Mississippi Health Insurance Exchange Advisory Board

Mississippi Insurance Department
Commissioner Mike Chaney

October 10, 2012
Jackson, Mississippi
Updates & Announcements
Adoption of Advisory Board Meeting Minutes from September 12, 2012
Final Recommendations from Advisory Subcommittees on Employer Participation
Value for Small Employers

Products and services the Small Employer Exchange can provide that would be of the most value include:

- Simple Exchange processes
- Multiple health plan options for employees
- Detailed guidance about participation for small employers
- Tools and services that relieve administrative burdens
  - Aggregated billing
  - Employee assistance
  - Comprehensive comparison tool
  - ‘Health coach’ concept
  - Calculation of small business tax credit
  - Streamlined process for transitioning an individual from the Small Employer Exchange to the individual exchange, and vice versa
Small Employer Participation

Participation rate requirements are important, but should be approached with caution

- Pro: safeguards against adverse selection
  - Should be set at current state carriers’ common participation requirements

- Con: could be a barrier to participation in the Small Employer Exchange if set too high

- Everyone who wants to participate in the SHOP should have the opportunity
Small Employer Participation

Other Participation Considerations

– Monetary incentives
  • Tax incentives
  • Gift Cards

– Possibility of increasing the participation eligibility to businesses with 100 or fewer employees
  • It may increase the pool of participating employees and increase plan portability
  • Nevertheless, participation eligibility should remain with businesses with 50 or fewer employees for simplicity in starting the exchange
Defined Contribution Plans

**Defined Contribution Plans: Pros**

– Can attract employers who currently do not offer insurance

– Without it, there is little incentive for small groups who currently offer insurance to use the Exchange

– Availability of premium aggregation offers significant value to families

**Defined Contribution Plans: Cons**

– There is a potential for cost-shifting from employers to employees

– There is also a shift in risk and responsibility to the employee
Defined Contribution Plans

Minimum contribution requirement should be balanced

- High employer requirement may discourage employer participation
- High employee contribution may discourage employee participation
Additional Recommendations

• Training for agents, employees, & employers on defined contribution should be provided

• Exchange needs to include an education element
  – Consumers who choose a High Deductible Health Plan need to know that they have opportunity to establish a Health Savings Account on the exchange, and perhaps be led to create one.
Employer Participation
Advisory Board Discussion
Market Research
The Mississippi Health Insurance Exchange: Health Reform Recommendations

The State of Mississippi, by and through the Mississippi Insurance Department, commissioned Leavitt Partners and Cicero Group to research and develop a series of health policy recommendations based on state-wide stakeholder consultations. The following slide deck is an aggregation of those recommendations.

Among these stakeholders were primary care physicians, health insurance brokers, hospital executives, health plan executives, and state legislators.

All stakeholders were either pre-informed of the PPACA reforms, or received sufficient education (during the interview). Stakeholders were then interviewed regarding the impacts they anticipated in their markets, as well as their recommended solutions to the challenges they expect.
In order to maximize interview participation among all stakeholders, the following strategies were implemented:

- Over 1,500 phone calls to physician clinics, hospitals, specialty practices, health organizations, non-profit health entities, state legislators, health plan executives, and government agencies
- 1,200 personalized direct mail pieces sent to hospital executives and primary care physicians
- 2,000 email invitations sent to hospital executives, primary care physicians, brokers, state legislators, and health plan executives
## Stakeholder Screening Criteria

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Screening Criteria</th>
<th>Number of Interviews</th>
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| **Primary Care Physician:**  | Participants were required to:  
  - Be a primary care physician  
  - Be licensed to practice in Mississippi  
  - Currently be practicing in Mississippi  
  - Not be employed by a hospital system                                                                                                                          | 11                   |
| **Hospital Executives:**     | Participants were required to:  
  - Currently work at a Mississippi hospital  
  - Not work at a VA or military hospital  
  - Hold a VP (or equivalent) position or higher  
  - Work in position that deals with one of the following: strategy, operations, marketing, public/government relations, or policy                                                                 | 17                   |
| **Brokers:**                 | Participants were required to:  
  - Be licensed to sell insurance in Mississippi  
  - Be an active broker in Mississippi                                                                                                                                  | 5                    |
| **Health Plan Executives:**  | Participants were required to:  
  - Offer small group or individual plans in the Mississippi market  
  - Cover >5,000 Mississippi residents                                                                                                                            | 5 across 3 carriers  |
| **State Legislators:**       | Participants were required to:  
  - Currently hold a House or Senate seat in Mississippi  
  - Currently serve on the Insurance Committee in either the State House of Representatives or State Senate                                                                 | 17                   |
Advisor Engagement

• Joel Ario – Former Director of the Office of Insurance Exchanges at HHS

• Dr. Jim Madara – Current CEO of the American Medical Association and former dean of the University of Chicago Pritzker School of Medicine.

