

Center for Consumer Information and Insurance Oversight**State Planning and Establishment Grants for the
Affordable Care Act's Exchanges****Reporting Requirement****Quarterly Project Reports****Date:** October 15, 2011**State:** Mississippi**Project Title:** Mississippi Insurance Department
Health Insurance Exchange Planning Grant Quarter IV Report**Project Quarter Reporting Period:** Quarter IV (07/01/2011-09/30/2011)**Grant Contact Information****Primary Contact Name:** Aaron Sisk
Primary Contact Number: 601-359-2012
Primary Contact Email Address: aaron.sisk@mid.state.ms.us**Secondary Contact Name:** Liz Barnett
Secondary Contact Number: 601-359-3657
Secondary Contact Email Address: liz.barnett@mid.state.ms.us**Website (if applicable):** www.mid.state.ms.us**Award number:** 1 HBEIE100039-01-00**Date submitted:** 9/30/2010**Project Summary**

This report covers the activities conducted in the fourth quarter of the planning grant period. Mississippi focused its efforts on completing the proposed planning grant activities and began to transition its activities toward the establishment of a State-based Exchange. Mississippi submitted an application for the *Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges*. In said application, Mississippi demonstrated its past progress in the Exchange planning core areas and its ability to begin implementation activities. The Mississippi Insurance Department ("MID") was awarded the grant in August, 2011.

One key milestone achieved during the fourth quarter was the completion of an on-line survey of small business owners and individuals. The survey results will be used to create an Exchange that meets the needs of Mississippi residents. Due to the demographic and socioeconomic diversity of Mississippi residents, various outreach and education methods will be undertaken to ensure that employers and employees across the State have the ability to learn about and enroll in the Health Insurance Exchange.

The on-line survey revealed that Mississippians believed that fixing health care in the State is critical to economic growth in Mississippi – as reported by seventy three percent (73%) of businesses. In addition, seventy percent (70%) of businesses indicated that they support a solution sponsored by the State of Mississippi to improve access to health insurance.

The results also indicated that seventy-three percent (73%) of employer respondents and sixty-four percent (64%) of employee respondents indicated a strong interest in learning more about a health benefit exchange. Both groups were motivated to understand how an exchange would help them to better provide and obtain access to affordable care. Further, a state-operated health benefit exchange was preferred by seventy-seven percent (77%) of employers and fifty-three percent (53%) of employees who responded to the survey.

The planning activities were completed in this quarter in the following core areas:

Core Areas

I. Background Research

Mississippi completed its background research on the State's health insurance market and recently released *Preparing for the Mississippi Health Benefit Exchange: Final Report*. This five hundred, sixty-six (566) page report, prepared by MID consultants, will be an invaluable resource as the State moves forward in the establishment of the State's Health Insurance Exchange. MID consultants formally presented highlights of the document to grant staff at the end of the fourth quarter. The document's Executive Summary is attached hereto as Attachment "B." The entire report is too large to attach but can be accessed on MID's website at http://www.mid.state.ms.us/pages/health_care_reform.aspx.

II. Stakeholder Involvement

As the State moves forward with the establishment of an Exchange, outreach efforts are critical to its success. MID continued stakeholder involvement activities by building on its previous meetings and reaching the following milestones during the fourth quarter:

1. Name of Milestone: Small Employer Survey and Employee Survey

Timing: Completed in Quarter IV

Description:

MID consultants completed the aforementioned online survey targeting small businesses, employees, and stakeholders throughout the State to seek input on their knowledge of an Exchange, views on health plans, and thoughts on various features of an Exchange. MID sent invitations for survey participation in May 2011, to small group associations, including, but not limited to, chambers of commerce, community health organizations, small businesses, consumer advocacy groups, and churches. Potential respondents were asked to take the survey online or go to a location with Internet access (e.g. local libraries).

In order to further maximize survey participation among all interest groups, the following strategies were implemented:

- Over four hundred senior-level phone calls were made to chambers of commerce; business organizations; consumer advocates; policy analysts; state, county, and local leaders; economic development representatives; health care provider groups; and insurance agent representatives;
- 5,000 personalized direct mail pieces were sent to a random sample of businesses and employees;
- 6,000 telephone calls were made to a random set of businesses throughout the State;
- 10,000 telephone calls were made by professional call center interviewers asking employers to participate in the survey; and
- 29,000 e-mail invitations were sent to employers and employees through an online panel.

The results gathered by the online survey will help guide Mississippi's efforts in the development and implementation of the Exchange. The results from the survey are attached hereto as Attachment "C".

2. Name of Milestone: Exchange Public Awareness

Timing: Quarter IV

Description: Outreach Efforts for Young Adults

Mississippi has recognized the need for young adults to participate in the Exchange. Planning for education and outreach geared toward promoting participation in the Exchange by this special age population is underway.

3. Name of Milestone: Exchange Public Awareness

Timing: Quarter IV

Description:

Mississippi's Grant Director made presentations on Exchanges to the following groups during the fourth quarter:

- Mississippi Hospital Financial Management Association Summer Meeting in Philadelphia, MS
- Managed Care Conference in Tupelo, MS
- Annual Mississippi Society of Certified Public Accountants' Health Care Services Seminar in Ridgeland, MS
- KIWANIS club in Brandon, MS
- Mississippi Chapter of the American Cancer Society in Jackson, MS

A staff Grant Project Officer serves as a member of a Mental Health Advisory Committee to ensure health care reform communications with MID and the State Mental Health agency.

Articles were published in local and national papers regarding Mississippi's efforts to plan for a State-based health insurance Exchange. Copies of newspaper articles are attached hereto as Attachment "D".

4. Name of Milestone: Exchange Public Awareness/Travel to Meetings

Timing: Quarter IV

Description:

In September, the Grant Project Director and Grants Manager attended the United States Department of Health and Human Services ("HHS") Exchange Planning Grantee Meeting in

Washington, DC. This was an excellent opportunity to meet HHS staff and representatives from other states as plans move forward in planning the State's Exchange.

III. Program Integration

1. Name of Milestone: Meetings with the Governor's Staff

Timing: Quarter IV

Description:

MID staff conferred with the Governor's health policy advisory staff several times during the fourth quarter in order to continue open communication on the Exchange planning process. Mississippi's Governor provided a letter of support for MID's application for the *Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges*.

2. Name of Milestone: Meetings with Medicaid Staff

Timing: Two meetings during Quarter IV

Description:

MID staff and the Mississippi Comprehensive Health Insurance Risk Pool Association ("Association") Executive Director and legal counsel conducted two meetings with the Mississippi Division of Medicaid ("Medicaid") staff to discuss planning activities for the Exchange and the need for program integration. The Medicaid IT Director, along with Grant Staff and the Association's legal counsel, recently attended the September 2011, HHS Exchange Grantee meeting in Washington, D.C. to continue the planning efforts.

IV. Resources & Capabilities

1. Name of Milestone: Assessment of Resources and Capabilities

Timing: Quarter IV

Description:

MID consultants prepared a strategy for an assessment of Mississippi's resources and identified key planning steps in order to determine additional resources needed for Exchange implementation. The expected timeline for said resource and capabilities research is between January 2012 and June 2012. The following analysis was proposed to MID:

Resources and Capabilities Analysis

MID should conduct an audit of Mississippi's current resources and capabilities and provide the State with specific recommendations regarding what is needed to properly implement an Exchange. Resource gap analysis includes both the regulatory and operational functions of the Exchange.

MID should obtain a range of analyses and recommendations to complete the audit of Mississippi's resources and capabilities. The following baseline analysis is recommended:

- Creating a model of resources and capabilities needed for proper Exchange implementation;
- Conducting an employee and resource audit of the resources the State has committed to an exchange (resource and responsibilities map);
- Identifying gaps between State's current resources and an ideal Exchange implementation scenario; and
- Providing specific descriptions of human capital and resource needs.

While the above audit recommendations will provide the State with robust strategic direction, MID may conduct deeper analysis and provide a more specific action plan for ensuring the necessary resources and capabilities to make certain of the Exchange's success. For example, a more rigorous recommendation may include:

- Creating a model of the resources and capabilities needed for proper Exchange implementation;
- Conducting detailed interviews with each employee, manager, and individual associated with the creation and maintenance of the Exchange;
- Analyzing work-load demands based on projections of Exchange participation;
- Creating a database outlining Exchange employee capabilities and productivity-levels;
- Juxtaposing current State resources and employee capabilities with the model of resources needed for an ideal project execution;

- Identifying gaps between the State's current resources and ideal Exchange implementation scenario;
- Writing specific action plans, job descriptions, and acquisition forms for recruiting human capital and purchasing infrastructure; and
- Overseeing deployment of resources and following-up on a semi-annual basis for two years to conduct ongoing audits on Exchange resources and capabilities.

Research will allow MID to provide Mississippi Exchange stakeholders with data and recommendations including:

1. Specific state models Mississippi should follow or avoid in order to maximize implementation.
2. Step-by-step recommendations to best implement an Exchange.
3. Map of current resources, needed resources, and recommendations for filling gaps.

Resources and Capabilities Analysis Worksteps

Initial Qualitative Research

- Review all news, commentary, blogs, whitepapers, research, government data and documents related to Exchange implementation
- Leverage internal expertise at MID in researching and implementing State Exchanges
- Gather data from trade conferences and industry events
- Identify key academics, state leaders, industry analysts and exchange opinion leaders to participate in qualitative research
- Amalgamate research findings to provide direction for qualitative research portion

Qualitative Research: In-Depth Exchange Interviews

- Develop interview guides for:
 - Leaders of other public Exchanges to determine resource needs
 - Internal interviews with employees of Mississippi's high risk pool and the Mississippi Insurance Department
- Create contact list from internal contacts and secondary research

- Recruit and schedule interviews with participants
- Conduct 30-35 in-depth interviews with participants, each lasting 45 to 90 minutes
- Save and file digital recordings
- Synthesize interviews in individual internal reports

Resource and Capability Audit (Baseline)

- Based on domain expertise and research, create model of the necessary human capital and resources needs in order to properly implement an Exchange in Mississippi
- Work with State through in-depth interviews with employees, management, and others to map current human and resource assets in Mississippi
- Gap analysis of where Mississippi currently stands and where they need resources to achieve maximum exchange success
- Recommend skills, human capital, and other resources that will allow for most effective implementation
- Creating resource map of exchange needs juxtaposed with current Mississippi resources

Data Synthesis and Presentation Creation

- Deductively review all data and assumptions
- Evaluate assumptions and derive key findings and recommendations
- Integrate qualitative research, in-depth interviews, and audit research findings into a written report or PowerPoint
- Quality assurance of report
- Initial presentation to small group of stakeholders
- Interim report revisions
- Final presentation
- Final report revisions

V. Governance

The Mississippi Comprehensive Health Insurance Risk Pool Association (“Association”), a non-profit legal entity, will establish and operate the Exchange for Mississippi. The Association is operated subject to the supervision and approval of a nine-member board of

directors and is subject to regulation by the Mississippi Commissioner of Insurance. The Association's Board will serve as the governing body for Mississippi's Exchange.

