Inaugural Meeting of the Mississippi Health Insurance Exchange Advisory Board

Mississippi Insurance Department
Commissioner Mike Chaney

January 31, 2012
Click **HERE** to start
What is an Exchange?

• Essentially, an Exchange is a marketplace for major medical insurance.

• A one-stop shop for health insurance -- similar to Travelocity, Expedia, and Priceline.

• This is perhaps an underestimate in that the Exchange:
  – Will be a massive undertaking;
  – Will provide many services beyond simply offering different insurance products for sale;
  – The web portal comparison piece is just the “tip of the iceberg.”
Minimum Requirements for the Exchange

• **By January 1, 2014**, each state shall establish an American Health Benefit Exchange to sell individual and small group major medical policies.

• **By January 1, 2013**, the Secretary of Health & Human Services (HHS) will determine whether each state will have an effective mechanism in place to run an Exchange by January 1, 2014, and if not, then the Federal government will step in to run the Exchange for the state.

• Only qualified health plans certified by the Exchange may be offered through the Exchange.
  – HHS issued guidance on Essential Health Benefits on December 16, 2011.
Essential Health Benefits

• HHS issued guidance on Essential Health Benefits on December 16, 2011.

• The guidance sets forth the intended regulatory approach of HHS, which allows states to select an existing health plan to set the “benchmark” for the items & services to be included in the Essential Health Benefits package.

• The four benchmark plans are:
  – One of the three largest small group plans in the state;
  – One of the three largest state employee health plans;
  – One of the three largest Federal employee health plan options;
  – The largest HMO plan offered in the state’s commercial market.

• HHS intends to require that a health plan offer benefits that are “substantially equal” to the benchmark plan selected by the state and modified as necessary to reflect the 10 categories of coverage listed by PPACA.
EHB: Ten Categories of Coverage

PPACA Section 1302 sets out ten categories of coverage that must be included in the Essential Health Benefits package:

- 1) Ambulatory patient services;
- 2) Emergency Services;
- 3) Hospitalization;
- 4) Maternity and newborn care;
- 5) Mental health and substance use disorder services, including behavioral health treatment;
- 6) Prescription drugs;
- 7) Rehabilitative and habilitative services and devices;
- 8) Laboratory services;
- 9) Preventive and wellness services & chronic disease management;
- 10) Pediatric services, including oral & vision care.
Exchange Functions

- Certify and decertify plans to be sold on the Exchange
- Operate a toll-free customer service hotline
- Maintain a website to provide standardized information on plans
- Use a standardized format for presenting coverage options
- Inform individuals of eligibility for Medicaid, CHIP, etc.
- Make available a calculator to determine the actual cost of coverage
- Provide a rating system for plans available through the Exchange
- Collect premiums for plans sold through the Exchange and forward those premiums to the carrier
- Operate separate Exchanges for individuals and for small employers
- Manage the movement of individuals inside and outside the Exchange and between the individual and small employer Exchange
- Establish a “Navigator” program to assist consumers in enrollment
- Develop a risk adjustment program to appropriately distribute among carriers the costs associated with high-risk individuals
### Insurance Plan Benefit Details and Comparison

#### UnitedHealthOne
- **Savor 80**
- Best Seller

#### CeltiCare Preferred
- **Select PPO 80/20 Plan**
- Best Seller

#### UnitedHealthOne
- **Copay Select 70 - 2500**
- Best Seller

#### CeltiCare Preferred
- **Select PPO 80/20 Plan**
- Best Seller

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Estimated Cost</th>
<th>Customer Ratings</th>
<th>Office Visit for Primary Doctor</th>
<th>Office Visit for Specialist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPO</td>
<td>$378.95 monthly</td>
<td>4.6 of 5 Reviews</td>
<td>Not Covered</td>
<td>Not Covered</td>
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<tr>
<td></td>
<td>$600.79 monthly</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>$628.72 monthly</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>$948.42 monthly</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Estimated Costs
- **Estimated Cost**
  - $378.95 monthly
  - $600.79 monthly
  - $628.72 monthly
  - $948.42 monthly

#### Customer Ratings
- 4.6 of 5 Reviews

#### Office Visit Details
- **Office Visit for Primary Doctor**
  - Not Covered
- **Office Visit for Specialist**
  - Not Covered

#### Coverage Options
- **History and Exam:** $35 Copay - no deductible (4-Dr. Office Visit Copay & $25 Office Visit Copay optional benefits available)
- **History and Exam:** $35 Copay - no deductible (4-Dr. Office Visit Copay & $25 Office Visit Copay optional benefits available)
- **History and Exam:** $35 Copay - no deductible (4-Dr. Office Visit Copay & $25 Office Visit Copay optional benefits available)
- **History and Exam:** $35 Copay - no deductible (4-Dr. Office Visit Copay & $25 Office Visit Copay optional benefits available)
It looks like we have **109** major medical plans available, starting at **$124.10 per month**. Now let's find the right plan for you.

