



HEALTH REFORM UPDATE

Presented by
Office of Legislative Research and General Counsel
to the Utah Legislature's Health and Human Services Interim Committee
May 16, 2013



EXCHANGES

WHERE ARE WE?

- HHS asked states to choose one of three doors:



HHS runs
both exchanges



State runs
both exchanges



HHS “partners”
with state to
run both exchanges

WHERE ARE WE?

- Utah chose door #4:



HHS runs
both exchanges



State runs
both exchanges



HHS “partners”
with state to
run both exchanges



HHS runs
individual exchange;
state runs
employer exchange

THE UTAH MODEL

- Jan 3 Conditional approval for state-based exchange
- Jan – May Negotiations with HHS
- May 9 Governor’s letter to HHS
- May 10 HHS’ letter to Governor
- ???? HHS will propose amendment to final exchange rule to permit Utah model
- ???? “Sufficient notice” will be provided to inform states of 2015 data sharing requirements

Note: For any calendar year, the state may elect a different exchange model after giving proper notice and receiving approval from HHS.

THE UTAH MODEL

	FEDERAL GOVERNMENT	UTAH
Individual Exchange (AHBE, "American Health Benefit Exchange")	<ul style="list-style-type: none"> Administers federal subsidies Enforces individual mandate and employer "shared responsibility" payments Runs <i>full</i> navigator program Designs and operates risk adjustment and reinsurance programs (in/out of exchange) 	<ul style="list-style-type: none"> Retains oversight of individual market in/out of exchange; makes recommendations for qualified health plan certification Retains authority to give final approval for Medicaid eligibility May seek approval for use of a state risk adjustment model for 2015+ (in/out of exchange)
Employer Exchange (SHOP, "Small Business Health Options Program")	<ul style="list-style-type: none"> Does <u>not</u> operate a competing employer exchange Operates risk adjustment (in/out of exchange) 	<ul style="list-style-type: none"> Continues to operate <i>Avenue H</i> Does <u>not</u> submit information to the federal data hub for enforcement of the individual mandate and employer "shared responsibility" payments Runs <i>limited</i> navigator program Retains oversight of small group market in/out of exchange; has sole responsibility for qualified health plan certification May seek approval for use of a state risk adjustment model for 2015+ (in/out of exchange)

