A Strategic Approach to Selecting and Managing Qualified Health Plans

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State Health Reform Assistance Network
Charting the Road to Coverage

Robert Wood Johnson Foundation

Overview

- Preparing to launch QHP solicitation process
- Standards for certifying QHPs
- Negotiating key elements of the issuers' proposals

Preparing to launch QHP solicitation process

- Basic Exchange (and Medicaid) goals that will shape the procurement
- Key design elements for both the Individual and SHOP
- Communicating in advance with Issuers about issues of special interest

Preparatory Phase: Setting Goals

- Maximize carrier participation
- Maximize total enrollment
- Focus on enrolling lower income uninsured
- Exceptional customer service
- Control costs & minimize premium trend
- Financial self-sustainability
- Payment & delivery system reform
- Attracting Issuers (Medicaid MCOs)

Preparatory Phase: Key Design Decisions

Individual Exchange:

- Merged market/same plans?
- Types of plans to be solicited?
- Standardization of cost-sharing across QHPs?
- Number of QHPs per issuer & AV tier?
- Out-of-state coverage required?
- Encourage MMCOs?

Preparatory Phase: Key Design Decisions (con't)

SHOP Exchange:

- Value proposition for small employers?
- Employee choice models being offered?
- Types & number of QHPs to solicit?
- Standardization of cost-sharing across QHPs?
- Rating structure for employee choice?
- Out of state coverage?

Preparatory Phase: Communicating with Issuers

- General stakeholder consultation, early in the process
- Negotiation of key design issues that directly affect issuers
- Technical working group: broker commissions, rating methodologies, reporting, etc.

Specifications: 13 federal requirements

- Accreditation
- Benefits & cost-sharing
- Quality initiatives
- Network adequacy & provider directory
- Transparency in coverage
- Segregation of abortion funding
- Minimum service area

Specifications: 13 federal requirements (con't)

- Rate and benefit Information
- Non-discrimination
- Licensure in good standing
- User fee compliance
- Risk adjustment programs
- Enrollment policies & procedures

Solicitation Process

- Timeline & coordination w/ other agencies
  - Especially Insurance Departments
- Protecting confidential information
- Term of certification & re-application
- Publication of solicitation for comment
- Data for carriers
- Operating requirements
- Development & release of model contract

Negotiating Key Terms with Issuers

- Premium rates
- Joint marketing commitment
- Service levels

“Negotiating” premiums

- DoI rate review
- Select lower-priced QHPs
- Re-bid QHPs with a cap on base rates

Focus for Joint Marketing Efforts

- The uninsured, especially those who may qualify for subsidies
- Insured individuals who qualify for subsidies
- Twenty-five year olds who qualify for subsidies
- COBRA-eligibles, especially those who may qualify for subsidies

Service Level Agreement

- Reduce health care disparities
- Reduce fraud, waste & abuse
- Continuity of operations plan
- Standards for information exchange
- Customer service
  - -Average time to answer
  - -Abandonment rates
  - -First call resolution rates
  - -Translator capabilities
  - -TTY for hearing impaired
  - -Customer satisfaction rates

New York's Approach to Selecting and Managing Qualified Health Plans

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New York's Invitation to Health Plans and Standalone Dental Plans

- Invitation issued on January 31, 2013
- Open to all licensed insurers in good standing
  - Commercial health insurers
  - Medicaid managed care plans
- Select all health plans that meet federal and state participation requirements and sign an agreement with the Exchange

Preparing for the Invitation

- Crosswalk federal requirements for QHPs to state requirements
  - Identify additional requirements in state law that will apply to QHPs
  - Identify where state law, rule or guidance may require modification

- Engage Stakeholders
  - Health Plans -- CEOs, Actuaries, Technical Experts
  - Consumers
  - Small Business
  - Healthcare Providers
  - Third Party Assisters -- Licensed brokers, agents, chambers of commerce
  - State insurance regulators
  - Others

- Identify opportunities to leverage existing processes for QHP certification
  - State health department
  - Medicaid managed care and Child Health Plus program
  - State insurance regulators

Goals and Strategies for Selecting QHPs Participation

Goal: Ensure adequate plan participation and reasonable level of competition

- Allow health plans to participate in the individual Exchange, the SHOP Exchange or both
- Allow health plans some flexibility to differentiate themselves in the marketplace
- Allow health plans to "opt-out" of providing pediatric dental services and the catastrophic plan if another in the area offered the services

Goal: Ensure Exchange coverage is available in all areas of the state

- Require health plans to participate in their entire approved service area unless an exception is granted by the Exchange

Goals and Strategies for Selecting QHPs
Balancing Choice and Innovation

Goal: Make it easy for consumers to compare options

- Require all health plans to offer a standard benefit in all metal tiers as a condition of participation
- Standardize the child-only and catastrophic design across all insurers

Goal: Balance health plan innovation with reasonable consumer choice

- Allow health plans to offer up to 3 “Non-Standard” products , subject to approval by the Exchange

Goal: Ensure consistency with the insurance market outside the Exchange

- Where possible, align policy decisions such as broker compensation and requirement to offer out-of-network benefits so as not to advantage or disadvantage the Exchange

Goals and Strategies for Managing QHPs

Goal: Ensure reasonableness of QHP premium rates

- Prior approval of premium rates by state department of financial services

Goal: Ensure QHPs have adequate networks

- Use existing provider network criteria and reporting systems to test adequacy on a quarterly or monthly basis

Goal: Monitor QHP quality, utilization and consumer satisfaction

- Leverage existing health plan quality and customer satisfaction rating systems
- Collect encounter data

Goal: Monitor financial performance of QHPs

- Require financial reporting specific to Exchange line of business

Goal: Ensure high quality customer service

- Standards for customer service
- Adherence to accessibility standards
- Marketing guidelines and restrictions

Lessons Learned

- Every decision about participation parameters will influence health plans' decision to participate
- Recognize that health plans have different levels of readiness to begin participation in 2014
  - Participation and operational decisions will impact participation
- Much is new, so leveraging existing processes and policies where possible can go a long way
- "Leveling the playing field" was a common theme
  - Different types of licensed insurers
  - Public and commercial plans
  - Inside and outside the Exchange
- The process is a negotiation

Timeline for Health Plan Selection for 2014

Invitation Released	January 31, 2013
Letter of Intent Due	February 15, 2013
Question and Answer Period Ends	March 15, 2013
Application Form Due	April 5, 2013
Initial Provider Network Submission Due	April 12, 2013
Submission of Premium Rates and Forms	April 15, 2013
Notice of Certification	July 15, 2013

New York Health Benefit Exchange

Invitation and related documents available at
http://www.healthbenefitexchange.ny.gov/invitation

Thank you
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Thank You