<table>
<thead>
<tr>
<th>Select Carrier</th>
<th>Select Deducible</th>
<th>Aetna</th>
<th>Anthem</th>
<th>Assurant</th>
<th>Celtic</th>
<th>CoventryOne</th>
<th>UnitedHealthOne</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0 - $1,000</td>
<td>$332</td>
<td>$312</td>
<td>$369</td>
<td>$324</td>
<td>$269</td>
<td>$198</td>
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<td></td>
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<td>$169</td>
<td>$211</td>
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<td>$144</td>
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<tr>
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<td>$2,501 - $5,000</td>
<td>$145</td>
<td>$124</td>
<td>$138</td>
<td>$158</td>
<td>$134</td>
<td>$124</td>
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<tr>
<td></td>
<td>Above $5,000</td>
<td>$86</td>
<td>$88</td>
<td>$105</td>
<td>$152</td>
<td>$158</td>
<td>$120</td>
</tr>
</tbody>
</table>

**Comparison of Benefits**

**Smart Sense POS 5000**
- POS: View All Benefits
- **Total Rate:** $124.10 per month
- **Anthem**
  - **Deductible:** $500
  - **Coinsurance:** 30%
  - **Coverage:**
    - **Out-of-Pocket Max:**
      - **Individual:** $8,000
      - **Family:** $16,000
    - **Lifetime Max:** $5,000,000
    - **Other Benefits:**
      - **Emergency Room**

**Saver 80 $5,000 Deductible**
- PPO: View All Benefits
- **Total Rate:** $124.13 per month
- **UnitedHealthOne**
  - **Deductible:** $500
  - **Coinsurance:** 80/20
  - **Coverage:**
    - **Out-of-Pocket Max:**
      - **Individual:** $3,000
      - **Family:** $6,000 (Deductible not included)
    - **Lifetime Max:** $3,000,000
    - **Other Benefits:**
      - **Prescription Drugs**
      - **Emergency Room**

**QHDP $5,000/$10,000 (HSA Compatible)**
- HSA: View All Benefits
- **Total Rate:** $133.80 per month
- **CoventryOne**
  - **Deductible:** $500
  - **Coinsurance:** $0
  - **Coverage:**
    - **Out-of-Pocket Max:**
      - **Individual:** $5,000
      - **Family:** $6,000,000
    - **Other Benefits:**
      - **Prescription Drugs**
      - **Emergency Room**
“For Mississippians, By Mississippians”
The enabling legislation for the Risk Pool is found in Mississippi Code Annotated 83-9-203 et. seq., 1972 as amended.

Subsection 83-9-213(2)(p) specifically states:

- (2) The association may:
  
  (p) Serve as a mechanism to provide health and accident insurance coverage to citizens of this state under any state or federal program designed to enable persons to obtain or maintain health insurance coverage.

Section 83-9-213(3) states:

- (3) The commissioner may, by rule, establish additional powers and duties of the board and may adopt such rules as are necessary and proper to implement Sections 83-9-201 through 83-9-222.
Mississippi Comprehensive Health Insurance
Risk Pool Association

• The Association is operated by a nine-member board of directors, as stated in Section 83-9-211(2)(a).

• The board of directors consists of:
  – Four (4) members appointed by the Insurance Commissioner. Two (2) of the commissioner’s appointees shall be chosen from the general public and shall not be associated with the medical profession, a hospital, or an insurer. One (1) appointee shall be representative of medical providers. One (1) appointee shall be representative of health insurance agents.
  – Three (3) members appointed by the participating insurers, at least one (1) of whom is a domestic insurer.
  – The Chair of the Senate Insurance Committee and the Chair of the House Insurance Committee, or their designees, who shall be nonvoting, ex officio members of the board.
The Commissioner of Insurance issued Bulletin 2011-9 on October 18, 2011, which established an Exchange Advisory Board & Advisory Subcommittees.

The Advisory Board will assist the Department of Insurance as it develops rules, regulations, and policy governing the Exchange.

The Advisory Board and Subcommittees consist of members representing the following stakeholder groups:

- A) Educated health care consumers
- B) Individuals & entities with enrollment experience
- C) Advocates for hard-to-reach populations
- D) Small businesses & self-employed individuals
- E) State government agencies
- F) Federally-recognized tribes within the State
- G) Public health experts
- H) Health care providers
- I) Large employers
- J) Health insurance issuers
- K) Health insurance agents & brokers holding current licenses
The State of Mississippi proactively sought 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.

Participants

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

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Aaron Sisk · (601) 359-2012
PPACA Primer:
Impetus and Rationale for a State Health Insurance Exchange

Presented to the
Mississippi Insurance Exchange Advisory Board
January 31, 2012
Jackson, MS
Brief Overview of PPACA

Patient Protection and Affordable Care Act

• Medicaid Expansion
  – Up to 133% FPL (138%)
  • Average state Medicaid population increase is 30%
    – Massachusetts (8.7%); Nevada (65.6%)
    – Mississippi (36.3%)
  • Cost $400-$500 Billion 2014-2020

• Insurance Market Reforms
  – Medical Loss Ratio (MLR)
  – Essential Health Benefits (EHB)
  – Individual and Employer Mandates
  – Guarantee Issue and Community Rating
  – Federal premium subsidies up to 400% FPL
  – Health Insurance Exchanges
PPACA Timelines

- Preliminary insurance regulations take affect
- Jan 1, 2010: Healthcare.gov goes live, simulating first Exchange
- July 1, 2010: Non-bicameral State legislatures convene
- March 23, 2011: Deadline for HHS Secretary to award Exchange grants
- Jan 1, 2014: State Exchanges required to go live
- Jan 1, 2014: Premium tax credits available for enrollees under 400% FPL
- Jan 1, 2015: Exchange must be financially self-sustaining
- Jan 1, 2015: Employer & Individual mandates in effect
- Jan 1, 2016: States must choose to engage in healthcare Choice Compacts
- Jan 1, 2017: Large group Exchange to go live

Other Key Dates:
- Jan 1, 2013: HHS’ exchange certification process must be complete
- Jan 1, 2014: HHS begins certification determination
- Jan 1, 2015: Employer & Individual mandates in effect
- Jan 1, 2017: Large group Exchange to go live
What is an Insurance Exchange?

