Mississippi Health Insurance Exchange Advisory Board

Mississippi Insurance Department
Commissioner Mike Chaney

May 9, 2012
Jackson, Mississippi
Impact of 2012 Political Scenarios on Health Care Reform
Supreme Court Decision Points

- **Anti-Injunction Act**: Likely Will Not Apply
- **Individual Mandate**: 1. PPACA Upheld, 2. IM Overturned, 3. PPACA Overturned
- **Severability**: Likely Upheld
- **Medicaid Expansion**
Election

- **R Sweep**: R White House, Senate & House
- **R Gridlock**: R White House & House, D Senate
- **Balance**: D White House, R Senate & House
- **D Gridlock**: D White House & Senate, R House
- **D Sweep**: D White House, Senate & House
## Fiscal “Train Wrecks”

<table>
<thead>
<tr>
<th>Train Wreck</th>
<th>Scope ($)</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bush Tax Cuts</td>
<td>-$3.3 trillion over 10 years</td>
<td>End 2012</td>
</tr>
<tr>
<td>Sequestration</td>
<td>-$1.2 trillion over 10 years</td>
<td>End 2012</td>
</tr>
<tr>
<td>Payroll Tax Cut</td>
<td>-$804 billion over 10 years</td>
<td>End 2012</td>
</tr>
<tr>
<td>Debt Ceiling</td>
<td>TBD</td>
<td>October 2012</td>
</tr>
<tr>
<td>SGR</td>
<td>-27% cuts</td>
<td>End 2012</td>
</tr>
<tr>
<td>Alt. Min. Tax Patch</td>
<td>-$505 billion over 10 years</td>
<td>End 2012</td>
</tr>
</tbody>
</table>
SCOTUS Upholds Law

“R Sweep”

“R Gridlock”

“D Gridlock”

Degree

High

Low

Likelihood

Low

High

Individual Mandate

Premium Subsidies

Employer Penalty

Medicare

Medicaid

Payment Reform

Exchanges

Individual Mandate

Premium Subsidies

Employer Penalty

Medicare

Medicaid

Payment Reform

Exchanges

Individual Mandate

Premium Subsidies

Employer Penalty

Medicare

Medicaid

Payment Reform

Exchanges

Individual Mandate

Premium Subsidies

Employer Penalty

Medicare

Medicaid

Payment Reform

Exchanges

Individual Mandate

Premium Subsidies

Employer Penalty

Medicare

Medicaid

Payment Reform

Exchanges
**SCOTUS Overturns Law:**

### “R Sweep”
- Exchanges implemented in some states with existing funds
- Modified subsidies distributed through state exchanges or private exchange
- Guaranteed Issue will only be found through a high-risk pool

### “R Gridlock”
- Exchanges implemented in some states with existing funds
- Unlikely that a replacement subsidy will emerge in this Congress
- Guaranteed Issue will only be found through a high-risk pool

### “D Gridlock”
- Exchanges implemented in some states with existing funds; Federal Exchange could still be a reality
- Unlikely that a replacement subsidy will emerge in this Congress
- Some further modified Guaranteed Issue will emerge
Conclusions

- Exchanges are a **public-policy mainstay**
- Premium subsidies will be altered in any scenario, **but will remain**
- The popularity of Guaranteed Issue ensures survival, but **may change depending on the scenario**
Overview of Essential Health Benefits Final Recommendations
Selection Methodology

A Unique Methodology for Each Subcommittee

– When conducting their Essential Health Benefits assessment, each group approached the task differently.

– However, each Subcommittee took into consideration the same two questions when finalizing their decision:

1) What will this cost the state and consumer
2) Should a plan cover non-catastrophic treatments and services (e.g., weight management and obesity treatment, contraceptives, alcohol abuse treatment, etc.)?
Varying Definitions

The Definition of “Barebones” Varies from Group-to-Group

– As the Subcommittees appraised each of the plans; varying consensuses were made in what constitutes “barebones.”

– While some groups equated barebones to cover all services and treatments necessary to promote a standard quality of life, others argued that it should closely resemble a catastrophic plan.
Primary Deciding Factor

Affordability was a Primary Component in Most Subcommittees’ Final Decisions

– Each Subcommittee assessed “affordability” in an abstract sense due to the limited information available regarding costs.

– For most groups, higher costs were linked to plans with richer benefits and services.