VI. Program Integration

Due to many of the shared functions the Exchange will have with Medicaid, MID and the Association staff will continue meeting with Medicaid staff to better define roles and responsibilities. Options and recommendations on resource assessments, policy decisions, and operating procedures will be defined as Mississippi moves forward with the establishment of its Exchange. An agreement for program integration will be executed between the Exchange and other State health programs, and MID will ensure that funding streams are appropriately allocated for the program integration.

VI. Exchange IT Systems

MID engaged a leading health reform firm to ascertain the costs associated with specific functions of the Exchange. The results for the information technology components of the Exchange were included as estimated costs in MID's grant application for the *Cooperative Agreement To Support Establishment of State-Operated Health Insurance Exchanges*.

The Association will issue a Request for Proposals ("RFP") to select vendors to provide the information technology services and functions of the Exchange.

VII. Financial Management

The Mississippi Comprehensive Health Insurance Risk Pool Association will provide financial management activities for the Exchange.

VIII. Oversight and Program Integrity

The Mississippi Comprehensive Health Insurance Risk Pool Association will provide oversight and program integrity activities for the Exchange.

IX. Health Insurance Market Reforms

The Mississippi Insurance Department will provide health insurance market reform activities for the Exchange.

X. Providing Assistance to Individuals and Small Businesses

Comprehensive assistance may help reduce some of the concerns among employers who do not currently offer health insurance. Individuals, who are unfamiliar with health care policy or uncertain about the role an Exchange may play in their lives, will benefit from the special assistance activities.

Thirty-seven percent (37%) of employers surveyed do not currently offer health insurance to any type of employee, while fifty-six percent (56%) of employers offer health insurance only to full-time employees. Fifty percent (50%) of small business owners stated that they are currently unable to understand the complexities of health insurance without the assistance.

Sixty percent (60%) of employees surveyed indicated that they would like more control in choosing their own plan. If they were to choose their own plan, fifty-eight percent (58%) indicated that they would need some form of assistance to enroll.

Mississippi has planned to provide assistance to individuals and small businesses through the following:

1. Name of Milestone: Mississippi Community Exchange Development Programs

Timing: Quarter IV

Description:

MID will establish four regional Community Exchange Development Programs across the State. The primary function of the programs will be to educate and inform the citizens of the State on a community by community basis regarding the existence of the Exchange, the benefits to be provided by the Exchange, and how they will be able to access health insurance coverage through the Exchange. These functions will include, but are not limited to, distributing informative materials to the public, establishing a toll-free hot-line (to be used both pre-operation and post-operation of Exchange), as well as more intensive outreach, such as presentations to groups or free one-on-one counseling sessions.

2. Name of Milestone: Small Employer Exchange-Specific Functions

Timing: Quarter IV

Description:

Mississippi will operate an Exchange for small businesses to facilitate the purchase of coverage in qualified health plans for their employees. Small businesses of different types and sizes have different needs. Mississippi will develop system and operational processes for small businesses to facilitate Exchange enrollment.

XI. Business Operations of the Exchange

MID has assessed State and Federal requirements, the core capabilities needed to operate an Exchange and the critical factors to be managed. Mississippi plans to seek consultant services to identify and define future business operations for a successful Exchange. Mississippi will utilize the recommendations to address the core functions which include, but are not limited to:

- **Certification, Recertification, And Decertification Of Qualified Health Plans**

Mississippi will define the process, approach, and timeframe for these activities to reach our goal for enrollment in mid 2013.

- **Call Center**

MID plans to establish four regional community development Exchange programs to provide assistance to consumers. A toll-free hotline with trained staff will provide outreach to consumers and to assist consumers with questions as they arise. Additional plans include implementing and operating a fully operational call center for all individuals and small businesses.

- **Exchange Website**

Mississippi will have a robust website that will not only offer the basic required services, but additional services for the consumer to obtain as much information necessary to make the most informed decision on their plan selection.

- **Quality Rating System**

A quality rating system will be developed and implemented in accordance with the quality rating system requirements that will be issued by HHS.

- **Navigator Program**

The navigator program will be integrated into Exchange operations to educate consumers and assist them in choosing health benefit plans that best meet their needs.

- **Eligibility Determinations For Exchange Participation, Advance Payment Of Premium Tax Credits, Cost-sharing Reductions, and Medicaid**

The Exchange will meet all requirements set forth by state and federal law.

- **Seamless Eligibility And Enrollment Process With Medicaid And Other State Health Programs**

Mississippi plans to continue meeting with other health programs in the State in order to ensure that individuals are seamlessly enrolled in the program for which they are eligible. MID and the Association will rely on its initial IT Gap analysis and the recently released *Guidance for Exchange and Medicaid V2.0* in the development of its eligibility and enrollment system.

- **Enrollment Process**

Mississippi's enrollment process will include providing information about available qualified health plans customized according to an individual's preferences and will facilitate the selection of a plan.

- **Applications And Notices**

The use of a single streamlined application is a priority for Mississippi's Exchange implementation. This application will facilitate eligibility determination and enrollment of individuals in qualified health plans. The Exchange will issue notices to inform enrollees regarding program operations. For example, the Exchange will immediately notify individuals upon determination of eligibility.

- **Individual Responsibility Determinations**

The Exchange will have in place a process to receive and adjudicate requests from individuals for exemptions from the individual responsibility requirements of PPACA. The Exchange will communicate this information to HHS for transmission to the Internal Revenue Service ("IRS").

- **Administration Of Premium Tax Credits And Cost-Sharing Reductions**

Mississippi's Exchange will serve as the first point of contact for individuals to report a change in income level, which will initiate redetermination of eligibility. This information will be transmitted to HHS.

- **Adjudication Of Appeals Of Eligibility Determinations**

The Exchange will have in place an appeals process for individuals to contest the eligibility determinations made for participation and available premium cost sharing reductions.

▪ **Notification And Appeals Of Employer Liability**

An appeals process will be implemented for employers who dispute any liability for failure to adequately provide coverage to employees.

▪ **Information Reporting To IRS And Enrollees**

Required information on each enrollee's coverage provided through the Exchange will be reported to the IRS annually.

▪ **Outreach And Education**

Mississippi's rural population, low rates of education attainment, and relative lack of computer literacy, are some of the largest challenges facing the Exchange. Mississippi will serve an extremely diverse audience and the needs of Mississippians differ by region, ethnicity, and socioeconomic status. Mississippi will undertake an extensive outreach effort for both consumers and small businesses with widespread activities planned to ensure that consumers are well-informed about the Exchange and that there are ample opportunities for participation. This effort will be based on results and feedback outlined in stakeholder consultation activities.

▪ **Risk Adjustment And Transitional Reinsurance**

Mississippi will plan for necessary data collection to support risk adjustment, including demographic, diagnostic, and prescription drug data. Mississippi plans to develop a risk adjustment model and apply federal standards for data collection and operations.

Barriers, Lessons Learned, and Recommendations to the Program

Barriers:

The major barrier associated with this project continues to be time constraints. MID moved forward with planning an Exchange by partnering with the Mississippi Comprehensive Health Insurance Risk Pool Association to begin the process for Exchange implementation. Exchange establishment roles and responsibilities are being defined and agreements will be executed.

Lessons Learned:

MID continued to participate in weekly conference calls to stay informed of national developments and other states' activities regarding exchange issues. Information

gained from other states and the NAIC helped with ongoing issues that continue to arise on a daily basis.

Participation in numerous webinars, such as the *Proposed Exchange Regulations: Key Issues for States and Consumers* held on August 31st, has proven to be very beneficial to MID staff.

Technical Assistance

MID does not require any technical assistance at this time.

Exchange Budget

MID drafted an Exchange Budget for the initial start-up costs and development of the Exchange web portal. The following budget for Mississippi's grant award for the *Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges* was recently approved by HHS:

**MISSISSIPPI
EXCHANGE BUDGET
FFY 2012**

A. SALARIES, WAGES	\$ 97,750
B. FRINGE BENEFITS	
C. CONSULTANT COSTS (Included in Contractual Costs)	
D. EQUIPMENT	\$ 37,000
E. SUPPLIES	\$ 7,700
F. TRAVEL	\$ 113,355
H. CONTRACTUAL COSTS	
CONSULTANT COSTS	\$ 791,113
COMMUNITY DEVELOPMENT PROGRAMS	\$ 5,581,700
INFORMATION TECHNOLOGY	\$ 1,480,000
• Web Portal	
• Business Operations	\$ 970,000
• Financial Management	\$ 1,150,000
• Customer Support	\$ 815,000
• Broker Management	\$ 1,600,000
• Governance	\$ 550,000
• Small Business	\$ 550,000
• Compliance & Reporting	\$ 2,400,000
	\$ 3,300,000

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• Stakeholder Consultation	\$ 700,000
SUB TOTAL	\$19,887,813
I. DIRECT COSTS	\$20,143,618
J. INDIRECT COSTS	-0-
TOTAL	\$20,143,618

Work Plan

MID continued to build on its Exchange planning grant work plan (attached hereto as Attachment "A"). MID used the planning grant work plan to define implementation activities and work plan in Mississippi's application for the *Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges*.

Collaborations/Partnerships

MID continues to develop partnerships outside the Department and continues to collaborate with various groups and interested parties to work together for Exchange planning. MID is working with the following groups:

1. Name of Partner: Governor's Health Policy Advisory Staff

Organizational Type of Partner:

- State agency

Role of Partner in Establishing Insurance Exchange:

The staff provides information on the Governor's views and input regarding an Exchange. The Governor has been a strong supporter for implementing a State-based health Exchange for the last three years.

Accomplishments of Partnership:

MID has a very strong relationship with this partner, which has helped move the grant activities forward.

Barriers/Challenges of Partnership:

None at this time.