- Online marketplace—A tool that enables individuals to shop, compare, and enroll in a health insurance plan
- Definition—Varies by intended role of the exchange
  - Massachusetts—Intended to address access
  - Utah—Intended to address costs
- State-established versus Federally-established

State models are still in development...
## Two Types of Exchanges

<table>
<thead>
<tr>
<th>American Health Benefit Exchange (AHBE)</th>
<th>Small Business Health Options Program (SHOP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Individuals and families may purchase qualified coverage through Qualified Health Plans</td>
<td>• Small businesses with up to 100 employees may purchase qualified coverage</td>
</tr>
<tr>
<td>• Purchaser may be eligible for premium subsidies—based on income level</td>
<td>• Premium subsidies are not available through the SHOP exchange (tax credits available for qualified employers)</td>
</tr>
</tbody>
</table>

States may choose to operate two separate exchanges or combine into a single mechanism
Early Decisions for States

- Exchange
  - Federally Established
  - State Established
    - Market Facilitator
      - Government Agency
      - Quasi Governmental
      - Non-Profit
    - Selective Contractor
      - Government Agency
      - Quasi Governmental
      - Non-Profit
    - Active Purchaser
      - Government Agency
      - Quasi Governmental
      - Non-Profit
Options for States: Creation of a Defined Contribution Market

What are Defined Contribution arrangements?

- Employer-sponsored health plans that allow individual employees full control over their plan choice

- Rather than promising or providing a certain level of health benefit, the employer offers a pre-determined level of funding that the employee then controls and uses to purchase their choice of health insurance
Federal Funding Opportunities Through 2014

• Level I
  — Single year funding only
    — Period of Performance up to one year post award
  — Available only through 2011–2012
    — States may apply through December 2011–June 29, 2012

• Level II
  — Multi-year funding
    — Period of Performance from date of award through December 31, 2014
  — Available through 2014
    — States may apply through June 29, 2012
Federal Funding Opportunities
Post 2014
Background Information:
Demographic, Social, Economic, and Insurance Market Data

Presented to the
Mississippi Insurance Exchange Advisory Board
January 31, 2012
Jackson, MS
Holistic State Analysis
About the Data

• Data are provided for each of Mississippi’s 82 counties as well as 16 select cities. The 16 cities included in this report are the cities in which stakeholder meetings will be held in June 2011.

• Data used in this report come from the U.S. Census Bureau’s 2005-2009 American Community Survey 5-year Estimates.

• Survey data from five years is averaged to reduce the sampling error that arises from small county and city populations.
Demographic Data: Population

- 2.9 million people
  - Hinds County is largest county with 250,000 people
  - Issaquena County is the smallest, with just slightly more than 2,000 people

- Median age is 35
  - Men 33, Women 37
  - Carroll County, highest median age at 43; Oktibbeha is lowest at 24

- 26.2% of Mississippi’s population is under age 18; U.S. has 24.6% under 18
  - Tunica County has 31.3% under age 18; Lafayette County has 19.1%
Demographic Data: Race and Ethnicity

Percent of Population by Race and Ethnicity
• 60% White or Caucasian
• 37% Black or African American
• Other minority groups only make up a small proportion of Mississippi’s population, less than 1% each. Mississippi’s Hispanic population is also small compared to the national average (2% vs. 15%).

Racial and Ethnic Distribution by County
• Most counties have the same general racial distribution as the state; however, in 24 counties, African Americans make up the largest share of the population. In Jefferson County, for example, 87% of the population is African American.
• Scott County has the largest proportion of Hispanic persons in its population, roughly 10%.
Social Data: Citizenship and Mobility

Percent of Population by Citizenship Status
• Non-U.S. Citizens 1.3% of Mississippi’s population (nationally 7.1%)
  – Scott County is highest with 5.9% non-U.S. citizens; Tunica County and Tallahatchie County also have a relatively high percent for Mississippi, 3.5% and 3.2% respectively
  – >1% of U.S. citizens in the state are naturalized citizens (very few immigrants in Mississippi)

Population Mobility
• About 16% of state’s population moved within the last year
  – 9.2% moved within the same county
  – 4% moved from a different county in Mississippi
  – 3% moved to Mississippi from a different state
  – 0.3% moved to Mississippi from abroad
  – Lafayette County has the highest rate of mobility, with 30.6%; Benton County has the lowest, with only 5.9%.
Social Data: Family Status

• 46.5% of households in Mississippi consist of married-couple families; national average is 49.7%
  – Greene County has the largest percent of married-couple households at 64.6%. (George County’s proportion of married-couple households is also above 60%.)
  – Tunica County has the smallest percent of married-couple households at 25.9%

• About 23% of Mississippi’s households are single-parent families; 17% nationally
  – There are nine counties in which the share of single-parent households is greater than the share of married-couple households (Claiborne, Coahoma, Holmes, Jefferson, Leflore, Quitman, Sunflower, Tunica, and Washington County)
Social Data: Education and Language Proficiency

Educational Attainment

• Majority of adults in Mississippi have a high school diploma, the equivalent, or less.
• Close to 7% of the population have less than a 9th grade education (compared to 6% nationally) 14% of the population attended some high school, but did not receive a diploma (10% nationally).
  – Tallahatchie County has the largest share of adults with less than a 9th grade education (15.1%); Lafayette County has the smallest share (3.8%).
• 48% of the population 18 years and over have some college
• 24% of the population have received a degree (an Associate’s degree or higher)
  – Lafayette has one of the highest rates of adults with a graduate or professional degree (Oktibbeha has the highest rate with 13.3%).
  – Madison County’s population has the largest share of adults with any degree.