– As a result, each plan’s richness in benefits and services was carefully weighed against a group’s definition of “barebones” in determining a final recommendation.
Preferred Plans

Plans A and E are the Preferred Plans among most Subcommittees

- Each Subcommittee was hesitant to provide a final recommendation as a result of the limited plan information available.
- However, due to time constraints, groups were able to facilitate a final recommendation.
Outreach, Education, Adoption, and Enrollment
Rules Governing Navigators

• PPACA requires establishment of a “Navigator Program”
  – Purpose is to provide outreach, education, and enrollment services for the exchange-eligible population
  – Possible activities may include:
    • Conduct public education activities to raise awareness about QHPs
    • Distribute fair and impartial information about enrollment in QHPs, premium tax credits, and cost-sharing reductions
    • Assist consumers in selecting QHPs
    • Provide referrals to an applicable consumer assistance program or ombudsman in the case of grievances, complaints, or questions regarding health plans or coverage
    • Provide culturally and linguistically appropriate information
Rules Governing Navigators

• At least two of the following entities must serve as navigators (one must be a consumer-focused nonprofit group):
  – Community and consumer-focused nonprofit groups
  – Trade, industry, and professional associations
  – Commercial fishing industry organizations, ranching and farming organizations
  – Resource partners of the small business administration
  – Licensed agents and brokers (i.e., brokers and agents)
  – State or local human service agencies
  – Other public or private entities or individuals
  – Chambers of commerce
  – Unions
  – Indian tribes
Rules Governing Navigators

• Navigators cannot receive any consideration or compensation from insurance issuers:
  – In connection with enrollment in health plans inside and outside of the exchange

• Health insurance issuers are explicitly prohibited from being navigators

• Producers may facilitate enrollment in the exchange:
  – Not as official navigators
  – Must be registered with the exchange and received training in the range of QHP options and programs
  – States decide how producers will participate
Rules Governing Navigators

• Navigators are compensated by state grants funded through the operations of the exchange:
  – Exchanges will award grants to Navigators
  – States will be responsible for the ongoing costs of the program
  – Costs may be passed on to the consumer
Training and Certification

• State Law:
  – Producers in Mississippi may not sell, solicit, or negotiate insurance without a license

• Federal Law:
  – Navigators will not be required to be licensed by the state as producers
  – HHS deferred to the states to prescribe licensing, certification, or other standards for navigators
  – HHS plans to issue training model standards for navigators in forthcoming guidance
Training and Certification

• The process for regulating navigators could parallel that which currently exists for brokers
  – Other responsibilities include conducting public education activities, assisting consumers navigate the exchange, etc.

• May consist of the following:
  – Certification
  – Licensure
  – Appointment
Questions

• What should the training and certification process be for navigators?

• What type of oversight should be required and who should be charged with this oversight?

• What is the role of navigators vs. producers (i.e., insurance agents and brokers)?
Outreach & Education

• Awareness
  – Notifying the general public that a health insurance exchange has been established in Mississippi

• Knowledge
  – Broadly disseminating information about the exchange

• Understanding
  – Facilitating public understanding of how and why they should access the exchange
Insured vs. Uninsured Population

Mississippians

Source: statehealthfacts.org
Population by Income (FPL)

- 1,117,000 (39%) <138%
- 622,600 (22%) 139-250%
- 472,300 (16%) 251-399%
- 665,700 (23%) 400%+

Source: statehealthfacts.org
Uninsured Population by Income (FPL)

- <138%: 328,200 (60%)
- 139-250%: 122,100 (22%)
- 251-399%: 55,800 (10%)
- 400%+: 44,600 (8%)

Source: statehealthfacts.org
Outreach & Education

• Mississippi should leverage its existing networks for outreach and education
  – Understand the needs of Mississippi’s diverse populations and how to engage them

• A variety of efforts may be needed to assist all eligible populations in exchange education and enrollment
Questions

• What marketing channels should the state engage in to raise awareness of an exchange and consumer options?

• What elements should be included in public relations and advertising campaigns to drive enrollment in the exchange?

• What points of contact should be made (e.g., schools, churches, community centers, etc.)?
Mississippi Health Insurance Exchange Advisory Board

Mississippi Insurance Department
Commissioner Mike Chaney

May 9, 2012
Jackson, Mississippi