2. Name of Partner: Division of Medicaid Executive Director and Information Technology Staff

Organizational Type of Partner:

- State Agency

Role of Partner in Establishing Insurance Exchange:

Medicaid provides funding for medical services for low-income individuals. This partnership is essential in the coordination of eligibility and enrollment with other state programs and the Exchange.

Accomplishments of Partnership:

MID continued to meet with Medicaid IT staff to ensure collaboration and participation in the planning process for state health program integration with the Exchange. The Medicaid IT Director attended the recent HHS Grantee meeting.

Barriers/Challenges of Partnership:

None at this time.

3. Name of Partner: Mississippi Association of Health Underwriters ("MAHU")

Organizational Type of Partner:

- Association of licensed agents and brokers who sell and market health plans sold in Mississippi.

Role of Partner in Establishing Insurance Exchange:

MAHU is a strong advocate in ensuring continued access to the services of state-licensed health insurance agents, brokers, and consultants who assist individuals and employers of all sizes purchase health insurance.

Accomplishments of Partnership:

MID continues to utilize this group as key stakeholders.

Barriers/Challenges of Partnership:

None at this time.

4. Name of Partner: Blue Cross/Blue Shield of Mississippi

Organizational Type of Partner:

- Private Insurance Carrier

Role of Partner in Establishing Insurance Exchange:

This company is the administrator for the State of Mississippi's State and School Employees' Health Insurance Plan.

Accomplishments of Partnership:

The company has extensive expertise in all aspects of health program management along with a positive working relationship with MID.

Barriers/Challenges of Partnership:

None at this time.

5. Name of Partner: Mississippi Comprehensive Health Insurance Risk Pool Association ("Association")

Organizational Type of Partner:

- Nonprofit entity

Role of Partner in Establishing Insurance Exchange:

The Association is the entity that will establish and operate an Exchange in Mississippi. The Association provides health coverage to citizens of Mississippi that desire to purchase such coverage but who cannot obtain it because of health conditions and to people who are Health Insurance Portability and Accountability Act ("HIPAA") eligible.

Accomplishments of Partnership:

This partnership is the most significant as Mississippi moves forward with the planning of an Exchange. The Association's Executive Director participated in stakeholder meetings and regular weekly calls with MID and its consultants. On-going collaboration and regular communications have enabled Mississippi to move forward with the planning and future establishment of an Exchange.

Barriers/Challenges of Partnership:

None at this time.

6. Name of Partner: Health Help of Mississippi

Organizational Type of Partner:

- Not-for-profit organization that provides comprehensive protection and advocacy services to Mississippians attempting to enroll in a public healthcare program.

Role of Partner in Establishing Insurance Exchange:

MID plans to model its regional community exchange development programs based on the Health Help programs and advocacy services.

Accomplishments of Partnership:

This organization has conducted successful outreach and awareness programs across the State. They have experience in assisting consumers in enrollment of public healthcare programs. This partnership is essential in preparing MID for the initial phases of the Exchange as it moves forward with reaching out to the citizens of Mississippi for participation in the Exchange.

Barriers/Challenges of Partnership:

None at this time.

ATTACHMENT A

**MISSISSIPPI INSURANCE DEPARTMENT
EXCHANGE ESTABLISHMENT WORK PLAN**

CORE AREA	QUARTER II 2011	QUARTER III 2011	QUARTER IV 2011
<p>I. Background Research</p>	<ul style="list-style-type: none"> ▪ Research and data analysis of insurance market conducted in the second quarter. 	<ul style="list-style-type: none"> ▪ Analysis and summary completed. Recommendations from consultants provided to plan for the structure and design of an Exchange (Reports Attached). 	<ul style="list-style-type: none"> ▪ Final Report released at end of quarter.
<p>II. Stakeholder Consultation</p>	<ul style="list-style-type: none"> ▪ Continued stakeholder involvement and meetings, expanding participation from groups from all regions of the State. ▪ In-depth interviews were conducted with over 60 stakeholders to ensure successful program integration. ▪ Plans are underway to identify a process for consultation with and input from the federally recognized Indian Tribal Government in Mississippi on the establishment and operation of the Exchange. 	<ul style="list-style-type: none"> ▪ Continued stakeholder involvement and meetings, expanding participation from groups from all regions of the State. ▪ Over 500 people participated in 13 Town Hall meetings conducted in regions around the State. ▪ Online Small Employer Survey and Employee Survey targeting small businesses, employees, and stakeholders throughout the State are currently underway. Over 800 responses received. 	<ul style="list-style-type: none"> ▪ Online Small Employer Survey and Employee Survey targeting small businesses, employees, and stakeholders throughout the State completed.

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<p>III. Legislative/Regulatory Action</p>	<ul style="list-style-type: none"> ▪ Legislative action for the establishment of an exchange was attempted in the second quarter. ▪ Basic Governance for the Exchange has not been determined. 	<ul style="list-style-type: none"> ▪ The Mississippi Comprehensive Health Insurance Risk Pool Association (“Association”) will establish and operate the Exchange. ▪ The Commissioner determined that the governing board of the Association as currently constituted is appropriate and highly desirable to operate Mississippi’s Exchange. ▪ The Association operates subject to the supervision and approval of a nine-member board of directors and is subject to regulation by the Mississippi Commissioner of Insurance. 	<p>The Association has the regulatory authority to establish and operate the Exchange in Mississippi.</p> <p>No Governance activity was required for the fourth quarter.</p>
<p>IV. Governance</p>	<ul style="list-style-type: none"> ▪ In-depth research on current and past Exchanges conducted to provide recommendations for a successful Mississippi Exchange. ▪ Focus groups, individual sessions and conference calls were conducted to ensure program integration is expanded. Over 60 stakeholders participated in the March 2011 in-depth interviews. 	<ul style="list-style-type: none"> ▪ Continued to identify challenges in the program integration process, strategies for mitigating the issues, and timelines for completion. ▪ Continued to determine roles and responsibilities related to eligibility determination, verification, and enrollment. ▪ Continued to devise a strategy for limiting adverse selection between the Exchange and the outside market. 	<p>Meetings with Medicaid IT staff and Association continued to address program integration.</p>
<p>VI. Exchange IT Systems</p>	<ul style="list-style-type: none"> ▪ IT Gap Analysis was completed in the second quarter. 	<ul style="list-style-type: none"> ▪ Continued review of the IT gap analysis. 	<ul style="list-style-type: none"> ▪ Cost estimates for the IT functions and components were determined.

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<p>VII. Financial Management</p>	<ul style="list-style-type: none"> ▪ This area will be more defined as the strategic planning moves forward. 	<ul style="list-style-type: none"> ▪ The Mississippi Comprehensive Health Insurance Risk Pool Association (“Association”) will provide financial management activities for the Exchange. 	<ul style="list-style-type: none"> ▪ Plan is on target for hiring experienced accountants to support financial management activities of the Exchange, which include responding to audit requests and inquiries of the Secretary and the Government Accountability Office as needed.
<p>VIII. Oversight & Program Integrity</p>	<ul style="list-style-type: none"> ▪ This area will be more defined as the strategic planning moves forward. 	<ul style="list-style-type: none"> ▪ The Mississippi Comprehensive Health Insurance Risk Pool Association (“Association”) will provide oversight and ensure program integrity for the Exchange. ▪ Continued to plan and implement steps for insurance market reforms under Subtitles A and C of PPACA. 	<ul style="list-style-type: none"> ▪ Plan to ensure process for the prevention of waste, fraud, and abuse is in place. ▪ Plan to implement steps to enforce PPACA consumer protection is in place.
<p>IX. Health Insurance Market Reforms</p>	<ul style="list-style-type: none"> ▪ This area will be more defined as the strategic planning moves forward. 	<ul style="list-style-type: none"> ▪ Worked with existing consumer assistance program to ensure services are sufficient to assist with filing of appeals and complaints, and provide information about consumer protections and alternative services. 	<ul style="list-style-type: none"> ▪ Four regional community development Exchange programs will be established.
<p>X. Provide Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints</p>	<ul style="list-style-type: none"> ▪ This area will be more defined as the strategic planning moves forward. 		

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<p>XI. Business Operations of the Exchange</p>	<p>This area will be more defined as the strategic planning moves forward.</p>	<ul style="list-style-type: none"> ▪ Began addressing the minimum functions of an exchange: <ul style="list-style-type: none"> ▪ Call Center ▪ Exchange Website and Calculator ▪ Quality Rating System ▪ Navigator Program ▪ Eligibility Determination ▪ Enrollment Process ▪ Applications and Notices ▪ Individual Responsibility Determinations ▪ Administration of Tax Credits and Cost-sharing Reductions ▪ Mediation and Notification of Appeals ▪ IRS Reporting ▪ Outreach and Education ▪ Choice Vouchers ▪ Risk Adjustment ▪ SHOP-Specific 	<ul style="list-style-type: none"> ▪ Association is addressing these functions.
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PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1101. The time required to complete this information collection is estimated to average (433 hours) per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

ATTACHMENT B

Preparing for the Mississippi Health Benefit Exchange: Final Report

EXECUTIVE SUMMARY

Executive Summary

This report offers key insights that are critical to designing and implementing a successful exchange in the State of Mississippi. This report has four component reports:

- Data Report I: Demographic, Social, and Economic Information for Mississippi Counties and Select Cities
- Data Report II: Demographic, Cost, & Growth Projections for the Uninsured & General Mississippi Population
- Phase I Market Research
- Phase II & III Market Research

Additional materials, including documents associated with the IT gap analysis, grant assistance, and ongoing environmental assessments are also included in this report.

The purpose of the Demographic, Social, and Economic Information for Mississippi Counties and Select Cities report is to provide the Mississippi Insurance Department (MID) with demographic, social, and economic information for all counties and select cities in the state. These data will add to the background research being used by MID in its exchange planning process. The data presented in this report will inform MID of the demographic, social, and economic situation in each county or city. This will in turn allow the Department to develop education and implementation strategies specific to those areas, supporting the establishment of a Health Insurance Exchange that meets the objectives of the state and the needs of Mississippi residents.

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. Because more current data on health insurance coverage rates are provided in a separate report, this report focuses on the demographic, social, and economic factors outside of health that affect a population's well-being. Pairing this information with health insurance coverage data provides a complete picture of the possible challenges MID will face in each area as they inform, educate, and ultimately enroll individuals in an exchange.