Language Spoken At Home

• Over 96% of Mississippians speak only English at home.
  – A very low percentage of the population in Mississippi speak English less than “very well” (1.5% vs. 8.6% nationally).
  – Scott County has the largest share of non-English speakers in its population.
Economic Data: Poverty

Poverty Rate
• The percent of Mississippi’s population living in poverty is 21.4%; nationally 13.5%
  Highest Poverty Rates
  – Holmes County 42.7%
  – Issaquena County 42.7%
  – Leflore County 41.6%

  Lowest Poverty Rates
  – DeSoto County 9.4%
  – Rankin County 9.9%
  – George County 12.6%

Poverty Distribution
• 34.1% of children under five years
• 28.6% of children five to 17 years
• 24.8% of adults 18 to 34 years
• 15% of adults 35 to 64 years
• 16.1% of adults over age 65
Economic Data: Income

Median Household and Family Income
• Mississippi’s median household income is about $37,000 (in 2009 inflation-adjusted dollars); national average of $51,000.
  – DeSoto County is highest with $58,000 (Madison and Rankin Counties are also above the national average); Issaquena County is lowest with $20,000
• Median family income in Mississippi is $46,000; nationally, $62,000.

Percent of Households that Receive Food Stamps or SNAP Benefits
• Percent of households that receive food stamps in Mississippi is 14.8%; nationally, 8.5%
  – Largest percent is Humphreys County with 33%; smallest is Lafayette County with 5.3%
Economic Data: Unemployment

Unemployment Rate

- Mississippi’s unemployment rate (using 2005-2009 data) was 9.2%; 7.2% nationally
  - Noxubee County had highest unemployment rate in the state at 22.4%; Lamar County was lowest at 4.6%

- Unemployment Rate by Age Across Counties
  - Noxubee County has the largest share of the population age 45 to 64 that is unemployed (13.3%)
  - Franklin County has the lowest share of the population age 45 to 64 that is unemployed (1.3%)
Economic Data: Housing (I)

Occupied vs. Vacant Housing Units
• 13.5% of Mississippi homes are vacant; nationally, 11.8%
  – Wilkinson County is highest with 31.7%; DeSoto County is lowest with 6.4%

Owned vs. Rented Housing Units
• 70.5% of Mississippi’s housing units are owner occupied and 29.5% are renter occupied; nationally those figures are 66.9% and 33.1%, respectively
  – Green County has the largest share of home owners (88.6%) and Tunica County has the lowest share (47.2%)
Economic Data: Housing (II)

Median Value of Occupied Housing Units
• Median home value in Mississippi is $91,400; nationally $185,400
  – Madison County has the highest median home value, $171,400; Quitman County has the lowest at $44,600
• Median gross rent in Mississippi is $622 per month; nationally $817
  – DeSoto County has the highest rent $876 per month; Franklin County has the lowest with $347

Owner Costs as a Percent of Household Income
• Median selected monthly owner costs as a percent of household income in Mississippi are 23%; nationally 25%
  – Three counties in Mississippi have “excessive” (>30%) owner costs: Wilkinson County, Issaquena County, and Holmes County
  – Holmes County has the highest median monthly owner costs (38.4%); Warren County has the lowest median monthly owner costs (20.2%)
Uninsured Population Analysis
MID Data Collection

**Purpose:** To collect data demographic, economic, and social data that provide a quantitative view of the uninsured market in Mississippi.

**About the Data**

- Assess Data Needs
- Work With TR to Assess Data Capabilities
- Submit Data Request to TR
- Conduct Gap Analysis on Provided Data
- Analyze and Synthesize Data

**Uninsured Population Data**

**Demographic Projections**
Uninsured Population Data

- **Uninsured Population by Industry**: Entertainment, Construction, and Manufacturing have highest uninsured rates.
- **Uninsured Population by Age/Gender**: Higher uninsured rate in 18-44 age category with males more uninsured than females.
- **Uninsured Population by FPL Distribution**: Highest prevalence in 0-49%; Second highest prevalence in 133-199%.
- **Uninsured Population by Ethnicity**: Caucasians make up 49% of uninsured market, with African Americans at 44%.
- **Uninsured Population by Medicaid Eligibility**: Overall, 23% of those eligible for Medicaid are uninsured, while 77% don’t qualify.
- **Uninsured Population by Education**: 91% of the uninsured market comprised of those with High School or less.
- **Uninsured Population by Marital Status**: Unmarried citizens make up 72% of uninsured market.
- **Uninsured Population by Household Work**: Female-led house holds (both in and out of labor force) comprise 30% of uninsured market.
- **Uninsured Population by Family Income**: 17% make less than $15k; 15% makes $15-$25k; 11% makes $25-$35k.
- **Uninsured Population by Income by County**: Reference Table 10; Data can clarify geographic awareness strategies.
- **State Unemployment Trend**: Reference Chart 1.
<table>
<thead>
<tr>
<th><strong>Projected Population by County</strong></th>
<th>High degree of population shifting; MS population will grow at 3.7% over the next decade</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Projected Medicaid Lives by County</strong></td>
<td>County level growth data; By 2014 24% of MS’s population will be eligible for Medicaid</td>
</tr>
<tr>
<td><strong>Projected Uninsured by County</strong></td>
<td>Focus should be on counties with poor communication mediums</td>
</tr>
<tr>
<td><strong>Projected Payor Composition</strong></td>
<td>Shows the composition shift in coverage from 2010 to 2020</td>
</tr>
</tbody>
</table>
Mississippi Healthcare Exchange

