

New York State

Insurance

EXCHANGE

Legislative Update

August 12, 2011

Prepared by Elisabeth Benjamin

Health Care For All New York

Outline of Presentation

- Refresher on the Exchange under the Affordable Care Act
- Exchange activity in other states
- What's in New York's negotiated health insurance exchange bill?
- What's next in the Legislative process?

Refresher on the Exchange under the Affordable Care Act

Exchanges facilitate enrollment into health insurance coverage



- ACA mandates that states set up health insurance Exchanges in 2014, or default to a federal Exchange
- Exchanges are health insurance “marketplaces” which allow people and small businesses to:
 - Enroll in Medicaid or get government subsidies to buy commercial coverage
 - Compare plans on an “apples to apples” basis
 - Use a website or telephone hotline to help enroll into “qualified health plans”
- Only citizens and immigrants who are lawfully present can use the Exchange

The Exchange will help 810,000-1.16 million New Yorkers enroll in health coverage

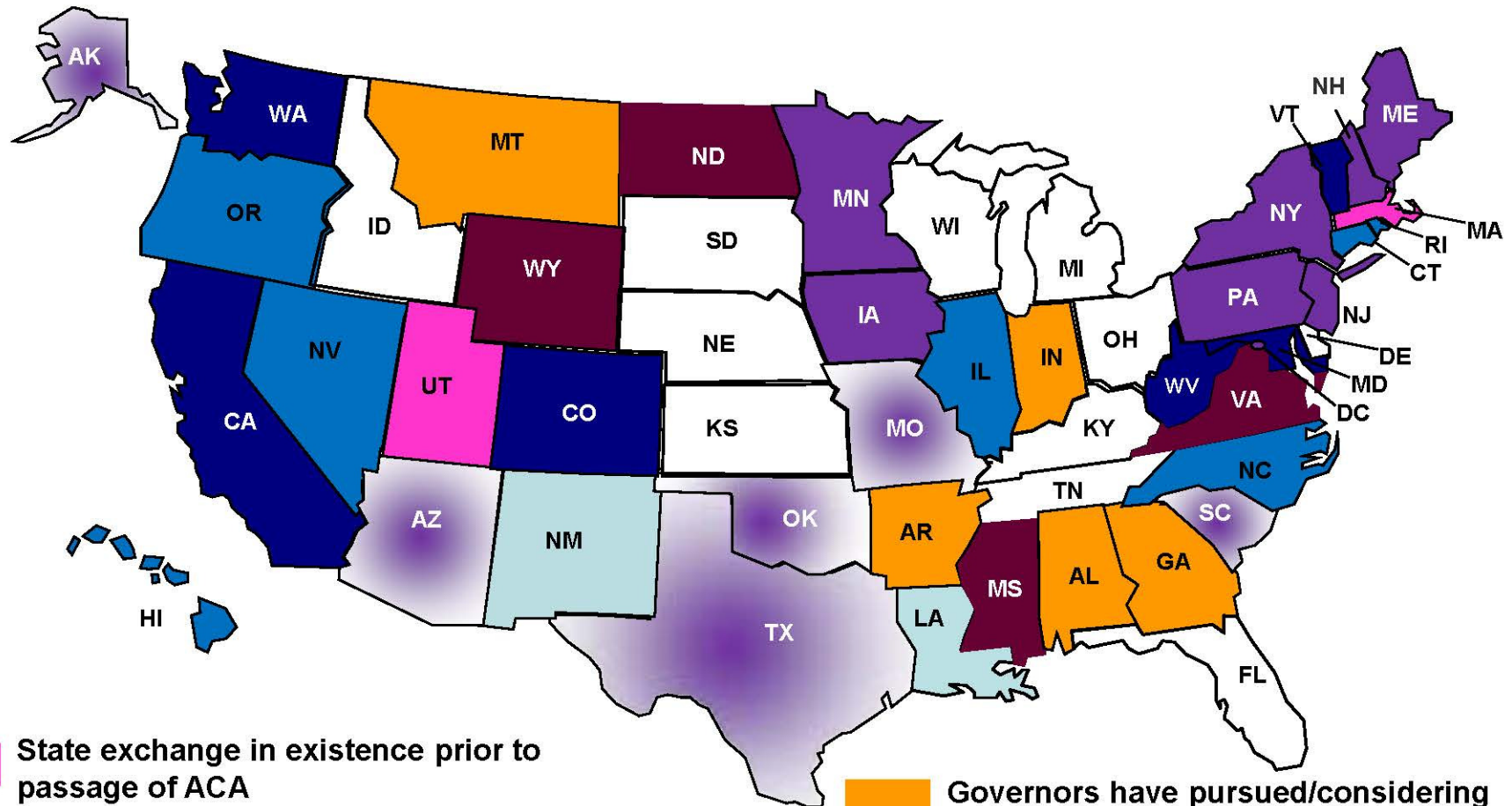
	Currently Uninsured	% of Total Uninsured	Newly Insured Post-Reform	Remaining Uninsured Post-Reform
Eligible for Medicaid but unenrolled	1,000,000	42%	110,000-440,000	660,000-1,000,000
Newly eligible for Medicaid (Childless adults 100-133% FPL)	90,000	3%	50,000-70,000	20,000-40,000
Access to Exchange & Eligible for Subsidies (0-400% FPL)	700,000	27%	570,000	130,000
Access to Exchange & Not Eligible for Subsidies (>400% FPL)	340,000	13%	80,000	260,000
Affordability Exemption Takers				200,000
Penalty Payers				60,000
Undocumented Immigrants	390,000	15%	0	390,000
TOTAL	2,620,000	100%	810,000-1,160,000	1,460,000-1,820,000

