

# Development of a Health Insurance Exchange in Oregon

- Oregon's goals
- Federal Guidance and Requirements
- State Flexibility

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# What is a Health Insurance Exchange?

- Exchanges are “shopping centers” where individuals and small businesses purchase health insurance coverage.
- Beginning in 2014, each state will have an exchange to help consumers compare and choose between plans that meet benchmarks for quality and affordability.
- Exchanges will also administer the new federal health insurance tax credits and make it easier to enroll in health insurance.

## What are the Benefits of an Exchange?

- Access to tax credits and cost sharing assistance
- Ability to compare insurance products quickly and easily
- Minimum benefit standard and cost sharing limits ensure minimum standard for insurance purchased through exchange
- Information accessible in a variety of formats (phone, web site, with Agent help)

# Who will use Exchanges?

Starting 2014:

- Individuals
- Small employer groups with <100 employees
- Individuals and small groups can still buy insurance outside of Exchange
- To access tax credits and assistance with cost-sharing expenses (deductibles and co-payments) people will purchase insurance through the exchange
  - Federal premium tax credits and cost-sharing reductions are available for people with income up to 400% of the federal poverty level (\$88,200 for a family of 4)
  - Federal assistance will reduce out-of-pocket expenses for many people

## Goals for Oregon's Exchange

The goals identified by the Health Policy Board:

- Cost containment
- Changing the way services are provided/paid for
- Simplify (access, regulation, plan rules)
- Increased access to care

## Federal Law Lays Out Many Exchange Functions

- Provide Consumer Information
- Certify Health Plan to Participate
- Grade Health Plan
- Offer Meaningful Coverage Choices
- Provide Customer Assistance
- Facilitate Community-based Assistance
- Administer Exemptions
- Provide Information to the Federal Government

# Goals and Federal Requirements

Provide Information to Consumers (Individuals, groups)	
Public program eligibility information	<ul style="list-style-type: none"> <li>• Simplify</li> <li>• Increase access</li> </ul>
Provide electronic calculator to determine cost of coverage with premium tax credit/cost sharing reduction	<ul style="list-style-type: none"> <li>• Simplify</li> </ul>
Publish exchange's administrative costs	<ul style="list-style-type: none"> <li>• Contain costs</li> </ul>
Provide plan enrollment information to employers	<ul style="list-style-type: none"> <li>• Simplify</li> </ul>
Maintain website with standardized comparative plan information	<ul style="list-style-type: none"> <li>• Simplify</li> </ul>

## Certify Health Plans to Participate & Grade Health Plan Performance

Implement procedures for certification, recertification, decertification (consistent with HHS guidelines)	<ul style="list-style-type: none"> <li>• Simplify</li> </ul>
Use a standardized format for presenting health benefit plan options in the exchange, including the use of the uniform outline of coverage	<ul style="list-style-type: none"> <li>• Simplify</li> </ul>
Maintain a website through which enrollees and prospective enrollees of qualified health plans may get standardized comparative plan information	<ul style="list-style-type: none"> <li>• Simplify</li> </ul>
HHS Secretary will develop guidelines for states to use in certifying and grading health plans.	

## Offer Coverage Choices, Provide Customer Assistance

<p>Make qualified health plans available to eligible individuals and employers</p>	<ul style="list-style-type: none"> <li>• Increase Access</li> <li>• Simplify</li> </ul>
<p>Operate a toll-free telephone hotline to respond to requests for assistance</p>	<ul style="list-style-type: none"> <li>• Increase Access</li> <li>• Simplify</li> </ul>
<p>Operate a web site that allows consumers to compare plan options and costs</p>	<ul style="list-style-type: none"> <li>• Increase Access</li> <li>• Simplify</li> </ul>

# Administer Exemptions, Provide Information to Federal Government

<p><b>Grant exemption from individual responsibility penalty when:</b></p> <ul style="list-style-type: none"> <li>(1) no affordable qualified health plan is available through exchange; or</li> <li>(2) the individual meets requirements for another exemption from the requirement or penalty</li> </ul>	<ul style="list-style-type: none"> <li>• Simplify</li> </ul>
<p><b>Give the Secretary of the Treasury the name/tax ID of:</b></p> <ul style="list-style-type: none"> <li>(1) Each person issued an exemption certificate;</li> <li>(2) Employee deemed eligible for premium tax credit (no employer coverage/coverage not affordable); or</li> <li>(3) Person who tells the exchange they changed employers and stopped coverage during a plan year</li> </ul>	<ul style="list-style-type: none"> <li>• Simplify</li> </ul>

## Areas of State Flexibility

- Should Oregon's Exchange be operated by the state or a non-profit entity?
- Should Oregon run separate individual and small group market (SHOP) exchanges or have a single Exchange for both markets?
- What should the Exchange's oversight look like?
- Should there be additional state-funded assistance in the Exchange to help lower costs to Oregonians?
- Should Oregon explore working with other states on a regional (multi-state) Exchange?

## Technical Assistance Work Group

- Will help staff identify options, understand implications
- Participation by individuals with experience with exchange development and broad range of perspectives
- Meeting 4-6 times in May and June
- Identifying issues and options, not making recommendations

## Time Line

- May 2010: Health Policy Board meeting to discuss areas of state flexibility  
Technical Advisory work group identifies options, implications
- June-July Stakeholder input
- August Deliver TA group's info to Board for discussion, decision making
- September Draft report to Legislature
- October Additional stakeholder input, report editing
- November Finalize report
- December Deliver Exchange business plan report to Legislature