A Health Insurance Solution
By Mississippians
For Mississippians
FAST FACTS

- Premier Market Research, Analytics and Strategy Consulting Firm
- Headquartered in Salt Lake City, Utah
- 165 employees: 40 Market Strategists, Statisticians, Moderators, and Analysts and 125 Interviewers / Data-Inputters / Mystery Shoppers
- State-of-the-art focus group facilities
- Staff with decades of senior-level experience in many industries
- Large panels of industry experts and consumers for primary research
- HCHAPS (CAHPS), AHRQ, QRCA, MRA, PRC, and AAPOR certified
- Extensive, successful track record of research in healthcare and public policy
Research Disciplines

Qualitative and Quantitative Approaches to Address Business Challenges

SURVEY INTERVIEWING
- Online Survey
- Telephone Survey
- Live Intercepts
- Stakeholder Interviews

COMPETITIVE SCANNING
- Secondary Research
- Market Sizing
- Penetration/Growth Rates
- PR/Gov. Impact Analysis
- Economic Impact Studies

PRODUCT POSITIONING
- Pricing/Elasticity
- Brand Perception/Awareness
- Positioning/Messaging
- CSAT/Service Quality

FOCUS GROUP RESEARCH
- General Practice (On-site and Online formats)
- Simulation and Usability Studies
- Mock Jury and Legal
- Retail Consumer and Merchandising
- Political Opinion Research

STATISTICAL ANALYSIS
- Correlation Analysis
- Conjoint Analysis
- Cluster Analysis
- Factor Analysis
- Linear Regression Analysis
- LOGIT/PROBIT Analysis
- Segmentation Modeling
- Modeling Analyses
Blended Data Collection

Through blended data-collection we ensure a truly random sampling that ensures accuracy of results. Additionally, we maintain a large research database – and it is constantly growing.

<table>
<thead>
<tr>
<th>METHOD</th>
<th>PRO</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
<td>• Easy access to respondents&lt;br&gt;• Large-scale data collection</td>
<td>• Skews younger&lt;br&gt;• Loose out on hearing “intensity” in voice of customer</td>
</tr>
<tr>
<td>Telephone</td>
<td>• Ability to probe&lt;br&gt;• Fast turn-around&lt;br&gt;• Good response rate</td>
<td>• Difficult to reach certain population segments&lt;br&gt;• Interviewer bias</td>
</tr>
<tr>
<td>Mail</td>
<td>• Large respondent base&lt;br&gt;• No interviewer bias</td>
<td>• Low response rates decreases accuracy&lt;br&gt;• Can’t gain further insights</td>
</tr>
<tr>
<td>In-person</td>
<td>• High response quality&lt;br&gt;• Longer, more complex interviews</td>
<td>• Most expensive&lt;br&gt;• Longer data collection period</td>
</tr>
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Current Research Outline
Mississippi Health Benefits Exchange
Research Timeline for the Mississippi Exchange

Stage 1

Three Research Phases

- Stakeholder Interviews (Discover Issues)
- Survey State Residents (Confirm Issues)
- Town Hall Meetings (Assess Community Concerns)

Stage 2

Three Research Phases

- Program Integration (Define Integration Points)
- Stakeholder Consultation (Address Issues - EAB/CIG/TAG)
- Health Insurance Market Reforms (Collect Data on Policies)
Research Objectives

- Discover stakeholder awareness/attitudes and identify value proposition and priorities for each constituency
- Assess how stakeholders want to use the Exchange
- Examine what has and has not worked well for stakeholders
- Determine stakeholder profiles and define needs
- Define health insurance barriers that would create problems for Exchange implementation and success:
  - Employers dropping health insurance
  - Individuals dropping coverage or not signing up for health insurance
  - Complexity of integrating private health insurance providers
80+ Interviews Conducted in State of Mississippi with:

- Experts in the healthcare industry
- Legislators outside Mississippi who helped to design and implement state healthcare exchanges
- Mississippi legislators who are involved in legislative initiatives for healthcare within the state
- Members of the Mississippi Insurance Department
- HR and benefits managers in Mississippi
- Insurance carriers providing health care plans within the state

*Interview transcripts were created and strategic insights gathered from the interview process, to guide subsequent research phases.*
Phase 1 Interviews

Findings

• **Confusion** - There is considerable confusion about the PPACA and Healthcare Exchanges.

• **Local Solution** - There is a strong preference for an Exchange designed for Mississippians by Mississippians.

• **Simplicity** - There should be an emphasis on simplicity.

• **Outreach** - There must be an effective outreach-education program to inform residents throughout MS.