Our Challenge!

Source: NYS Health Foundation, "Implementing Federal Health Care Reform: A Roadmap for New York State," August 2010.

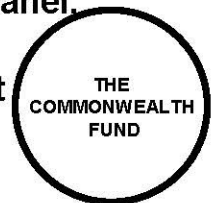
Exchange Activity in Other States

Status of State Legislation to Establish Exchanges, As of June 2011



- State exchange in existence prior to passage of ACA
- Legislation signed into law post passage of ACA
- Legislation passed one or both houses
- Legislation pending in one or both houses
- Pending legislation failed

- Governors have pursued/considering non-legislative options
- Legislation signed: intent to establish an exchange, creation of study panel, creates an appropriation
- Governor veto or decision not to establish exchange



Source: National Conference of State Legislatures, Federal Health Reform: State Legislative Tracking Database.

<http://www.ncsl.org/default.aspx?TabId=22122>; Commonwealth Fund Analysis.

What's in New York's Negotiated Health Insurance Exchange Bill?

New York's Health insurance Exchange Bill: What's in it?

- Sets up a Public Authority
 - 9 member board
 - 2 *ex officio* Directors: Commissioner of Health, Superintendent of the New York Department of Financial Services
 - 7 three-year term Directors with Expertise: 3 appointed by the Governor, 2 by the Assembly, 2 by the Senate
 - Modest conflict of interest provisions
 - Duty to serve in the “public interest” of Exchange users
 - State officers law, §§ 73, 74



What's in the Bill?



Exchange functions:

- ✓ Set up individual and small business exchange (program) to enroll qualified individuals into health and/or dental coverage starting 1/1/14
- ✓ Inform and enroll people into public coverage
- ✓ Adopt a standardized format for presenting health plan options
- ✓ Maintain a website & electronic calculator of costs and subsidies
- ✓ Administer insurance exemptions, subsidies, and data matches
- ✓ Run a grant program for Navigators
- ✓ Consult with regional advisory committees
- ✓ Consult with stakeholders (consumers, experienced enrollers, small business & self-employed, state Medicaid offices [including LDSS], advocates for hard to reach populations, providers, insurers)

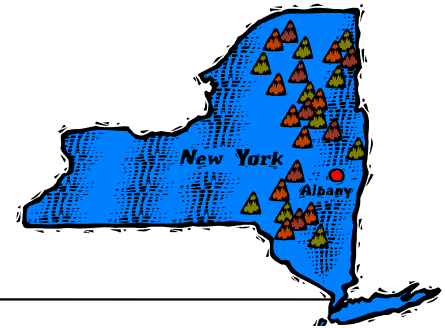
What's in the Bill?



