange Assistance Would you Prefer?





If insurance brokers do not assist with the exchange, many businesses and consumers will turn to the insurance carriers or will need the health benefit exchange to offer support.

Who will you contact if you don't have an insurance broker to assist you through the health benefit exchange?

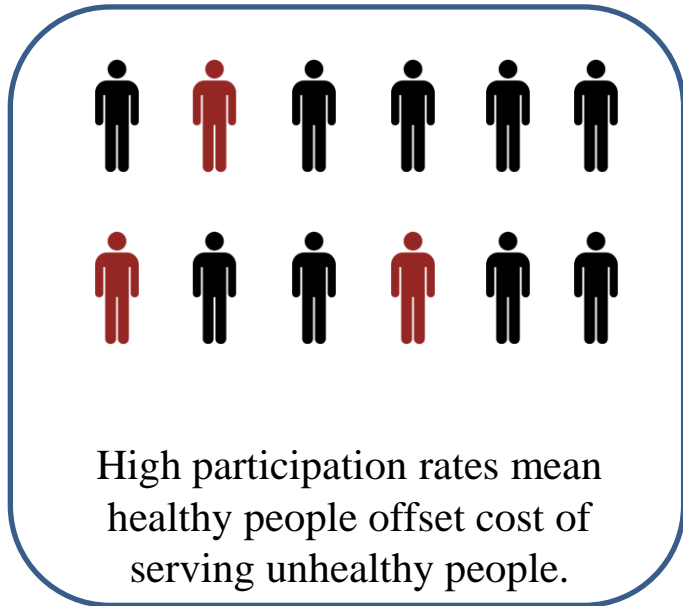
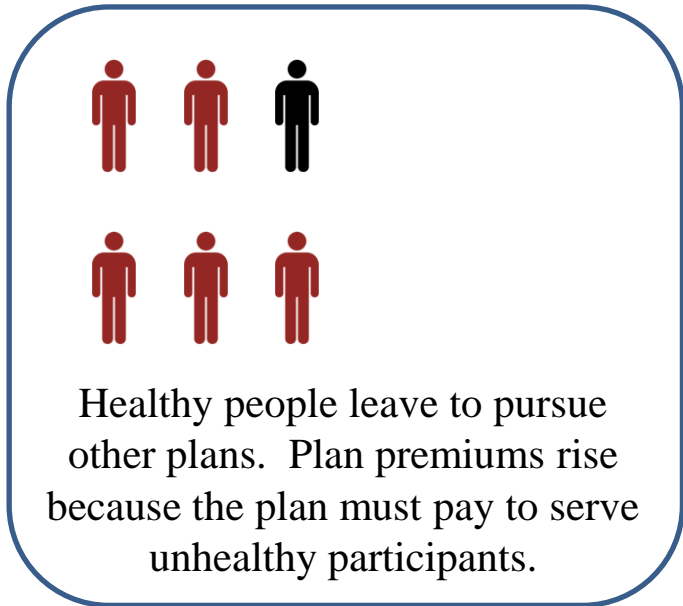
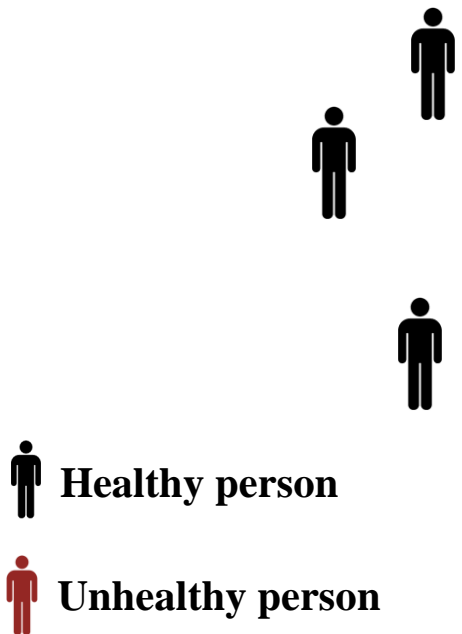
| Sources of Assistance | |
|---|-----|
| Health insurance carriers | 23% |
| Exchange must provide 24/7 telephone support | 18% |
| Exchange must provide 24/7 email/chat support | 14% |
| The employer themselves | 12% |
| Internal human resources | 12% |
| Employees will deal with it on their own | 7% |
| Would be willing to pay for a broker | 5% |
| Friends, family, or colleagues | 5% |
| Other | 4% |

What Are the Challenges of the Exchange?

The success of any health benefit exchange hinges on high participation rates. How can the state ensure high participation rates and avoid adverse selection?

Health Plan #1: Low Participation

Health Plan #2: High Participation



Besides high participation rates, the health benefit exchange must overcome other challenges to succeed. Some of these challenges are informing rural populations, overcoming low rates of connectivity, and helping Mississippians understand health insurance and health benefit exchanges.



Rural Challenges

How do we reach Mississippi's mostly rural population?



Technological Challenges

Mississippi is one of the least technologically connected states in the country; yet, most health benefit exchanges rely heavily on the Internet.



Complexity of Health Insurance

We must educate Mississippians of all education levels about Health Insurance.

Summary

- 1** Federal law requires the creation of a health benefit exchange by 2014. Mississippians believe the state, and not the federal government, is best equipped to design that exchange and tailor it to the needs of Mississippians.
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What Can I Do?

- 1. Be prepared to provide feedback through upcoming opportunities provided by the Mississippi Insurance Department.**
- 2. Invite employees and members of your organizations to participate in providing meaningful feedback.**
- 3. Let other businesses and associates know about the Mississippi health benefit exchange.**

Frequently Asked Questions

1

When will I be able to use the Mississippi Health Exchange?

Federal law requires state exchanges to be in place by January 1, 2014.

Frequently Asked Questions

2

Do I have to buy my insurance through a health benefit exchange?

No, a health benefit exchange is an alternative platform for comparing, selecting, and purchasing insurance.

Frequently Asked Questions

3

Will this make health insurance cheaper?

Not immediately. A health benefit exchange promotes competition and transparency which has the potential to decrease costs.

Frequently Asked Questions

4

Where can I learn more about the Mississippi Health Insurance Exchange?

- www.mid.state.ms.us
- mshealthexchange@mid.state.ms.us
- Maris Cooper
- (601) 359-3569
- Twitter: @MSInsuranceDept