• **Support** - The Exchange needs to offer meaningful, ongoing support to assist all participants to become informed, navigate the process, and resolve problems.
Phase 2 Survey

**Research Objectives**

- Perform deeper analysis of Phase 1 findings within a cross-section of Mississippi residents and business owners;
- Ascertain the level of awareness of the federal mandate, Exchange concepts, and core health insurance issues within the community;
- Identify issues that impact businesses, individuals, and insurance providers within the current system;
- Learn about how health insurance programs are communicated via current information channels and how these avenues can be leveraged by the Exchange.
Online survey of 1,000 respondents consisting of:

- Small business owners with 2-100 employees (full-time/part-time)
- Individuals living throughout the state

**Versions of survey also created for:**

- Insurance brokers
- Healthcare providers
- Consumer advocacy groups

**Additional Data Intake:**

- 400 calls to chambers of commerce, policy analysts, community leaders, insurance agents
- 5,000 direct emails to residents (results tabulated)
- 6,000 calls to businesses within the State of Mississippi
1. **Lack of Information** - The majority of respondents were unable to accurately define the purpose of a health insurance exchange.

2. **Interest to Learn More** – Most respondents were interested in learning more about health insurance exchanges.

3. **Opposition** – Survey response reflected general opposition to the federal Patient Protection Affordable Care Act (PPACA).

4. **State-run Solution** – The data highlight a strong preference for a state-run health benefits solution.

5. **Concerns About Costs** – Employers and individuals both expressed deep concerns over health insurance costs.

6. **Priority on Quality** – Employers and employees highlighted the importance of health insurance benefits when making employment decisions.

7. **Simplicity** – Respondents emphasized the need for simplicity.

8. **Direct Assistance** – Participants signaled a desire for personal interaction when getting help with questions and resolving problems.

9. **Outreach and Education** – Survey data reflected a desire for a strong outreach and information program to educate the public on the Exchange:
   - Small businesses prefer most to use a broker to stay informed.
   - Individuals mostly prefer to find information on a website.
Awareness of the basic purpose of a health benefits exchange was low, reflecting a lack of understanding of basic concepts in the PPACA legislation.

[Question 14: Briefly describe your understanding of a health insurance exchange?]
[Question 26: How interested are you in learning more about Mississippi’s health insurance exchange?]

Small Business N=399, Individuals N=662
How do Mississippians feel about the PPACA? The majority of respondents oppose the Affordable Care Act. 

*Question 2: To what degree do you support the PPACA?*
Small Business N=399, Individuals N = 662

- Oppose: Small Business 71%, Individuals 42%
- Undecided: Small Business 14%, Individuals 31%
- Support: Small Business 15%, Individuals 27%

*Question 2: ...on a scale of 1-5, 1-2 being opposed, 3 being undecided, and 4-5 being supportive*
The PPACA 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. Survey respondents signaled a strong preference for a solution developed by Mississippi for Mississippian.

[Question 17: By whom would you prefer the health insurance exchange be operated?]

Small Business N=399, Individuals N = 662

- 77% State of Mississippi
- 53% Small Business
- 19% Federal Agency
- 29% Individuals
- 5% Undecided
When asked which were the two most important factors when considering health insurance plans, both employers and employees mentioned the monthly costs associated with health insurance the importance of good coverage (i.e. services offered within plan).

[Question 23: When comparing health insurance plans, what are the top two characteristics you consider?]
Small Business N=399, Individuals N = 662

- Monthly Cost
  - Small Business: 75%
  - Individuals: 59%

- Services Offered
  - Small Business: 43%
  - Individuals: 47%
While employers identify Health Insurance as an important component of hiring and retention programs, employees place a higher emphasis on health insurance benefits than do most small business owners.

How to Attract and Retain Employees

Most Important Factors When Choosing An Employer

Phase 2 Survey

* [Small Business Question 1: How important are the following for your organization when attracting and retaining quality employees? N = 399]
* [Individuals Question 1: How important are the following in your decision to work an employer? N = 662]
There is still some debate about how many insurance plans should be available via the Exchange.

[Question 18: How many health insurance plans do you think should be offered through a state-run health benefits Exchange?]

Small Business N=399, Individuals N = 662
Survey respondents voiced a strong preference for direct, interactive channels when they need answers to questions and support to resolve issues.

[Question 22: In which of the following ways would you most prefer to receive education and information about the health insurance exchange?]

Small Business N=399, Individuals N = 662
Survey response showed a difference in enrollment preferences, with small business owners most preferring interaction with a broker and individuals most preferring interaction with the Exchange via a web site.

[Question 20: How would you most prefer to enroll annually in a health insurance plan?]

Small Business N=399, Individuals N = 662
When considering potential outcomes of a Mississippi health insurance exchange, small business owners and individuals rated issues surrounding the cost and quality of health insurance at most important.

**Key Findings – Preferred Outcomes**

[from Question 15: How would you assign the relative value of potential outcomes that could result from the implementation of a Mississippi health insurance exchange?]

