Panel Discussion:
To Exchange or Not to Exchange

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NATIONAL ACADEMY
for STATE HEALTH POLICY

- Independent academy of state health policymakers
- Non-profit, non-partisan, non-membership
- Work to identify emerging issues, develop policy solutions, and improve state health policy and practice
- Provide a forum for work across branches and agencies of state government
- Funders include both public and private organizations that contract for our services

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Exchange Vision

"new competitive private health insurance markets--called 'Exchanges'--that will give millions of Americans and small businesses access to affordable coverage"

Source: Exchange Establishment: Cost & Fix, Apr. 2011, 1180--1181
Exchange Design Decisions

- Active purchaser vs. open marketplace?
- Individual and small business (together or separate?)
- How much integration with Medicaid, other state-operated programs?
- Offer Basic Health Program? What is BHP?
- Defining Navigator, broker/agent, consumer assistance roles

Five Core Exchange Functions

1. Consumer Assistance
2. Plan Management
3. Eligibility
4. Enrollment
5. Financial Management

Options for Running Exchange

- Fully State-run
  - Statewide, Regional, or Sub-state
  - Individual, small business (together or separate)
- Fully Federally-run
- Fed-State Partnership (proposed options)
  1. State takes on plan management only
  2. State takes on consumer assistance only
  3. State takes on plan management & consumer assistance
Legislative/Executive Actions on Potential State-Run Exchanges

Source: State Health Facts, State Exchange Enacted Legislation and Executive Orders

States with Level 1 Establishment Grants

Governance Models for State-Run Exchanges

- New or existing state executive branch agency under the Governor
  - RI, VT, WV
- Quasi-governmental entity
  - CA, CO, CT, MD, OR, WA
- Non-profit corporation
  - HI, IN

Source: Kaiser Family Foundations, "Implementing Health Insurance Exchanges: State Profiles"
Key Considerations for States Deciding Whether to Run an Exchange

- What are the costs and risks to state?
- Is state or federal government better equipped to handle:
  - Insurance markets (in and out of exchange)?
  - Small business / individual coverage?
  - Interaction, Eligibility & Enrollment with existing state programs (Medicaid) and possible new programs (SHIP)?
  - Conflict of interest, relationship with agents/brokers, stakeholders?
- Does state want to leverage Exchange for other goals (delivery system reform, population health)?
- Is flexibility necessary to meet unique state needs?

Key Dates for State-Run & Partnership Exchanges

- 2012 Legislative Sessions: decisions on legal authority, governance, budgets, financing, SHOP exchange, more state-specific
- Jun. 29, 2012: Last date to apply for Level 2 establishment grant; Governance structure must be established**
- Jan. 1, 2013: Deadline for at least conditional approval from HHS to operate state-based Exchange
- May 1, 2012: Launch plan management for QHPs**
- Jun. 30, 2012: Award grants/contracts for Navigators**
- Oct. 1, 2012: Open enrollment on Exchange (IT systems, consumer assistance up and running)
- Jan. 1, 2014: Exchange operations and coverage begin

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With thanks to...

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