The purpose of the Demographic, Cost, & Growth Projections for the Uninsured & General Mississippi Population report is to provide MID with projections and estimates for the state regarding certain demographic, cost, and growth projections for the uninsured and general population of Mississippi. Some of these analyses are time-series projections that estimate changing characteristics and compositions while other analyses are intended to provide a snapshot to MID of the current environment in which implementation is likely to take place. This data is designed to enable MID to continue planning and designing an exchange that best serves the changing environment of the state. County-level data encompasses each of Mississippi's 82 counties.

The Phase I Market Research report includes results from more than sixty in-depth interviews¹ with Mississippi legislators, business associations, economic development leaders, consumer

¹ Notes from interviews and small business and broker mini focus groups are an overview of the discussion, not a transcription.

advocates, health care providers, insurance carriers, broker representatives, small businesses, and policy analysts. Also included is an extensive review of secondary research that relates to exchanges nationally. This report provides a foundation for future qualitative and quantitative research that will be necessary to create the optimal exchange for the State of Mississippi.

Five key insights from the Phase I report showed that Mississippians:

- **Demonstrate Confusion about the PPACA and a Health Benefits Exchange.** Participants showed a general lack of information and/or significant misinformation surrounding the Patient Protection Affordable Care Act and health insurance exchanges. Lack of information and broad misinformation has generated frustration and fear among stakeholders in Mississippi.
- **Prefer an Exchange Designed for Mississippians, by Mississippians.** Mississippians repeatedly stated that the health benefit exchange should be designed and operated by the state, rather than by the federal government. Mississippians recognize how the diversity of their state creates unique needs and challenges.
- **Value Simplicity.** Participants stressed the importance of simplicity in the outreach, design, and operation of a health insurance exchange. For example, participants recommended an exchange design that would condense health insurance plans down to two or three options. Additionally, employers emphasized the importance of creating an exchange that reduced the administrative burden of offering insurance.
- **Require Effective Outreach.** All respondents addressed the challenges of educating the general public and business community about health insurance and the health benefit exchange. However, participants also addressed the importance of leveraging the strong social and professional networks that already exist in Mississippi.
- **Request Exchange Assistance.** Almost all participants—including employers, industry groups, insurance carriers, and consumer advocate groups—stressed the importance of assistance in using the health benefit exchange. From information to enrollment to management of the exchange, assistance in multiple forms for both small businesses and employees will be critical to the success of the exchange.

To confirm and quantify the findings from Phase I, Leavitt Partners and Cicero designed a survey for Phase II of the research process. People were recruited for participation by telephone, mail, and online. Over 1,000 Mississippians participated in the survey, and most of the findings align directly with the insights gleaned from the first phase. Additionally, the survey revealed user preferences that are important to designing various logistical aspects of the exchange (e.g. outreach methods, educational formats, enrollment preferences, and plan administration).

Through town hall meetings, Phase III of the research process sought to confirm and expand upon the findings from Phases I and II. These meetings provided an environment for state officials and researchers to present the findings of the research to the residents of Mississippi and to seek feedback. The town hall meetings also laid an important foundation upon which state officials can build an effective outreach campaign for the Mississippi health benefit exchange.

Ten key issues emerged in Phases II and III of the research. They are summarized in the following list:

- 1. Opposition to the Patient Protection and Affordable Care Act (PPACA).** The vast majority of Mississippians objected to the PPACA. Survey participants reported strong opposition to this act, and this resistance toward the PPACA resonated throughout the town hall meetings, particularly because of negative connotations associated with “Obamacare.” To ensure acceptance and successful implementation of any PPACA mandate (i.e. a health benefit exchange), an active brand disassociation with the PPACA and the federal government will need to take place, most notably in the Gulf Coast region, where opposition was most strong.
- 2. Mississippians Support a State Health Solution.** Mississippians expressed concern about the inefficiencies of the health care system in Mississippi, noting that it is too expensive, confusing, and often unfriendly. Although many individuals lack general comprehension of the health care market, the notion of a state-run health insurance exchange (as opposed to a federal-run exchange) is preferred by the majority. The vast approval is derived from the belief that a state-run exchange will decrease confusion and improve access to health care, while catering to the unique health needs of Mississippians.
- 3. Affordable Health Care in Mississippi.** The primary factor that has prevented or discouraged employers from offering health insurance to their employees is cost. Small employers have listed the mitigation of insurance costs as the primary factor in their acceptance of a health benefit exchange, whether through direct (e.g. reduced premiums) or indirect (e.g. reducing time-consuming health benefit management tasks) implementations.
- 4. Quality Health Care in Mississippi.** Along with the affordability of health care, Mississippians are particularly concerned about the quality of health care available to them. They expressed an unwillingness to sacrifice quality in favor of lower administrative costs. This standpoint likely stems from their recognition of the pressing health challenges present in many households in the state.
- 5. Knowledge about Health Care and a Health Insurance Exchange.** Mississippi’s small employers were more informed about the insurance market than were their employees. Yet, collectively, understanding of a health insurance exchange was low, indicating the need for a broad and systematic outreach campaign. Although the mediums for

outreach will vary among demographic and socioeconomic groups, there was unanimous agreement that direct education and enrollment assistance are essential to properly informing Mississippians about the role and function of the state's health benefit exchange.

- 6. Simplicity in Exchange Education, Design, and Administration.** Real understanding about the health benefit exchange and the health insurance market is minimal, as survey respondents and town hall participants both expressed the need for greater clarity regarding these issues. In order to obtain widespread participation rates, the state will have to implement a simple, easy-to-understand education process. Participants defined "simplicity" in education as straight-forward marketing and informational online and offline collateral.

 - a. Employers and employees both reported a need for simplifying the process of comparing and selecting plan options. They recommended a system that filters the number of plan options from many-to-few based on the unique criteria of the individual seeking insurance. Both employers and employees requested health plans be comparable on an "apples to apples" basis.
 - b. Employers were particularly emphatic about health insurance not becoming or remaining "their problem" as a result of the health benefit exchange. Small businesses want to run their affairs without spending time dealing with health insurance. Therefore, information about adding and dropping employees, selecting plans, looking up coverage, answering health insurance-related questions, and so forth must be presented in a simple, user-friendly manner. The exchange must decrease the current administrative burden of offering health insurance benefits if it is to garner the support of small businesses.
- 7. The Value of Health Benefits.** Both employers and employees reported health insurance as one of the most important benefits a company can offer to attract and retain quality employees. However, employers placed less weight than employees did on the degree to which health insurance influences an employee's likelihood to choose an employer. And while employees currently trust the system of employers selecting a plan for them, many employees reported a strong interest in having more control over their health plans (i.e. selection and management).
- 8. The Necessity of Broad Outreach.** In the process of soliciting participation in the survey and town hall meetings, it became evident that the state's outreach will have to go beyond traditional methods to reach the citizens of Mississippi. For instance, e-mail, telephone, direct mail, online advertising, television, radio, newspaper, and in-person invitations were widely utilized to encourage participation in both the survey and town hall meetings. Despite these efforts, response rates were proportionately low (when compared to the fielding of similar studies in other states)—particularly considering the critical nature of this discussion, and the importance of health insurance in the lives of

Mississippians. If an exchange is to be successfully implemented in Mississippi, outreach efforts will need to be extensive.

The survey also discovered what outreach methods might best suit employers and employees. Employers recommend business organizations, insurance brokers, and fellow business owners as the best channels for outreach. Employees and individuals suggested employers, health providers, television, friends, family, and colleagues as being the best sources for outreach.

9. **The Importance of Individualized Assistance.** Both survey and town hall participants articulated a desire for assistance in understanding and navigating the health benefit exchange. Employers, in particular, initially expressed interest in in-person assistance, from either an insurance broker or a health exchange expert, without taking into account the potential cost to either the employer or the employee of such assistance. When potential costs, either to the employer or employee, were added, all respondents generally expressed greater interest in lower-cost forms of assistance, particularly a dedicated and interactive website with information and enrollment assistance. Regardless, the range of preferences expressed by both employers and employees indicates the importance of providing a number of different options for information about, enrollment in, and assistance with the exchange.
10. **Defined Contribution Plans.** Defined contribution plans were introduced as a potential component of the health benefit exchange at the town hall meetings. These plans allow employers to contribute a specified amount of money toward individual employee health benefits; employees then use this amount to select the coverage that is best suited to them. Employers and employees who participated in the town hall meetings expressed interest in learning more about defined contribution plans, particularly with respect to the flexibility and choice they offer both employers and employees.

This report and the materials accompanying it comprise the final report of the planning process.

ATTACHMENT C

MISSISSIPPI

SMALL EMPLOYER SURVEY AND EMPLOYEE SURVEY

RESULTS

Appendix E –Small Group Online Survey Results

Mississippi Health Insurance Exchange Survey (Small Business Owners)	Total
	Column % (& others)
Q1. How Important are the following for your organization in attracting and retaining quality employees?	
Top Box Scores (4-5)	
Sample Size	399
Salary / wages	88%
Company reputation	87%
Company culture	72%
Health Insurance benefits	70%
Company policies (e.g. paid vacation, sick leave, paid tuition, etc)	68%
The types of clients with whom the company works	60%
Geographic location	57%
Q1. How Important are the following for your organization in attracting and retaining quality employees?	
Health Insurance benefits	
Sample Size	399
Not At All Important - 1	7%
2	8%
3	16%
4	31%
Very Important - 5	39%
Mean	3.88
Company culture	
Sample Size	399
Not At All Important - 1	4%
2	5%
3	19%
4	40%
Very Important - 5	32%
Mean	3.92
Salary / wages	
Sample Size	399
Not At All Important - 1	1%
2	2%

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3	9%
4	37%
Very Important - 5	51%
Mean	4.34
The types of clients with whom the company works	
Sample Size	399
Not At All Important - 1	6%
2	12%
3	22%
4	33%
Very Important - 5	27%
Mean	3.63
Geographic location	
Sample Size	399
Not At All Important - 1	6%
2	9%
3	28%
4	33%
Very Important - 5	24%
Mean	3.61
Company policies (e.g. paid vacation, sick leave, paid tuition, etc.)	
Sample Size	399
Not At All Important - 1	6%
2	6%
3	20%
4	38%
Very Important - 5	31%
Mean	3.82
Company reputation	
Sample Size	399
Not At All Important - 1	2%
2	2%
3	9%
4	30%
Very Important - 5	57%
Mean	4.37
Q2. To what degree do you support the Patient Protection and Affordable Care Act?	
Top Box Scores	
Sample Size	399
Support (4-5)	15%