(100 points per respondents assigned across designated categories)

Small Business N=399, Individuals N = 662

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Small Business</th>
<th>Individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attract/retain employees with health insurance</td>
<td>19.0</td>
<td>32.6</td>
</tr>
<tr>
<td>10% decrease in insurance premiums</td>
<td>31.0</td>
<td>28.3</td>
</tr>
<tr>
<td>Reduce costs associated with sick/injured employees</td>
<td>13.7</td>
<td>14.7</td>
</tr>
<tr>
<td>More easily compare plans</td>
<td>13.6</td>
<td>13.6</td>
</tr>
<tr>
<td>Simplify enrollment</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td>Other</td>
<td>15.4</td>
<td>11.7</td>
</tr>
<tr>
<td>High-quality health insurance</td>
<td></td>
<td>11.2</td>
</tr>
<tr>
<td>10% decrease in insurance premiums</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased access to health insurance</td>
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<td>More easily compare plans</td>
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</tr>
<tr>
<td>Simplify enrollment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2.5</td>
<td>2.5</td>
</tr>
</tbody>
</table>
Town Halls (June 20-24, 2011) in attendance were:

- Mississippi Health Advocacy Program
- Center for MS Health Policy
- Children’s Defense Fund
- Clinton Chamber of Commerce
- Fisher Brown Bottrell
- MS American Academy of Pediatrics
- Office of U.S. Senator Wicker
- Olive Branch Chamber of Commerce
- Pioneer Health Services
- Tupelo Holy Apostolic Temple Church
- United Healthcare
- University of Mississippi Health Center
- Cleveland Bolivar County Greater Chamber of Commerce
- Hattiesburg Clinic
- Jackson Public Schools
- Plaza Pharmacy
- Self-employed Small Business Owners
- BlueCross Blueshield of Mississippi
- Tupelo Mfg. Co.

Results of Town Hall meetings were recorded and tabulated to derive findings in Phase 3.

Research Objective - Methodology

Make a broader community assessment of attitudes and concerns voiced in Phases 1 and 2, within 13 Town Hall meetings throughout the State of Mississippi.
1. Mississippians want to know the practical impact of the PPACA legislation.

2. PPACA (“Obamacare”) was often mentioned with frustration, apprehension, and a general tone of resistance.

3. Participants wanted a state-run Exchange (by Mississippians for Mississippians) and not a federally-run Exchange.

4. Members signaled a strong desire for simplicity (easy to understand and direct help when there is a need for information or help solving a problem).

5. Small business owners want to run their enterprise and not get stuck administering health insurance plans.

“We want to know that this is really for Mississippians, that it is in the hands of Mississippians.”
-Town Hall Participant
Key Findings Continued

6. The enrollment and management process needs to be quick and efficient.

7. Businesses and private individuals require direct and meaningful assistance when learning about and navigating the Exchange and its programs.

8. There is a need for seamless integration between the Exchange and federal subsidy programs.

9. Education and outreach about the Exchange and key concepts needs to be provided across different channels and must reach throughout the state (even in remote areas).

10. Respondents expressed a specific interest in exploring Defined Contribution Plans as an option within the Exchange.

11. Mississippians want a voice in the development and implementation of the Health Benefits Exchange.
The next stage of development will leverage existing components of health care within the State of Mississippi. Business leaders, insurance providers, state legislators, state agencies, the federal government, and business leaders will all work together to integrate existing infrastructure with the newly created Health Benefits Exchange.

Research in this next stage of development will focus on the definition of integration points among stakeholders, so that the Exchange Advisory Board can develop and implement policies surrounding the Exchange.
Phase 1

Assist the Exchange Advisory Board (EAB) to gather stakeholder input via CIGs and TAGs on specific topics relevant to the Exchange.

Perform secondary research, interview specialists, and synthesize with Stage 1 research to create an integration plan with other plans and processes.

Phase 2

Assist the Exchange Advisory Board (EAB) to gather stakeholder input via CIGs and TAGs on specific topics relevant to the Exchange.

Phase 3

Use stakeholder interviews and focus groups to gather stakeholder input on health insurance reform policies.

Stage 2 Research Timeline and Methodology

Stage 2 – 2012 Research

Q1 2012

Q1-3 2012

Q2-3 2012
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Inaugural Meeting
of the
Mississippi Health Insurance Exchange Advisory Board
Mississippi Insurance Department
Commissioner Mike Chaney
January 31, 2012
PPACA Implementation:
Identifying Issues, Barriers, and Opportunities

Presented to the
Mississippi Insurance Exchange Advisory Board
January 31, 2012
Jackson, MS
Mandated State Exchange Functions

Portal / Web site

Data Service Hub

Enrollment and Eligibility Interface

Plan Comparison Interface

Administration Interface

Communication Interface

TPA
- Customer Service
- Financials
- Risk Adjustment

IRIS
- Verify Income
- Tax Credits
- Subsidies
- Cost Reduction

TREASURY
- Verify Citizenship

SOCIAL SECURITY
- Verify Residency

HOME LAND SECURITY
- Reporting

HHS

Data Service Hub

Health Plan #1

Health Plan #2

Health Plan #3

Health Plan #4

ONLINE CALCULATOR
- Display Total Costs

Navigator

STATE Medicaid

Employee or Consumer

Admin, Life Events, etc.