• Dr. Barry Straube – Former Chief Medical Officer for the Centers for Medicare and Medicaid Services

• Ray Scheppach – Former Executive Director of the National Governors Association
SECTION 1
Insurance Market Reforms
Adhere to PPACA-prescribed timelines
Focus on meeting basic regulatory requirements of PPACA; nothing more
SECTION 2
One, Mississippi Risk-Pool Stability
Don’t cap the number of health insurers or insurance products on One, Mississippi; develop intuitive search optimization tool.
Allow ancillary insurance products on One, Mississippi
Same Bronze/Catastrophic coverage inside and outside of the exchange
Monitoring of inside and outside exchange products for price disparities exceeding 10%
Impose consistent solvency standards to inside and outside of the exchange insurance products
Create user-friendly metrics that provide insight into insurer business practices through One, Mississippi
Target community-based Navigators and provide training and certification
Insurers assign One, Mississippi as their managing general agent and pay a flat fee for each plan sold.
Empower MID to approve or reject rate increases for product inside and outside of the exchange
Define a qualitative network adequacy standard
Adopt NAIC standard in preventing benefit design discrimination
Don’t limit marketing activities; but do define a standard
Engage national health insurance carriers to participate in Mississippi
Defer accreditation requirements to 2016
Allow integrated provider systems to apply for and sell product on One, Mississippi
Standardize tax treatment of carriers on One, Mississippi
Develop a strong SHOP option with “employer choice” features
SECTION 3
Ensure Risk-Pool Stability Through the Supply-Side
SECTION 4
Payment & Delivery System Reform
SECTION 5
Risk-Adjustment
Initially, defer to the HHS risk-adjustment model with the goal of a Mississippi-based model in subsequent years.
Defer the three-year reinsurance program to the federal government
1) Reforms that prevent adverse selection and promote stable risk pools in One, Mississippi should be consistent on and off the exchange and should allow for maximum flexibility.

2) In order for risk-pool stability, Mississippi will need to address the state’s supply issues.
Introduction to Exchange Market Regulation
Exchange Functions

• An exchange must provide these (and other) core functions:
  – Certification, re-certification and de-certification of plans
  – Assignment of a price and quality rating for listed plans
  – Standardized presentation of plan benefit options
  – Certification of individuals exempt from the individual responsibility requirement
Certification

• An issuer must demonstrate that each health plan offering is a Qualified Health Plan (QHP)
• The Exchange must determine that each QHP serves the interests of the consumer or employer
  – Exchange may not exclude a plan based on price controls or designation as a fee-for-service plan
• Insurers must meet additional guidelines
  – Benefit standards for each QHP are met (EHB, cost-sharing limits, metal tier designation)
  – Licensed and in good standing
  – Quality improvement strategies are implemented and reported on
“Metal Tiers”

- 4 Tiers: bronze, silver, gold, platinum
- Each tier corresponds to an Actuarial Value (AV)
- AV = percentage of health care costs the plan is expected to cover

<table>
<thead>
<tr>
<th>Tier</th>
<th>Actuarial Value (AV)</th>
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<tbody>
<tr>
<td>Bronze</td>
<td>60%</td>
</tr>
<tr>
<td>Silver</td>
<td>70%</td>
</tr>
<tr>
<td>Gold</td>
<td>80%</td>
</tr>
<tr>
<td>Platinum</td>
<td>90%</td>
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Plan Rating

• Issuers must offer the same premium rate for each QHP, without regard to whether it is offered inside or outside the exchange

• Premiums may vary depending on geography

• Rates must be set for an entire year

• Prior to a rate increase, the issuer must submit justification for the increase

• QHPs must also be given a quality rating based on relative quality and price
Exchange must maintain an up-to-date website that provides standardized comparative information. Some include:

- Premiums
- Cost-sharing
- Summary of benefits
- Metal tier identification
- Quality ratings
- Enrollee satisfaction survey results
- Provider directory
- Others
Exchanges must ensure plan compliance with regulatory standards established by HHS in the following areas:

- Marketing, network adequacy, accreditation for performance measures, accreditation for performance measures, and uniform enrollment procedures
- Information on the availability of in-network and out-of-network providers
- Review and posting of past premium increases and plan justifications for current rate hikes
- Public disclosure of plan data (e.g., claims handling policies, financial disclosures, enrollment data, rating practices)
Market Regulation Questions

• What should be the minimum requirements for a carrier to operate on an exchange?

• How should provider network adequacy be determined?

• What should the standard format for presenting coverage options to consumers look like?
Network Adequacy

• HHS generally recommends that states defer to the current NAIC standard:
  – Providers should be accessible without unreasonable delay

• Moving forward, Mississippi may want to develop its own standard for network adequacy
Insurer Participation Requirements

• Insurers participating on the exchange must offer at least one silver-level plan and one gold-level plan
  – Bronze, silver, gold, or platinum (i.e., “metal level”) refers to the actuarial value of the plan’s cost-sharing features

• Insurers must offer a child-only plan with coverage levels equal to other QHPs

• Insurers must charge the same premium rate for each of their QHPs regardless of whether they are offered through the exchange or directly through an agent

• Plans offered on the exchange must comply with state insurance laws and federal requirements in the Public Health Service Act
Other Business & Closing Remarks
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