Mississippi Health Insurance Exchange Advisory Board

Mississippi Insurance Department
Commissioner Mike Chaney

July 11, 2012
Jackson, Mississippi
PPACA and the Supreme Court
The Decision
Opinions

Majority

Roberts  Kagan  Ginsburg  Sotomayor  Breyer

Dissent

Kennedy  Scalia  Alito  Thomas
The Holding

• Anti-Injunction Act
  – Only applies to prevent consideration of taxing laws
  – Penalty for noncompliance with Individual Mandate is a “penalty,” not a “tax”

• Individual Mandate
  – Not permitted by the Commerce Clause
  – BUT, Penalty for noncompliance is a “tax,” not a “penalty”
  – End result: Individual Mandate is upheld

• Medicaid Expansion
  – States cannot lose existing Medicaid funding for nonparticipation with expansion

• All other provisions of the law remain in force
Some Implications of Decision

• Health Insurance Exchange still required
  – State based, or
  – Federally facilitated

• Individual Mandate
  – Almost all Americans required to purchase insurance by 2014
  – Shared responsibility payments will apply for non-compliance

• Medicaid Expansion
  – Effectively optional for all states
  – Projections are that 15 or fewer states will participate
Adoption of Minutes from Exchange Advisory Board Meeting on June 13, 2012
Final Recommendations and Findings from Advisory Subcommittees on Outreach, Education, Adoption, and Enrollment
Navigators: Role

Role of a Navigator

- A Navigator’s role is distinct from the role of a producer
- Navigators should provide education and information to individuals about the Exchange
- Navigators should not enroll consumers in health plans or Medicaid
- Once an individual is ready to enroll, Navigators should transition them to the appropriate contact
- Agents and brokers should not be Navigators
Navigators: Training

Certification vs. Licensure

– Certification is necessary; licensure is too restrictive
– Pre-certification requirements (e.g., background & credit check)

Training Program

– Training program should balance rigor with accessibility
– Training should be comprehensive
– Navigators should be trained in the following areas:
  • HIPAA Compliance
  • Consumer protection standards
  • Exchange processes
  • Terminology
  • Eligibility requirements
Agents & Brokers

Training & Certification

– Carry a state license
– Participate in an Exchange training course
– Carry an appointment with all insurers in the Exchange
– Minimum tenure before brokers would be eligible for Exchange certification
– Subject to recertification

Compensation

– Parallel compensation both inside & outside the Exchange
– Should come directly from the carrier, not the Exchange
Communications: Marketing

Utilization of Diverse Marketing Efforts

– Traditional marketing mediums
  • TV
  • Print
  • Radio

– Grass-Root Efforts
  • Churches & faith-based groups
  • Community health centers
  • Colleges & universities
  • Libraries
  • State agencies
  • Business associations
  • DMV offices
  • Medical offices & associations
  • Professional associations
  • Public & sporting events
  • Chambers of commerce
  • County supervisors
  • Community organizations
  • Trade organizations
Messaging

– Keep it simple
  • Easy to understand
  • Easy to remember
  • Easy to relate to

– The message should focus on three main points:
  • Exchange’s overall ease of use
  • Capacity for side-by-side comparison shopping
  • Consumer’s ability to choose a tailored plan
Employer Participation in the PPACA
What’s in a Number?

2,700* Number of pages comprising the PPACA

1,968 Number of new and expanded powers given to the HHS Secretary

6 Number of times “SHOP” is specifically mentioned in the PPACA

5 Number of pages of final regulations from HHS in which the SHOP is addressed

*in original formatting
Employer Eligibility Requirements

An employer is eligible to purchase coverage for employees through a small business exchange if the employer:

• Is a small employer

• Elects to offer, at a minimum, all full-time employees coverage in a Qualified Health Plan (QHP)

• **Either** has its principal business address within the Exchange area

• **Or** offers coverage to each employee through the SHOP serving that employee’s primary worksite
What is a Small Business?

• Federal Definition: 100 or fewer employees

• Mississippi Definition: 50 or fewer employees

• From 2014 to 2016, states may limit the employers who participate in the SHOP to those with 50 or fewer employees

• In 2016, participation is automatically expanded to employers with 100 or fewer employees
What is a Small Business?

• If an employer has over 100 employees within multiple states, it is still considered a large business.

• The HHS rule has not yet been finalized on the method of determining employer size:
  – Number of employees regardless of part- or full-time status
  – Number of full-time equivalent employees

• Continued Eligibility:
  – If an already-qualified employer ceases to be a small business solely from an increase in employees, it may continue to participate in the SHOP exchange.
Other General Rules

• SHOP may authorize a minimum participation rate
  – Must be based on employee participation in the SHOP,
  – May not be based on participation in any particular QHP or QHPs of any particular issuer.

• Employers may be allowed limit the number of plans offered to employees

• The SHOP is responsible for providing each employer with a bill listing the employees enrolled under that employer, the QHP each employee is enrolled in, and the cost of the QHP.
Mississippi Individual and Small Business Survey
Key Points

• Awareness and understanding of a health insurance exchange is low

• Small businesses prefer to use a broker to stay informed (vs. individuals who prefer to use a website)

• Employers expressed concerns over health insurance costs

• Respondents expressed specific interest in exploring Defined Contribution Plans as an option in the exchange
Awareness of Exchange Concepts

Awareness of the basic purpose of a health insurance exchange is low

[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
Desire for Direct Assistance

Small businesses prefer in-person channels and website assistance equally when they need answers to questions or 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
Small businesses prefer enrollment through an insurance agent or broker

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

Small Business N=399, Individuals N = 662
Various answers are received when asked how many plans should be available in 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
The two factors mentioned as most important when considering health plans was cost and coverage.

[Question 23: When comparing health insurance plans, what are the top two characteristics you consider?]

Small Business N=399, Individuals N = 662
Preferred Exchange Outcomes

Issues surrounding the cost and quality of health insurance was rated the most important 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
• The health benefit exchange will not fix all health care challenges, but it is one critical component in expanding coverage and improving the health insurance market.

### Health Insurance Challenges
- Lack of Transparency
- Administrative Burden
- Unpredictable Costs
- Difficult Enrollment
- One-Size-Fits-All Plans

### 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
SHOP Exchange Model

Employees

Company health plan

Small Group

Compare and select health plan

Health Insurance Exchange

Insurers compete on quality and value

Insurer 1

Insurer 2

Insurer 3

Insurer 4
Defined Contribution Model

Employers select a specific amount they contribute to the employee plans. Employees then take that money and select a plan for themselves.
Benefits of Defined Contribution

• Costs are more predictable
  – The employer can choose the amount they will contribute each year to health plans

• Enrollment and administrative burdens are reduced
  – Employers no longer have to select plans for employees

• Employees can select plans that are customized to their needs
Premium Aggregation

• Employers receive one bill & remit one payment from the SHOP for all QHPs in which their employees are enrolled

• Contributions from the employee and employer(s) are combined into one payment sent to the issuer through the exchange

• Minimum requirement for SHOP exchange

• Optional for individual exchange
Other Business &
Closing Remarks
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