Health Plans

Certify, Recertify, Decertify

State Insurance Agency

Employee or Consumer

Billing or Invoices

Pay Premiums

Customer Service

Customer Service

Notifications

Display Total Costs

Cost Reduction

Verify Citizenship

Verify Residency

Verify Income

Tax Credits

Subsidies

Verify Residency

Verify Citizenship

Verify Income

Tax Credits

Subsidies

Verify Residency

Verify Citizenship

Verify Income

Tax Credits

Subsidies
Barriers to Implementation

• Overall lack of certainty
  — 2012 Elections
  — Constitutional challenges

• Lack of timely guidance from HHS
  — 1968 new or expanded powers given to the Secretary of HHS

• Heavy technology lift
  — Systems development
  — Strained public/private sector resources

• Tough statutory timelines
  — Agreement among state officials
  — Stakeholder buy-in
The Future of the Law: Budget

• Exchange administrative costs
  — Federal funding opportunities for exchange establishment through 2014
  — On-going operational costs are the responsibility of the state

• Exchange premium subsidies

• Medicaid expansion
The Future of the Law: SCOTUS

Four Questions, Five Primary Issues

1) Commerce Clause
   • Does Congress have the authority to require individuals to purchase health insurance?

2) 10th Amendment
   • Is it unconstitutional for Congress to require states to expand (and pay for) Medicaid

3) Taxation
   • Is the “penalty” really a “tax”?

4) Anti-Injunction Act
   • If the “penalty” really is a “tax”, is it premature to even address the first three questions?

5) Severability
   • If the Supreme Court decides that the individual mandate is unconstitutional, can the rest of the law stand?
The Future of the Law: 2012 Elections

- Who will occupy the White House?
  - Is “effective“ repeal by Executive Order possible?
- Who controls the House and Senate and to what degree?
  - Is actual repeal possible?
  - Will statutory timelines remain?
What’s Trending?

• Exchanges pre-date PPACA and continue to be popular among many state leaders on both sides of the aisle

• Most states will initiate efforts to build an exchange; many will do so on their own terms

• Fully functioning, PPACA compliant state exchanges by 2014 is questionable
  — Majority of states indicate insufficient lead time on PPACA implementation
  — Political and practical barriers abound

• Federally Facilitated Exchange will be ready; state interface will be challenging
**Likely State Scenarios in 2014**

3 Primary Buckets

- **States making significant progress (5-10)**
  - Will be certified as “approved”
  - Will likely still rely on federal processes for some functionality

- **States making some progress (30-35)**
  - Will be certified as “conditionally approved”
  - Will be considered state-federal “hybrid”

- **States making little or no progress (5-10)**
  - Will have a federally-facilitated exchange
  - May continue to work toward a state-facilitated exchange
Strategic Imperatives for States

• Define the state’s vision; identify long- and short-term strategies
• Perform environmental assessment
• Develop a blueprint
• Proactively engage all stakeholders
• Act NOW
  — Be thoughtful, deliberative, and decisive in planning and implementation efforts
  — Understand the implications of actions or lack thereof
  — Be creative in finding unique solutions that work for the state’s unique circumstance
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Inaugural Meeting

of the

Mississippi Health Insurance Exchange Advisory Board

Mississippi Insurance Department

Commissioner Mike Chaney

January 31, 2012
Exchange Advisory Board: Organizational Structure and Reporting Schedule

Presented to the Mississippi Insurance Exchange Advisory Board
January 31, 2012
Jackson, MS
EXCHANGE ADVISORY BOARD

• Created by Mississippi Insurance Department Bulletin 2011-9, dated October 18, 2011

• Meetings will be held at least quarterly* and will be conducted in Jackson, MS, as well as other parts of the State.

• Dates, times and locations of meetings for the Advisory Board will be published on the Mississippi Insurance Department website.

*This is a minimum; however it is likely the groups will need to meet at least monthly to accomplish the necessary work.
Each Subcommittee will be a multi-stakeholder group.
Each Subcommittee will be given a list of specific tasks and issues and a time line for bringing recommendations back to the Exchange Advisory Board.
A Subcommittee may, with the approval of the Exchange Advisory Board, create Technical Advisory Groups (TAGs) to address issues assigned to the groups by the Exchange Advisory Board.
The Advisory Board Subcommittees will supervise any Technical Advisory Groups created and report Subcommittee recommendations to the Exchange Advisory Board.
It is expected that each Subcommittee will provide specific findings and tangible ideas for next steps and feedback regarding the efficacy of the current insurance market reform efforts.
Subcommittee should generally expect to meet once or twice monthly, depending on the complexity of the issue, the urgency of the issue, and reporting schedule as prescribed by the Advisory Board.
Subcommittees should record all meetings and be prepared to report to the Advisory Board with both written and oral presentations.
While interim reports may be requested by the Advisory Board, Subcommittee should expect to present Phase I Final Recommendations to the Exchange Advisory Board by July 2012.
Dates, times and locations of meetings for the Subcommittees will be published on the Mississippi Insurance Department website.
• Technical Advisory Groups (TAGs) may be formed at the request of a Subcommittee and with the approval of the Advisory Board.

• The work and recommendations of TAGs should be supervised and vetted by their respective Subcommittee.

• TAGs should generally expect to meet once or twice monthly, depending on the complexity of the issue assigned, the urgency of the issue, and reporting schedule of the Subcommittee to which the TAG is a subsidiary.

• TAGs should record all meetings and be prepared to report to Subcommittees with both written and oral presentations.

• Findings and recommendations of each TAG will be reported to the Advisory Board, along with other Subcommittee recommendations.

• While interim reports may be requested by Subcommittees, TAGs should expect to present final recommendations to Subcommittees by June 2012.
Inaugural Meeting

of the

Mississippi Health Insurance Exchange Advisory Board

Mississippi Insurance Department

Commissioner Mike Chaney

January 31, 2012