Oppose (1-2)	71%
Q2. To what degree do you support the Patient Protection and Affordable Care Act?	
Sample Size	399
Strongly Oppose-1	56%
Oppose-2	15%
Undecided-3	14%
Support-4	8%
Strongly Support-5	7%
Mean	1.95
Q9. What role do you play in your organization's health insurance decisions?	
Sample: Excludes Advocates, Health Providers, Insurance Agents Phone survey participants were not asked this question	
Sample Size	332
I alone make the health insurance decisions for our organization	32%
I, along with a small group of other leaders in our organization, make the health insurance decisions for our organization	27%
We do not offer health insurance to our employees or members	24%
Others within the organization present health insurance options, but I make the final health insurance decisions	11%
Another individual(s) within our organization makes the health insurance decisions	4%
An outside party makes the health insurance decisions for our organization	1%
Q10. Including you, how many employees are in your organization?	
Sample: Excludes Advocates, Health Providers, Insurance Agents	
Full-Time Employees	
Sample Size	380
None	0%
1-9	52%
10-19	20%
20-29	9%
30-39	3%
40-49	2%
50-99	14%
100 or more	0%
Part-Time Employees	
Sample Size	380
None	32%
1-9	56%
10-19	5%

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	20-29	2%
	30-39	1%
	40-49	1%
	50-99	1%
	100 or more	1%
Q11. Which of the following best describes the health insurance your organization offers?		
	Sample Size	399
	Health insurance is offered to full-time and part-time employees	7%
	Health insurance is offered only to full-time employees	56%
	Health insurance has never been offered to any employees	23%
	Health insurance is not currently being offered to any employees, but was offered in the past	14%
Q12. Suppose you had 100 points of value to distribute to reflect the reasons that best describe your decision NOT to offer health insurance to employees. A reason that most reflects your decision will receive the most points. A reason that least reflects your decision may receive fewer or no points.		
Sample: Includes Advocates, Health Providers, Insurance Agents, Non-Health Insurance Offering Businesses		
	Sample Size	160
	The financial cost of offering health insurance to our employees	61.11
	Other	9.31
	Uncertainty in predicting increases in future health insurance costs	9.24
	Our organization can attract and retain quality employees without offering health insurance	8.74
	The time and resources necessary to administer health insurance (e.g. selecting a plan, managing)	4.73
	Complexity in choosing the right health insurance plan for my group	3.84
	There are liabilities to our organization associated with offering health insurance	3.06
Q13: To what extent do you agree or disagree with the following statements?		
Top Box Scores (4-5)		
	Sample Size	399
	The most important characteristic to increasing access to health care is to decrease premium costs	81%
	Increasing 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%
	I could not understand the complexities of health insurance without an insurance broker	50%
	Sick, unhealthy, or injured employees cost my business more than offering health insurance	32%

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It is currently easy to compare the different health plan options available to Mississippians	27%
Q13. To what extent do you agree or disagree with the following statements?	
Sick, unhealthy, or injured employees cost my business more than offering health insurance	
Sample Size	399
Strongly Disagree-1	20%
Somewhat Disagree-2	18%
Neither Agree nor Disagree-3	31%
Somewhat Agree-4	20%
Strongly Agree-5	12%
Mean	2.87
I could not understand the complexities of health insurance without an insurance broker	
Sample Size	399
Strongly Disagree-1	15%
Somewhat Disagree-2	18%
Neither Agree nor Disagree-3	18%
Somewhat Agree-4	25%
Strongly Agree-5	25%
Mean	3.27
I support a solution sponsored by Mississippi to improve access to health insurance	
Sample Size	399
Strongly Disagree-1	5%
Somewhat Disagree-2	7%
Neither Agree nor Disagree-3	19%
Somewhat Agree-4	37%
Strongly Agree-5	33%
Mean	3.86
It is currently easy to compare the different health plan options available to Mississippians	
Sample Size	399
Strongly Disagree-1	23%
Somewhat Disagree-2	31%
Neither Agree nor Disagree-3	20%
Somewhat Agree-4	19%
Strongly Agree-5	8%
Mean	2.58
Increasing access to health insurance is critical to economic growth in Mississippi	
Sample Size	399
Strongly Disagree-1	4%
Somewhat Disagree-2	8%

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Neither Agree nor Disagree-3	16%
Somewhat Agree-4	40%
Strongly Agree-5	33%
Mean	3.91
The most important characteristic to increasing access to health care is to decrease premium costs	
Sample Size	399
Strongly Disagree-1	2%
Somewhat Disagree-2	6%
Neither Agree nor Disagree-3	11%
Somewhat Agree-4	33%
Strongly Agree-5	48%
Mean	4.20
Q14. Briefly describe your understanding of a health insurance exchange.	
Variable(s): Postcoded	
Sample Size	399
Understands	11%
Limited Understanding	22%
Doesn't Understand	67%
Q15. Suppose you had 100 points of value to distribute among the benefits that could result from a Mississippi health insurance exchange. The benefit that you most prefer would get the most points (or maybe all 100 of the points). A benefit that you prefer less may receive fewer or no points.	
Sample: Excludes Phone Survey Participants	
Sample Size	351
A 10% decrease in health insurance premiums	32.61
Attract and retain the best employees by offering health benefits	18.95
More easily compare health insurance plan options	14.66
Reduce business costs associated with sick, unhealthy, or injured employees	13.68
Simplify health insurance enrollment and administration	13.60
Other	6.50
Q16. Which ways would hearing about the Mississippi health insurance exchange most increase your interest?	
Top 3 Multiple Response Question	
Sample Size	349
Insurance agents or brokers	41%
Direct mail-piece to my office	35%
Business and community organizations (e.g. chambers of commerce, Elks Lodge, trade associations, etc.)	27%

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Fellow business owners	27%
Health providers (e.g. physicians and nurses)	19%
Online advertising and e-mails	18%
Television advertisement	17%
Article or special report in the news	17%
State, county, and local leaders	14%
Family, friends, and colleagues	12%
Print advertisement	10%
Radio advertisement	5%
Health exchange enrollment bus in your town	4%
Other	3%
Church, religious group, or pastor	2%
Read about it at a community center (e.g. post office, library, etc)	2%
Billboard	1%
Q17. The new federal health care law requires that a health insurance exchange be available in every state by 2014. By whom would you prefer the health insurance exchange be operated?	
Sample Size	399
The State of Mississippi should operate the state health insurance exchange	77%
The federal government should operate the state health insurance exchange	5%
Don't know / undecided	18%
Q18. The health insurance exchange will present individuals with health plan options from which they can choose. There is a trade-off between choice and simplicity.	
Sample Size	399
Three or fewer health plan options (most simple)	43%
Four to eight health plan options (moderately simple)	36%
Nine to twelve health plan options (moderately complex)	5%
All health plan options (most complex)	13%
Don't know	4%
Q19. In which of the following ways would your organization most prefer to receive education and information about the health insurance exchange?	
Sample Size	399
In-person presentation by an insurance broker or agent	40%
Health insurance exchange website with information tutorials and education videos	36%
Dedicated 24/7 toll-free telephone support with questions answered by a health insurance exchange expert	10%

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Dedicated 24/7 e-mail/chat support with questions answered by a health insurance exchange expert	7%
Would not utilize any of the above options to learn more about the health insurance exchange	4%
Town hall meeting conducted by a health insurance exchange expert	3%
Other	1%
Q20. How would you most prefer for your organization to enroll annually in a health insurance plan?	
Sample Size	399
Insurance agent or broker who travels to your business and assists employees with enrollment	37%
Health insurance exchange website enrollment process that has online tutorials and education videos	28%
Health insurance exchange experts who travel to your business and assists employees with enrollment	16%
Paper enrollment application that is filled out individually and returned by mail	7%
E-mail/chat with a health insurance exchange expert who assists employees with enrollment	6%
Toll-free telephone call with a health insurance exchange expert who assists employees with enrollment	4%
Other	3%
Q22. Now suppose you had the same options as the previous question, but the following fees apply.	
Sample Size	399
Health insurance exchange website enrollment process that has online tutorials and education videos (free)	58%
Insurance agent or broker who travels to your business and assists employees with enrollment (\$500 annual fee)	15%
E-mail/chat with a health insurance exchange expert who assists employees with enrollment (\$100 annual fee)	7%
Toll-free telephone call with a health insurance exchange expert who assists employees with enrollment (\$150 annual fee)	7%
Paper enrollment application that is filled-out individually and returned by mail (\$100 annual fee)	7%
Health insurance exchange experts who travel to your business and assists employees with enrollment (\$400 annual fee)	6%
Q23. When comparing health insurance plan options, what are the top two characteristics most important to your organization?	
Top 2 Multiple Response Question	
Sample Size	399
Monthly premium cost	75%

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What your plan covers (e.g. what services are covered)	43%
Deductible amount	26%
Physician, nurse, or hospital network	16%
Co-pay amount	15%
Prescription benefits	10%
Customer service quality and availability	6%
Other	5%
Availability of specialized benefits (e.g. maternity, psychiatric care, eye care, etc.)	3%
Q24. Many organizations want someone to whom their employees and HR manager can go to with questions.	
Sample Size	399
Health insurance exchange website with easy to understand FAQs (free)?	46%
Support from a health insurance exchange expert by 24/7 e-mail/chat (\$2.50 per employee per month)	16%
Support from a health insurance exchange expert by 24/7 telephone (\$5 per employee per month)	11%
Support from a health insurance exchange expert by 24/7 e-mail/chat and telephone (\$6 per employee per month)	10%
Support from an in-person insurance broker (\$25 per employee per month)?	9%
Other	5%
Support from an in-person health insurance exchange expert (\$20 per employee per month)?	2%
Q25. If you were not to utilize an insurance broker, how would you manage health insurance challenges?	
Sample Size	399
The health insurance exchange must provide dedicated 24/7 telephone support with an exchange expert	18%
I will contact the health insurance carriers (e.g. BlueCross BlueShield, United Health Care, etc) for assistance	18%
The health insurance exchange must provide dedicated 24/7 e-mail/chat support with an exchange expert	17%
I would be willing to pay slightly more for on-going support from an insurance broker	11%
Employees will deal with health insurance issues on their own	11%
I will manage our organization's health insurance challenges and questions on my own	10%
I will have a human resources employee manage all health insurance challenges and questions	9%
Other	4%
Friend, family, or colleague will provide assistance	2%
Q26. How interested are you in learning more about Mississippi's health insurance exchange?	