Special functions of the Exchange: Must establish requirements that insurers must meet

- ✓ Licensed by DOI, received prior approval of rates
- ✓ Disclosure of certain benefits
- ✓ Appropriate cost-sharing and deductibles
- ✓ Meet minimum standards on marketing, network adequacy, essential community providers in underserved areas
- ✓ Public disclosure of: claims policies & number of denials, financial, rating practices, enrollments/disenrollments, out-of-network payment policies, and other info required by HHS.

What's in the Bill?



Regional Advisory Committees

- ✓ 5 regions (NYC, Metro Sub; Northern; Central, Western)
- ✓ 5 Members on each regional committee (1 appointed by Senate; 1 by Assembly; 3 by the Governor)
- ✓ 3 year terms
- ✓ Members shall be representatives of (no more than 2/category):
 - Health Insurance Consumer Advocates
 - Small businesses
 - Health Care Providers
 - Insurance Industry; and
 - 1 of either a Broker or Labor
- ✓ Must issue an annual report about regional variations in operation of the Exchange

What's in the Bill?

Studies (must be completed by 7/1/12):

- Essential Health Benefits (including: consistency inside/outside the exchange, state mandates)
- Insurer rules inside/outside the Exchange (including: whether all indiv/small groups must use the Exchange; risk selection; market disruption; market merger, reinsurance and risk adjustment mechanism, rating issues, size of small group)
- Basic Health Plan
- Active Purchaser, Selective Contractor, or Clearinghouse
- Expenses and Financing of the Exchange
- Benchmark Benefits
- HealthyNY, FHP Employer Buy-In
- Brokers
- Navigators
- Health Equity
- Health Savings Accounts
- Whether large groups should participate in the Exchange
- Integration of Public Insurance



What's not in the Bill?

- Doesn't have the strongest anti-conflict of interest provisions (e.g., MD, CA, CT, WA)
- Does not explicitly authorize the Exchange to be an active purchaser, or the merger of the individual and small group markets
 - These are to be studied

...But it's a good bill!



What should HCFANY Work On?

1. Exchange

- Board appointments
- Regional advisory committee appointments
- Prioritize which studies we can influence
 - Active purchaser/selective contracting
 - BHP, public insurance integration
 - Health equity
 - Market merger
 - Benefits/risk pooling

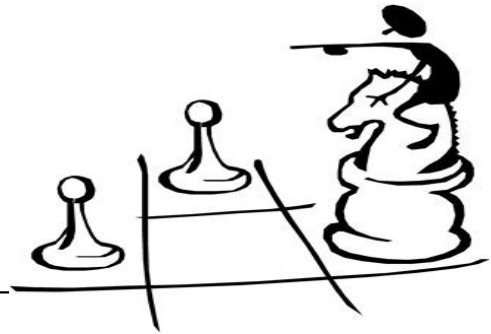


2. Insurance Rate Review Process

- Meet with SDOI and figure out how they will disclose stuff
- Start data compilation, naming and shaming....

What's Next in the Legislative Process?

The new game plan...



- What happened?
 - Governor, Assembly and Senate negotiated a bill at the end of session
 - Bill passed the Assembly
 - Died in the Senate, did not come to floor for a vote
- Now what?
 - Senate may come back in late August
 - Organize, organize, organize!
 - We need Memorandums of Support



Thanks!