

Health Insurance Exchanges & the Impact of National Health Care Reform

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Agenda

- Overview of PPACA Titles
- Key elements of Title I
- Lessons learned in Massachusetts
- Design issues for state-based exchanges

Overview of PPACA Titles

- Title I----- QUALITY, AFFORDABLE HEALTH CARE FOR ALL AMERICANS
- Title II----- ROLE OF PUBLIC PROGRAMS
- Title III----- IMPROVING THE QUALITY AND EFFICIENCY OF HEALTH CARE
- Title IV----- PREVENTION OF CHRONIC DISEASE AND IMPROVING PUBLIC HEALTH
- Title V----- HEALTH CARE WORKFORCE
- Title VI----- TRANSPARENCY AND PROGRAM INTEGRITY
- Title VII----- IMPROVING ACCESS TO INNOVATIVE MEDICAL THERAPIES
- Title VIII----- COMMUNITY LIVING ASSISTANCE SERVICES AND SUPPORTS
- Title IX----- REVENUE PROVISIONS
- Title X----- STRENGTHENING QUALITY, AFFORDABLE HEALTH CARE FOR ALL AMERICANS

Key Elements of Title I

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- *Subtitle A - Immediate Improvements in Health Care Coverage for All Americans*
- *Subtitle B - Immediate Action to Make Coverage More Affordable and More Available*
- *Subtitle C - Quality Health Insurance Coverage for All Americans*
- *Subtitle D - Available Coverage for All Americans*
- *Subtitle E - Affordable Coverage Choices for All Americans*
- *Subtitle F - Shared Responsibility for Health Care*
- *Subtitle G - Miscellaneous Provisions*

Key Elements of Title I (con't)

- Development and utilization of uniform explanation of coverage documents and standardized definitions
- Bringing down the cost of health care coverage (MLR provision)
 - Beginning in 2011, 85% for Large Group; 80% NG/SG or rebate to enrollees
- Immediate information that allows consumers to identify affordable coverage options
- Administrative simplification

Key Elements of Title I (con't)

- Rating reforms must apply uniformly to all health insurance issuers and group health plans
- Essential Health Benefits Requirements
- Affordable choices of health benefit plans (Exchanges)
- Secretary to develop a rating system for qualified health plans

Key Elements of Title I (con't)

- Federal program to assist establishment and operation of nonprofit, member-run health insurance issuers
- Transitional reinsurance program
- Establishment of risk corridors for plans in individual and small group market
- Risk adjustment

Key Elements of Title I (con't)

- Refundable Premium Assistance credit for coverage under a qualified health plan
 - See next slide for representative subsidy

Key Elements of Title I (con't)

- Individual Subsidy:

Amount of Annual Subsidy						
		Income as a % of FPL				
Age	Premium	133	200	300	400	
20	\$ 2,637	\$ 2,349	\$ 1,272	\$ -	\$ -	
60	\$ 7,911	\$ 7,623	\$ 6,546	\$ 4,824	\$ 3,796	
Amount of Monthly Subsidy						
		Income as a % of FPL				
Age	Premium	133	200	300	400	
20	\$ 220	\$ 196	\$ 106	\$ -	\$ -	
60	\$ 659	\$ 635	\$ 545	\$ 402	\$ 316	

Key Elements of Title I (con't)

- Reduced cost sharing for individuals enrolling in qualified health plans
 - 100% to 400% of FPL
- Advance determination and payment of premium tax credits and cost-sharing reductions
- Streamlining of procedures for enrollment in Exchange, Medicaid, CHIP, other subsidy programs

Key Elements of Title I (con't)

- Employee health insurance expenses of small employers
 - See next slide for representative subsidies

Key Elements of Title I (con't)

- Small Business Tax Subsidy:

Tax Credit as a % of Employer Contribution to Premiums			
# of Employees	Average Wage		
	Up to \$25K	\$35K	\$45K
Up to 10	50%	30%	10%
15	33%	13%	0%
20	17%	0%	0%
24	3%	0%	0%

Lessons Learned in Massachusetts

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- Education & outreach is priority one
- Research & experiment
- Communicate continually
- Technology challenge/opportunity
- Outsource, partner & collaborate

Lessons Learned in Mass. (con't)

- Simplify and standardize
- Consolidate legacy benefit designs
- Exchange can be powerful market shaper
- Need to reform health care delivery system

Design Challenges for state-based exchanges

Design Challenges for State-based Exchanges

- Governance
- Adverse Selection
- Choice vs. Complexity
- Reducing Administrative Costs
- Benefits Standardization
- Creating Managed Competition
- Implementation

Future questions?

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