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Top Box Scores	
Sample Size	399
Interested (4-5)	73%
Disinterested (1-2)	8%
Q26. How interested are you in learning more about Mississippi's health insurance exchange?	
Sample Size	399
Not interested at all - 1	6%
Disinterested - 2	3%
Neither interested nor disinterested - 3	19%
Interested - 4	45%
Very interested - 5	28%
Mean	3.87
Q26a. You suggested you were not interested in learning more about Mississippi's health insurance exchange. Reasons	
Variable(s): Postcoded	
Sample Size	399
Don't understand/complexity	4%
Don't support / high cost	11%
Currently satisfied with health insurance	2%
Don't know / did not provide response	83%
Q26b. You suggested you were interested in learning more about Mississippi's health insurance exchange. Reasons	
Variable(s): Postcoded	
Sample Size	399
Limited knowledge	29%
Don't know / did not provide response	28%
Cost savings	23%
Simplicity	6%
Other	6%
Increased quality	4%
Want to obtain health insurance	4%

Small Business Demographics	Total
	Column % (& others)
Q3: In which state is your company primarily located?	
Sample: Excludes Advocates, Health Providers, Insurance Agents	
Sample Size	399
Alabama	0%

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Arkansas	0%
Florida	0%
Georgia	0%
Louisiana	0%
Mississippi	100%
North Carolina	0%
South Carolina	0%
Tennessee	0%
Other	0%
Q8. In which region of Mississippi do you live?	
Sample: Excludes Advocates, Health Providers, Insurance Agents	
Sample Size	399
Northeast (e.g. Olive Branch, Tupelo, Starkville)	30%
Northwest (e.g. Clarksdale, Tunica, Greenville)	18%
Southwest (e.g. Jackson, Vicksburg, Brandon)	31%
Southeast (e.g. Hattiesburg, Biloxi, Gulfport)	21%
Other	0%
Q27. In which of the following industries does your business or organization fall?	
Sample: Excludes Advocates, Health Providers, Insurance Agents	
Sample Size	399
Agriculture	1%
Mining	0%
Construction	9%
Manufacturing	6%
Transportation	3%
Wholesale trade	2%
Retail Trade	16%
Arts, Entertainment, and Recreation	1%
Accommodation and Food Services	4%
Finance, Insurance, and Real Estate	10%
Services	22%
Non-Profit Organization	8%
Other, please specify:	19%
Q28. How many years has your business been in operation?	
Sample: Excludes Advocates, Health Providers, Insurance Agents	
Sample Size	399
Less than a year	3%
1-2 years	8%
3-6 years	10%
7-12 years	11%
More than 12 years	69%

Appendix F – Individual Online Survey Results

Mississippi Health Insurance Exchange Survey (Individuals)	Total	
	Column % (& others)	
Q1. How Important are the following in your decision to work for an employer?		
Top Box Scores (4-5)		
Sample Size	662	
Salary / wages	91%	
Health Insurance benefits	82%	
Company policies (e.g. paid vacation, sick leave, paid tuition, etc)	81%	
Company reputation	78%	
Geographic location	76%	
Company culture	64%	
The types of clients with whom the company works	59%	
Q1. How Important are the following in your decision to work for an employer?		
Health Insurance benefits		
Sample Size	662	
Not At All Important - 1	4%	
2	4%	
3	10%	
4	26%	
Very Important - 5	57%	
Mean	4.28	
Company culture		
Sample Size	662	
Not At All Important - 1	6%	
2	7%	
3	23%	
4	32%	
Very Important - 5	32%	
Mean	3.78	
Salary / wages		
Sample Size	662	
Not At All Important - 1	2%	
2	1%	
3	6%	
4	22%	
Very Important - 5	70%	
Mean	4.56	

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The types of clients with whom the company works	
Sample Size	662
Not At All Important - 1	7%
2	8%
3	26%
4	30%
Very Important - 5	29%
Mean	3.66
Geographic location	
Sample Size	662
Not At All Important - 1	4%
2	4%
3	16%
4	27%
Very Important - 5	48%
Mean	4.12
Company policies (e.g. paid vacation, sick leave, paid tuition, etc.)	
Sample Size	662
Not At All Important - 1	3%
2	4%
3	12%
4	33%
Very Important - 5	48%
Mean	4.19
Company reputation	
Sample Size	662
Not At All Important - 1	4%
2	3%
3	16%
4	34%
Very Important - 5	44%
Mean	4.12
Q2. To what degree do you support the Patient Protection and Affordable Care Act?	
Excluded Variable(s): Don't Know	
Top Box Scores	
Sample Size	648
Support (4-5)	27%
Oppose (1-2)	42%
Q2. To what degree do you support the Patient Protection and Affordable Care Act?	
Excluded Variable(s): Don't Know	

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Top Box Scores	
Sample Size	648
Strongly Oppose-1	26%
Oppose-2	16%
Undecided-3	31%
Support-4	14%
Strongly Support-5	13%
Mean	2.72
Q10. Do you currently have health insurance?	
Sample: Excludes Advocates, Health Providers, Insurance Agents	
Sample Size	642
Yes, I currently have health insurance	78%
No, I do not currently have health insurance	22%
Q11. How did you decide on your health insurance plan?	
Sample: Includes only those who currently have health insurance	
Sample Size	520
I took whatever my employer was offering	64%
I alone made the decision	12%
I made the decision with my spouse or partner	12%
I signed up for whatever my family was currently on	5%
I receive government health care (e.g. Medicaid, Medicare)	3%
Other	3%
An outside party (insurer, broker, etc) made the decision for me	1%
Q12. How much do you agree or disagree with the following statements?	
Top Box Scores (4-5)	
I trust the health insurance plan my employer offers	72%
I would have a better understanding of my health insurance plan if I chose it	64%
I wish I was in charge of choosing my own health insurance plan	60%
I would need assistance if I were to choose my own health insurance (e.g. broker, online tutorials, etc)	58%
If I needed help in enrolling in a health insurance plan, I would prefer an online tutorial to telephone support	47%
An insurance broker would enroll me in the best possible plan that met my needs	34%
Q12. How much do you agree or disagree with the following statements?	
Excluded Variable(s): Not Applicable, Don't Know	
I trust the health insurance plan my employer offers	
Sample Size	474
Strongly Disagree-1	4%
Somewhat Disagree-2	8%

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Neither Agree nor Disagree-3	16%
Somewhat Agree-4	41%
Strongly Agree-5	31%
Mean	3.88
I wish I was In charge of choosing my own health insurance plan	
Sample Size	462
Strongly Disagree-1	6%
Somewhat Disagree-2	6%
Neither Agree nor Disagree-3	27%
Somewhat Agree-4	28%
Strongly Agree-5	32%
Mean	3.73
I would need assistance if I were to choose my own health insurance (e.g. broker, online tutorials, etc)	
Sample Size	487
Strongly Disagree-1	10%
Somewhat Disagree-2	15%
Neither Agree nor Disagree-3	17%
Somewhat Agree-4	28%
Strongly Agree-5	30%
Mean	3.54
An insurance broker would enroll me in the best possible plan that met my needs	
Sample Size	476
Strongly Disagree-1	14%
Somewhat Disagree-2	17%
Neither Agree nor Disagree-3	34%
Somewhat Agree-4	24%
Strongly Agree-5	11%
Mean	3.01
If I needed help in enrolling in a health insurance plan, I would prefer an online tutorial to telephone support	
Sample Size	481
Strongly Disagree-1	12%
Somewhat Disagree-2	18%
Neither Agree nor Disagree-3	23%
Somewhat Agree-4	25%
Strongly Agree-5	22%
Mean	3.28
I would have a better understanding of my health insurance plan if I chose it	
Sample Size	482
Strongly Disagree-1	4%

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Somewhat Disagree-2	8%
Neither Agree nor Disagree-3	24%
Somewhat Agree-4	30%
Strongly Agree-5	33%
Mean	3.81

Q13. Suppose you had 100 points to distribute among the reasons that describe why you do not currently have health insurance. A reason that was a larger factor in why you don't have insurance would receive more points. A reason that was a smaller factor would receive fewer or no points.

Sample: Excludes participants that have health insurance

Sample Size	162
Too expensive	50.85
My employer does not offer health insurance	23.70
I do not qualify for insurance	7.07
I'm in perfect health	7.02
Other	5.29
Lack of quality health plans	3.75
Complicated enrollment process	2.39

Q14. Briefly describe your understanding of a health insurance exchange.

Variable(s): Postcoded

Sample Size	662
Understands	7%
Limited Understanding	16%
Doesn't Understand	77%

Q15. Suppose you had 100 points of value to distribute among the benefits that could result from a Mississippi health insurance exchange. The benefit that you most prefer would get the most points (or maybe all 100 of the points). A benefit that you prefer less may receive fewer or no points.

Sample Size	662
High quality health insurance	31.00
A 10% decrease in health insurance premiums	28.25
Increased access to health insurance	15.37
More easily compare health insurance plans	11.70
Simplify health insurance enrollment	11.19
Other	2.49

Q16. Through which of the following ways would hearing about the Mississippi health exchange most increase your interest?