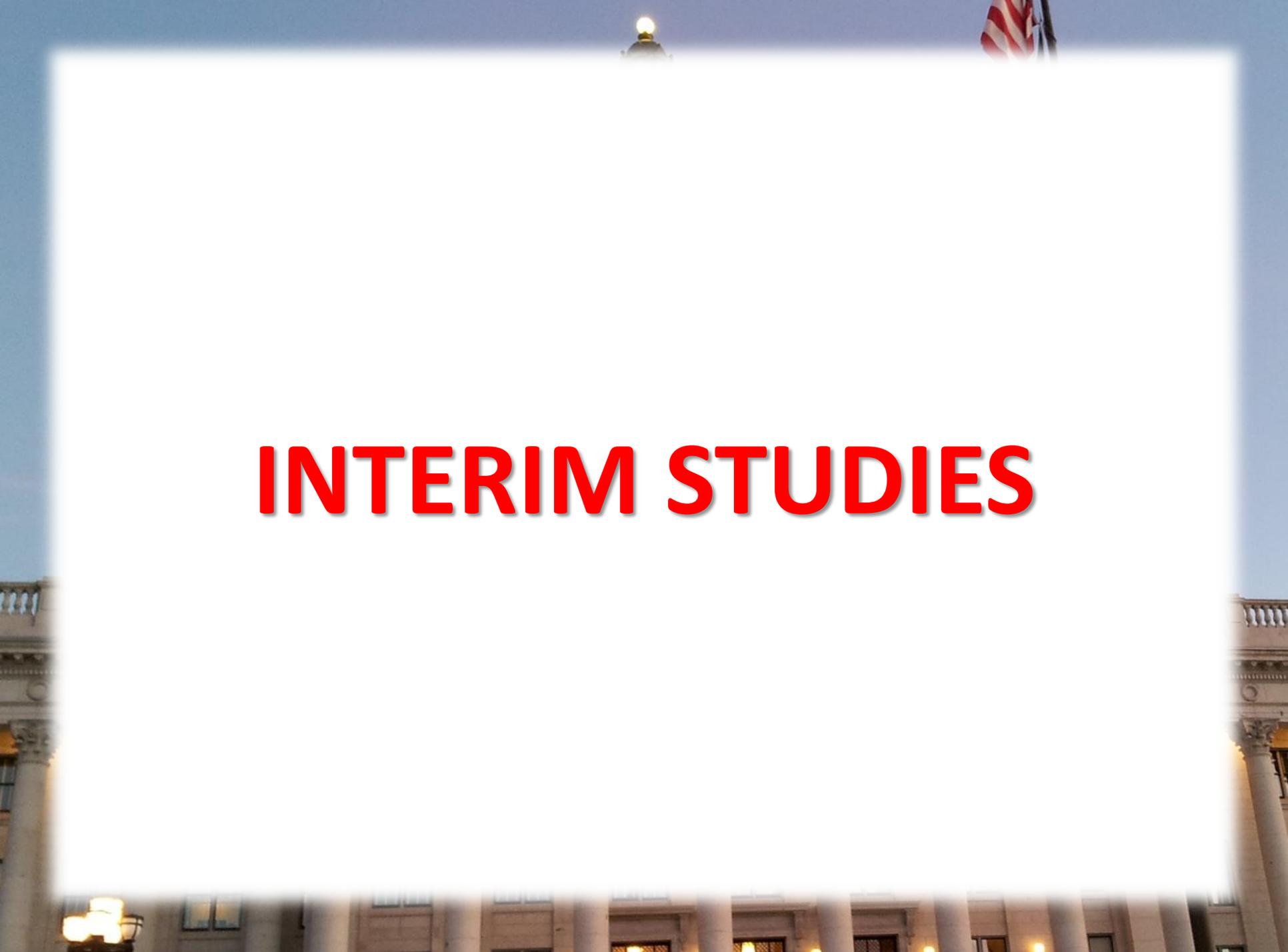
THE UTAH MODEL

Employer Exchange (*Avenue H*/"SHOP")

- Employees continue to have choice of carriers, networks, and plans (will not be limited to one plan in 2014, or one metal level in 2015 and beyond, as federal SHOP enrollees)
- Employers continue to have consolidated billing (unlike federal SHOP in 2014)
- Education and outreach continues
- Brokers continue to assist employers and employees
- Minimum employee participation rate (75%) continues
- Employer funding flexibility continues (no minimum contribution)
- *new*: Website, call center support, and marketing available in Spanish
- *new*: At least two state-licensed "navigators" for consumer outreach and education
- *new*: Stand-alone dental (stand-alone vision prohibited by ACA)
- *new*: Rates not based on health factors or gender (in/out of exchange)
- *new*: Exchange participation qualifies certain employers to receive federal credits

IMPLEMENTATION TIMELINE

	Individual Exchange <small>(AHBE, "American Health Benefit Exchange")</small>	Employer Exchange <small>(Avenue H/SHOP, "Small Business Health Options Program")</small>
Apr – May	<ul style="list-style-type: none"> ➤ Issuers submit qualified health plans (QHPs) to Insurance Department 	<ul style="list-style-type: none"> ➤ Same
May – Jun	<ul style="list-style-type: none"> ➤ Stand alone dental plans apply 	<ul style="list-style-type: none"> ➤ Same
Jun – Jul	<ul style="list-style-type: none"> ➤ Insurance Department reviews applications 	<ul style="list-style-type: none"> ➤ Same
Jul		<ul style="list-style-type: none"> ➤ Consumer outreach and education begins
Aug – Sep	<ul style="list-style-type: none"> ➤ HHS reviews state's QHP and issuer recommendations ➤ Navigators begin 	<ul style="list-style-type: none"> ➤ No HHS review; state has final say
Oct	<ul style="list-style-type: none"> ➤ Open enrollment window begins 	<ul style="list-style-type: none"> ➤ Continuous enrollment (no windows) begins
Jan	<ul style="list-style-type: none"> ➤ Coverage begins 	<ul style="list-style-type: none"> ➤ Same

The background of the slide features a photograph of a grand, classical-style building with numerous columns. An American flag is visible in the upper right corner. The scene is captured during twilight or dusk, with some lights visible on the building's facade.

INTERIM STUDIES

HEALTH REFORM TASK FORCE

- Required Studies:

- ❑ Impacts of ACA implementation
- ❑ Medicaid reform and expansion options
- ❑ Small employer use of self-insurance and regulation of stop-loss coverage
- ❑ Defined contribution arrangement market (role, governance, and exchange)
- ❑ Medicaid behavioral health delivery and payment reform models within ACOs and other settings
- ❑ Cost containment strategies
- ❑ Charity care
 - Identification of:
 - medically underserved
 - barriers
 - resources
 - Proposals to establish:
 - wellness education
 - personal responsibility
 - a coordinated, statewide, private sector approach to universal, basic health care for Utah's medically underserved, using private partners to achieve cost savings and market efficiencies

OTHER COMMITTEES

- Governor: “Medicaid Options Workgroup”
 - ❑ Includes HRTF members
 - ❑ Multiple subgroups
 - ❑ Excellent background information on expansion, including other state proposals, at
 - ❑ <http://health.utah.gov/medicaid/pdfs/MedicaidExpansionPortfolio.pdf>
- Department of Health: “State Innovation Model – Payment Reform Workgroup”

The image shows the Utah State Capitol building at dusk. The central dome is dark and illuminated from within, with a small light on top. Below the dome is a circular portico with columns. The main facade features a row of tall columns supporting a pediment with the words "STATE OF UTAH" inscribed on it. An American flag is visible on a tall pole to the right. The sky is a clear, light blue.

Questions or comments?

Contact Office of Legislative Research and General Counsel

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