Top 3 Multiple Response Question

Sample Size	662
Employer	46%

Mississippi Health Benefit Exchange Report

Health providers (e.g. physicians and nurses)	35%
Family, friends, and colleagues	29%
Television advertisement	27%
Article or special report in the news	24%
Direct mail-piece to my office	18%
Print advertisement	16%
State, county, and local leaders	15%
Online advertising and e-mails	14%
Insurance agents or brokers	11%
Radio advertisement	10%
Church, religious group, or pastor	9%
Community organizations (e.g. community health center, YMCA/YWCA, local non-profits, etc)	6%
Health exchange enrollment bus in your town	5%
Other	4%
Billboard	3%
Read about it at a community center (e.g. post office, library, etc)	3%
<p>Q17. The new federal health care law requires that a health insurance exchange be available in every state by 2014. By whom would you prefer the health insurance exchange be operated?</p>	
Sample Size	662
The State of Mississippi should operate the state health insurance exchange	53%
The federal government should operate the state health insurance exchange	19%
Don't know/ undecided	29%
<p>Q18. The health insurance exchange will present individuals with health plan options from which they can choose. There is a trade-off between choice and simplicity. The more health plans presented the more complex the enrollment process. Making the enrollment presentation simple may reduce the number of plans presented.</p>	
Sample Size	662
Three or fewer health plan options (most simple)	27%
Four to eight health plan options (moderately simple)	42%
Nine to twelve health plan options (moderately complex)	8%
All health plan options (most complex)	17%
Don't know	6%
<p>Q19. In which of the following ways would you most prefer to receive education and information about the health insurance exchange?</p>	
Sample Size	662
Website with information tutorials and education videos	39%
In-person presentation by an insurance broker or agent	24%

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Dedicated 24/7 toll-free telephone support with questions answered by an exchange expert	16%
Dedicated 24/7 e-mail/chat support with questions answered by an exchange expert	8%
Town hall meeting conducted by a health exchange expert	5%
Would not utilize any of the above options to learn more about the health insurance exchange	5%
Other	4%
Q20. How would you most prefer to enroll annually in a health insurance plan?	
Sample Size	662
Website enrollment process that has online tutorials and education videos	44%
Insurance agent or broker who travels to assist with enrollment	17%
Paper enrollment application that is filled out individually and returned by mail	15%
Health exchange experts who travel to assist with enrollment	10%
Toll-free telephone call with a health exchange expert who assists with enrollment	6%
E-mail/chat with a health exchange expert who assists with enrollment	6%
Other	2%
Q22. Now suppose you had the same options as the previous question, but the following fees apply.	
Sample Size	662
Website enrollment process that has online tutorials and education videos (free)	70%
Paper enrollment application that is filled out individually and returned by mail (\$100 annual fee)	9%
E-mail/chat with a health exchange expert who assists with enrollment (\$100 annual fee)	6%
None of the above	5%
Toll-free telephone call with a health exchange expert who assists with enrollment (\$150 annual fee)	5%
Insurance agent or broker who travels and assists with enrollment (\$500 annual fee)	3%
Health exchange expert who travels and assists with enrollment (\$400 annual fee)	2%
Q23. When comparing health insurance plans, what are the top two characteristics you consider?	
Top 2 Multiple Response Question	
Sample Size	662
Monthly premium cost	59%
What your plan covers (e.g. what services are covered)	47%
Deductible amount	28%
Co-pay amount	27%
Physician, nurse, or hospital network	13%

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Prescription benefits	12%
Availability of specialized benefits (e.g. maternity, psychiatric care, eye care, etc.)	9%
Customer service quality and availability	3%
Other	1%
Q24. Many individuals want someone to whom they can go to with health insurance questions.	
Sample Size	662
Health exchange website with easy to understand FAQs (free)	56%
Support from a health exchange expert by 24/7 telephone (\$5 per month)	13%
Support from a health exchange expert by 24/7 e-mail/chat (\$2.50 per month)	12%
Support from a health exchange expert by 24/7 e-mail/chat and telephone (\$6 per month)	11%
Support from an in-person health exchange expert (\$20 per month)	3%
Support from an in-person insurance broker (\$25 per month)	3%
Other	2%
Q25. If you were not to utilize an insurance broker, how would you manage health insurance challenges?	
Sample Size	662
I will contact the health insurance carriers (e.g. BlueCross BlueShield, United Healthcare) for assistance	26%
The health exchange must provide dedicated 24/7 telephone support with an exchange expert	17%
My company has a human resources department I would contact	15%
The health exchange must provide dedicated 24/7 e-mail/chat support with an exchange expert	12%
I would speak directly to my employer with questions	12%
Friend, family, or colleague will provide assistance	7%
Other	5%
I will manage our organization's health insurance challenges and questions on my own	5%
I would be willing to pay slightly more for on-going support from an insurance broker	2%
Q26. How interested are you in learning more about Mississippi's health insurance exchange?	
Top Box Scores	
Sample Size	662
Interested (4-5)	64%
Disinterested (1-2)	13%
Q26. How interested are you in learning more about Mississippi's health insurance exchange?	
Sample Size	662
Not Interested at all - 1	8%

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Disinterested - 2	5%
Neither interested nor disinterested - 3	24%
Interested - 4	40%
Very Interested - 5	23%
Mean	3.66

Q26a. You suggested you were not interested in learning more about Mississippi's health insurance exchange. Reasons

Variable(s): Postcoded	
Sample Size	662
Don't understand/complexity	4%
Don't support / high cost	7%
Currently satisfied with health insurance	13%
Don't know / did not provide response	76%

Q26b. You suggested you were interested in learning more about Mississippi's health insurance exchange. Reasons

Variable(s): Postcoded	
Sample Size	662
Limited knowledge	40%
Cost savings	25%
Want to obtain health insurance	11%
Simplicity	10%
Increased quality	5%
Don't know / did not provide response	5%
Other	5%

Individual Demographics	Total
	Column % (& others)
Q1. Which of the following best describes your current employment status?	
Sample: Excludes Advocates, Health Providers, Insurance Agents	
Sample Size	642
Employed full-time (non owner)	76%
Employed part-time (non owner)	18%
Not employed	4%
Retired	1%
Other	1%
Q3. In which state do you reside?	
Sample: Excludes Advocates, Health Providers, Insurance Agents	
Sample Size	642
Alabama	0%
Arkansas	0%

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Florida	0%
Georgia	0%
Louisiana	0%
Mississippi	100%
North Carolina	0%
South Carolina	0%
Tennessee	0%
Other	0%
Q4. In which region of Mississippi do you live?	
Sample: Excludes Advocates, Health Providers, Insurance Agents	
Sample Size	648
Northeast (e.g. Olive Branch, Tupelo, Starkville)	23%
Northwest (e.g. Clarksdale, Tunica, Greenville)	15%
Southwest (e.g. Jackson, Vicksburg, Brandon)	30%
Southeast (e.g. Hattiesburg, Biloxi, Gulfport)	32%
Other	0%
Q6. What is your Gender?	
Sample Size	662
Male	37%
Female	63%
Q7. What is your age?	
Sample Size	662
Under 18	0%
18-24	10%
25-29	13%
30-34	14%
35-44	21%
45-54	24%
55-64	19%
65 and older	0%
Q8. Which of the following best describes your ethnicity?	
Sample Size	662
White	73%
Black or African American	22%
Asian	1%
American Indian or Alaskan Native	1%
Native Hawaiian or Other Pacific Islander	0%
Hispanic or Latino	1%
Other	1%
Prefer not to answer	2%
Q9. In 2010, what was your household income before taxes?	

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Sample Size	662
\$14,999 or less	8%
\$15,000 to \$24,999	14%
\$25,000 to \$34,999	15%
\$35,000 to \$49,999	17%
\$50,000 to \$74,999	19%
\$75,000 to \$99,999	12%
\$100,000 to \$149,999	7%
\$150,000 or more	2%
Prefer not to answer	6%

Appendix G – Town Hall Survey Responses

Town Hall Meeting, Participant Responses	Total
	Column % (& others)
Q1. To what degree do you support the Affordable Care Act?	
Sample Size	286
Strongly Oppose - 1	33%
2	16%
3	16%
4	10%
Strongly Support - 5	25%
Mean	2.77
Q2. How would you rate your current level of knowledge about a health benefit exchange?	
Sample Size	287
No Knowledge At All - 1	16%
2	25%
3	29%
4	25%
Perfect Knowledge - 5	4%
Mean	2.76
Q3. By whom would you prefer Mississippi's health benefit exchange be operated?	
Sample Size	285
The State of Mississippi	68%
The Federal Government	12%
Undecided	19%
Q4. Increasing access to health care is critical to economic growth in Mississippi	
Sample Size	286
Strongly Disagree - 1	6%
2	11%
3	14%
4	21%
Strongly Agree - 5	48%
Mean	3.95
Q5. Which best describes health insurance your organization currently offers?	
Sample Size	276
Offer to full-time and part-time employees	18%
Offer only to full-time employees	68%
Have never offered	10%

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Do not currently offer, but did in the past	5%
Q6. How Important are health benefits in attracting and retaining quality employees?	
Sample Size	276
Not At All Important- 1	1%
2	2%
3	4%
4	21%
Very Important - 5	72%
Mean	4.61
Q7. After hearing about a Defined Contribution Plan, to what degree do you think it would be a valuable option for Mississippi's health exchange?	
Sample Size	282
Not At All Valuable- 1	2%
2	2%
3	4%
4	21%
Very Valuable - 5	71%
Mean	3.61
Q8. How many plan options would you like to see presented in the enrollment process?	
Sample Size	273
Three or Fewer Health Plan Options	26%
4-8 plan options	33%
9-12 plan options	8%
All Health Plan Options	34%
Q9. To whom would you turn for assistance when working with the exchange?	
Sample Size	268
Insurance Agent or Broker	40%
Health Exchange Expert	27%
Health Exchange Website	21%
E-mail / Chat with Health Exchange Expert	12%
Paper Application	0%
Q10. I can understand complexities of health insurance without help of broker	
Sample Size	270
Strongly Disagree - 1	37%
2	18%
3	21%
4	14%
Strongly Agree - 5	9%
Mean	2.40

ATTACHMENT D

**MISSISSIPPI HEALTH INSURANCE EXCHANGE
NEWS ARTICLES**



Text Size:

Monday, Aug 29, 2011

Posted on Fri, Aug. 26, 2011

Health exchange will offer options

By MICHAELA GIBSON MORRIS

TUPELO -- Health-care exchanges won't solve all of health care's problems.

But they should provide more flexibility for consumers and reduce administrative burdens on small employers, Mississippi Insurance Commissioner Mike Chaney told participants in the annual Managed Care Conference on Thursday.

"It presents a host of challenges," Chaney said, and there are no guarantees about how well it will work. "This is probably one of the best solutions we've got."

The basic idea is to let people shop for health insurance with side-by-side comparisons on costs and coverage, Chaney said. Participation in exchanges is voluntary.

Small employers will have the option to set a defined benefit -- how much they want to contribute toward insurance premiums. Employees get to choose what policies work best for them, and if they want to pay more money for more coverage.

The Mississippi Insurance Department is modeling the exchange after Utah's health exchange, which began in January 2010 with 11 small employer groups and now has more than 150 groups covering more than 4,000 people.

New health care law discussed in Tupelo



Reported by: [Robert Byers](#)

Email: rbyers@wtva.com

Last Update: 12:22 pm

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TUPELO, Miss. (WTVA) - With the new federal health care law, the future of the health and insurance industries in this state and country are going into uncharted territory.

And from big employers to the smallest ones, most will tell you they're concerned and looking for answers.

They hoped to get some by participating in the 15th annual Health Link Managed Care Conference in Tupelo on Thursday.

Small business owner Mike Eaton said, "You've just got to be very creative and find ways to get people covered because it's very important. Your health is always in the back of everybody's mind."

Greg Baldwin with Rush Health Systems out of Meridian said, "There's a lot of uncertainty about what's going to happen with health care in the future. We're just going to have to take it one day at a time and see what those changes mean for us."

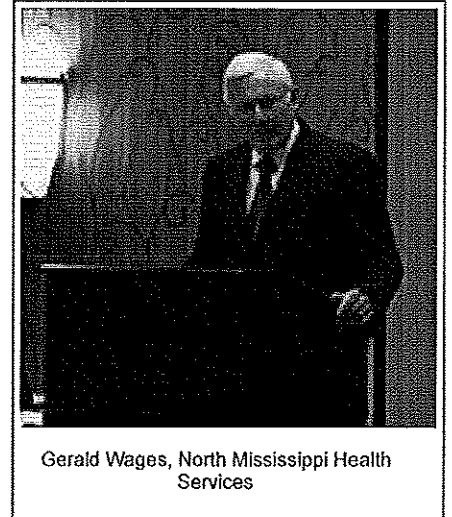
Discussions at the conference included the impacts of the new federal health care legislation, to the state's efforts with a new health care exchange.

State Insurance Commissioner Mike Chaney said, "Most people are saying that they want a program designed for Mississippi by Mississippians and not a program designed by the federal government. They want to have flexibility to choose their health care."

Organizers and speakers say those attending are looking for answers as they plan for the future, as it relates to health care and coverage.

Gerald Wages with North Mississippi Health Services said, "Even without the health care reform act, health care is changing a lot and improving a lot. The quality of care is getting so much better. The industry is starting to consolidate a little bit. But we're talking today at the Managed Care Conference about some of those changes."

Wages says he feels the health industry in this part of the state is strong, putting it in a good position to handle any major changes that come in the future.



POLITICO

Insurer creates red-state strategy

By KATE NOCERA¹ | 10/6/11 11:44 AM EDT

The Blue Cross Blue Shield Association is teaching its member plans how to overcome conservative opposition to the Democrats' health care law.

At a closed-door meeting Wednesday at D. C.'s Grand Hyatt with member plans from across the country, association officials covered topics like "Moving exchanges forward," "What motivates conservatives to oppose creating exchanges? Myths vs. facts," and "Tactics and strategies," according to a meeting agenda. The group heard from Mississippi Department of Insurance Senior Attorney Aaron Sisk during lunch.

Continue Reading²

According to multiple people who attended the meeting, there was a focus on what Blues plans could do to counter "hard-core conservatives" who are refusing to set up exchanges. There was an emphasis on working with coalitions at the grass-roots level to engage both the business community and constituents to help influence legislatures.

"The idea was really to go over what has worked so far in red states," one meeting attendee said. "It was important to hear from Mississippi, a very, very red state that is using their high risk pool as a way to follow the law."

There was also a focus on terminology, attendees said. For example, the audience was told to use the word "marketplace" and not "exchange" when discussing the law. BCBSA senior vice president Alissa Fox said the meeting was simply a continuation of BCBSA's long-held belief that "all states should set up their own marketplaces."

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To: "aaron.sisk@mid.state.ms.us" <aaron.sisk@mid.state.ms.us>, "Liz.Barne...
Date: 8/31/2011 7:42 PM
Subject: Fw: (BN) Governors Opposing Health Law Pick Compliance Over

Did y'all catch this on Bloomberg this morning? See story below.

----- Original Message -----

From: DREW ARMSTRONG, BLOOMBERG/ NEWSROOM: [mailto:darmstrong17@bloomberg.net]
Sent: Wednesday, August 31, 2011 09:36 AM
To: Cheryl Smith
Subject: (BN) Governors Opposing Health Law Pick Compliance Over

Hi Cheryl--Here's the story. Thanks again!

Drew Armstrong
Health policy reporter, Bloomberg News
darmstrong17@bloomberg.net
202.654.7385 (office)
267.303.3670 (cell)
202.624.1328 (fax)

+-----+
Governors Opposing Health Law Pick Compliance Over U.S. Control
2011-08-30 04:01:00.3 GMT

By Drew Armstrong

Aug. 30 (Bloomberg) -- Mississippi Governor Haley Barbour hasn't let his support of a lawsuit by 26 states to overturn the health-care overhaul stop him from trying to impose the law's insurance rules in defiance of his own legislature.

Barbour is responding to the law's requirement that states create marketplaces for health plans such as WellPoint Inc. and Humana Inc. to sell coverage to the uninsured in 2014 or cede the responsibility to the U.S. government. States must decide by Jan. 1, 2013.

Legislatures opposed to the law haven't authorized exchanges, leaving Republican governors in Mississippi, Arkansas and Indiana to search for fallbacks to preserve a regulatory role for themselves in the reshaped health system. One option may be using not-for-profits to run the exchanges.

"Any state where legislation failed, almost all of them are looking at some sort of plan B to find another way of doing this," said Aaron Sisk, senior staff attorney with the Mississippi Department of Insurance, by phone.

Exchanges are the law's primary tool to expand health insurance coverage. By 2017, 23 million people will use the markets to purchase coverage from insurers led by Indianapolis-based WellPoint and Humana of Louisville, Kentucky, and UnitedHealth Group Inc., in Minnetonka, Minnesota, according to the Congressional Budget Office.

States suing in federal court to void the law argue that a requirement that people buy coverage, mostly through the

exchanges, is unconstitutional. The U.S. Court of Appeals in Atlanta on Aug. 13 affirmed in part a lower court ruling backing that argument, moving the case a step closer to a review by the U.S. Supreme Court.

Ruling Expected Soon

A U.S. Court of Appeals in Richmond, Virginia, is expected to rule soon on a separate suit by Virginia Attorney General Kenneth Cuccinelli challenging the mandate. Lower court rulings have broken entirely along party lines, with federal judges appointed by Republican presidents invalidating the mandate and those appointed by Democrats upholding it.

The question facing states is whether to act to preserve control of the exchanges and block the U.S. from taking over if legal challenges fail.

Arkansas lawmakers refused to pass a bill authorizing exchanges for Democratic Governor Mike Beebe largely because of objections from fiscally conservative, Tea Party-backed and Republican members, said Insurance Commissioner Jay Bradford. The legislature won't meet again to consider such legislation until 2013.

"In the long run, we're probably going to have to seek some kind of legislative approval," Bradford said in a phone interview. "If we don't get it, the feds will be in control."

Vetting Insurers

Bradford has started looking for a way to set up an exchange with existing state programs or another method that would bypass the legislature. "It's not preferable, but it is a possibility," he said.

Mississippi's legislature had competing bills, neither of which was passed because lawmakers couldn't decide whether to set up a separate not-for-profit or to have the state run the exchange, Sisk said. With the legislature not scheduled to meet again until 2012, Mississippi's insurance department will vet insurers that want to sell coverage to residents and help set coverage requirements.

"The goal is to operate the exchange for Mississippians," Sisk said. "If we bring in the federal government, there's the risk we won't be able to do that."

Barbour's administration is following the advice of Michael Leavitt, a former Utah governor who served as the secretary of health and human services in the administration of President George W. Bush. "This is a profoundly important moment on federalism," Leavitt said at a July meeting of governors in Utah. "States need to lead. Too often, we've simply deferred to the federal government."

Setting Agenda

States have to set the agenda and quickly shape exchanges in ways that work best for their markets, Leavitt said. Taking the initiative will force the federal government to accommodate requests for flexibility from health-law coverage requirements,

he said.

"If states step forward and define it, it will compel the federal government to provide the flexibility that's necessary to solve this problem," Leavitt said.

Indiana's legislature also hasn't passed a bill authorizing exchanges.

"There's a lot of folks that are not on board and have fundamental problems with the entire bill," said Seema Verma, the head of health-care reform for Governor Mitch Daniels, a Republican who backs the suit to overturn the health law. "The constitutional challenge gives those naysayers an opportunity not to move ahead."

Deciding on Approach

Verma said the state is examining setting up a not-for-profit to run its exchange instead of a state-run body. The state wouldn't need legislative approval for such an approach.

Using a not-for-profit fits with the state's philosophy of not heavily controlling which plans will be able to sell coverage in the new marketplace, Verma said. "Our market seems to be much more favorable to a farmer's market approach, where any plan that qualifies can offer."

Not everyone is a fan of bypassing the legislature. In Alabama, another state that's suing to overturn the health law, state Representative Greg Wren had his exchange bill fail to reach the governor's desk. Governor Robert Bentley instead used an executive order to set up a study committee to create guidelines for the state's exchange.

Wren said he's since lobbied fellow legislators around the country to move ahead even if they oppose the law or lose the chance to provide input.

'Devil That's Unknown'

"There's a sheer concern about the devil that's unknown," he said in a telephone interview. He said states using executive orders might not go far enough to meet Obama administration standards on exchange requirements.

"I'm gravely concerned that any executive order could be subject to even more scrutiny" by the U.S. Department of Health and Human Services, he said.

Two other states have turned down federal money to set up exchanges quickly, while wanting to keep control over the marketplaces.

Kansas Governor Sam Brownback, a Republican, returned a \$31.5 million federal grant, saying he wasn't sure the U.S. would be able to make good on its financial support promises. His state will still set up its own exchange.

Oklahoma returned a \$54.5 million grant to help create exchanges. Governor Mary Fallin, also a Republican, said her goal was "stopping the implementation of the president's federal health-care exchange in Oklahoma." The state still plans to set up and regulate its own marketplace.

Ohio is taking more aggressive steps. Voters will vote in November on a ballot initiative would create a state

constitutional amendment blocking the law, Ohio Secretary of State Jon Husted, a Republican, said in a statement.

The proposed amendment bars any law requiring a person to buy health insurance. Courts would have to rule on its constitutionality since it runs counter to the health-care law.

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--Editors: Adriel Bettelheim, Steve Walsh

To contact the reporter on this story:

Drew Armstrong in Washington at +1-202-654-7385 or
darmstrong17@bloomberg.net;

To contact the editor responsible for this story:

Adriel Bettelheim at +1-202-654-4356 or
abettelheim@bloomberg.net.