

# Utah's Health Reform Approach



This material was prepared by *HealthInsight* as part of our work as the Beacon Community, under Cooperative Agreement #90BC00006 from the Office of the National Coordinator, Department of Health and Human Services.

*Improving care • connectivity • collaboration*

# Utah Health Innovations



## Affordability

Health Services should be affordable not only to patients and consumers, but also to the business and government programs that pay for those services.

## Quality

Competition and innovation should enable our health systems to provide affordable, quality services.

## Accessibility

Affordable, quality health services should become more accessible to more residents.

*Improving care • connectivity • collaboration*



# Key Health Reform Initiatives

- **Health Information Technology**
  - *Strategy One:* Transparent Reporting on Cost and Quality
  - *Strategy Two:* Health Care Information Exchange
  - *Strategy Three:* Shared, Standardized Clinical Decision-making support and training
  - *Strategy Four:* Individual Responsibility for Health
- **Health Care Workforce**
  - *Strategy One:* Clinical Training Coordination
  - *Strategy Two:* Interdisciplinary Health Care Team Development
  - *Strategy Three:* Training and Retention Programs
  - *Strategy Four:* Timely and coordinated Workforce Needs Assessment

*Improving care • connectivity • collaboration*



# Key Health Reform Initiatives

- **Wellness**
  - *Strategy One:* Education
  - *Strategy Two:* Create a Culture of Wellness
  - *Strategy Three:* Make the Healthy Choice the Each Choice
  - *Strategy Four:* Implement Evidence-based Activities to fight Obesity, Tobacco Use, Prescription Drug Misuse, and Cancer
- **Payment Reform**
  - *Strategy One:* Converting to an Accountable Care Organization
  - *Strategy Two:* Increasing Individual Accountability
  - *Strategy Three:* Premium Subsidy Option for Medicaid Clients

*Improving care • connectivity • collaboration*

# Key Health Reform Initiatives



- **Medical Malpractice Tort Reform**
  - *Strategy One:* Review Medical Malpractice Tort Reform
  - *Strategy Two:* Review the Data
  - *Strategy Three:* Share the Data
  - *Strategy Four:* Determine the Feasibility of Non-traditional Medical Liability Reform
- **Health Insurance Exchange**
  - *Strategy One:* Achieve Program Sustainability
  - *Strategy Two:* Plan for an Exchange that Integrates the Individual's Need for Program/Plan Choice
  - *Strategy Three:* Plan for the Post 2014 Disruption in the Non-group Insurance Markets

*Improving care • connectivity • collaboration*

# Health Insurance Exchanges



Feds gave states three options:

- **State-Based Exchange**
  - Completely operated by the state
- **Partnership Exchange**
  - Feds operate the exchange
  - State can handle insurance market oversight and customer service
- **Federally Facilitated Exchange**
  - Completely operated by the Feds, including customer service and insurance market oversight

*Improving care • connectivity • collaboration*

# Health Insurance Exchanges



## Utah's Concerns:

- Public versus Private Insurance
- Federal Oversight- even if we do a state-based exchange we have to follow all of the Feds rules
- Desire to preserve state's pre- ACA decision to operate a small business exchange
- Tax Subsidy Calculation Concerns – this is a federal tax subsidy and state should not be involved
- Mandate and Employer penalty enforcement

*Improving care • connectivity • collaboration*

# Health Insurance Exchanges



## Utah chose Option 4: A Bifurcated Solution

- Split the roles with the Federal Government
  - HHS runs Individual Market
  - Utah runs Small Business Market
  - Utah retains control of insurance market
  - Utah has final determination of Medicare approvals
- Approved May 10th by HHS

*Improving care • connectivity • collaboration*



# Utah's Exchange Model



## FEDERAL GOVERNMENT

### Individual Exchange

(AHBE, "American Health Benefit Exchange")

- > Administers federal subsidies
- > Enforces individual mandate and employer "shared responsibility" payments
- > Runs *full* navigator program
- > Designs and operates risk adjustment and reinsurance programs (in/out of exchange)

*Improving care • connectivity • collaboration*

# Utah's Exchange Model



	FEDERAL GOVERNMENT	UTAH
<b>Individual Exchange</b> (AHBE, "American Health Benefit Exchange")	<ul style="list-style-type: none"><li>&gt; Administers federal subsidies</li><li>&gt; Enforces individual mandate and employer "shared responsibility" payments</li><li>&gt; Runs <i>full</i> navigator program</li><li>&gt; Designs and operates risk adjustment and reinsurance programs (in/out of exchange)</li></ul>	<ul style="list-style-type: none"><li>&gt; Retains oversight of individual market in/out of exchange; makes recommendations for qualified health plan certification</li><li>&gt; Retains authority to give final approval for Medicaid eligibility</li><li>&gt; May seek approval for use of a state risk adjustment model for 2015+ (in/out of exchange)</li></ul>

*Improving care • connectivity • collaboration*

# Utah's Exchange Model



	FEDERAL GOVERNMENT	UTAH
Individual Exchange (AHBE, "American Health Benefit Exchange")	<ul style="list-style-type: none"> <li>&gt; Administers federal subsidies</li> <li>&gt; Enforces individual mandate and employer "shared responsibility" payments</li> <li>&gt; Runs <i>full</i> navigator program</li> <li>&gt; Designs and operates risk adjustment and reinsurance programs (in/out of exchange)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Retains oversight of individual market in/out of exchange; makes recommendations for qualified health plan certification</li> <li>&gt; Retains authority to give final approval for Medicaid eligibility</li> <li>&gt; May seek approval for use of a state risk adjustment model for 2015+ (in/out of exchange)</li> </ul>
Employer Exchange (SHOP, "Small Business Health Options Program")	<ul style="list-style-type: none"> <li>&gt; Does <u>not</u> operate a competing employer exchange</li> <li>&gt; Operates risk adjustment (in/out of exchange)</li> </ul>	

*improving care • connectivity • collaboration*

# Utah's Exchange Model



	FEDERAL GOVERNMENT	UTAH
Individual Exchange (AHBE, "American Health Benefit Exchange")	<ul style="list-style-type: none"> <li>&gt; Administers federal subsidies</li> <li>&gt; Enforces individual mandate and employer "shared responsibility" payments</li> <li>&gt; Runs <i>full</i> navigator program</li> <li>&gt; Designs and operates risk adjustment and reinsurance programs (in/out of exchange)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Retains oversight of individual market in/out of exchange; makes recommendations for qualified health plan certification</li> <li>&gt; Retains authority to give final approval for Medicaid eligibility</li> <li>&gt; May seek approval for use of a state risk adjustment model for 2015+ (in/out of exchange)</li> </ul>
Employer Exchange (SHOP, "Small Business Health Options Program")	<ul style="list-style-type: none"> <li>&gt; Does <u>not</u> operate a competing employer exchange</li> <li>&gt; Operates risk adjustment (in/out of exchange)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Continues to operate <i>Avenue H</i></li> <li>&gt; Does <u>not</u> submit information to the federal data hub for enforcement of the individual mandate and employer "shared responsibility" payments</li> <li>&gt; Runs navigator program <i>limited to outreach and education</i></li> <li>&gt; Retains oversight of small group market in/out of exchange; has sole responsibility for qualified health plan certification</li> <li>&gt; May seek approval for use of a state risk adjustment model for 2015+ (in/out of exchange)</li> </ul>

# Utah's Exchange Model



## Employer Exchange (*Avenue H*/"SHOP")

- Employees continue to have choice of carriers, networks, and plans (will not be limited to one plan in 2014, or one metal level in 2015 and beyond, as federal SHOP enrollees)
- Employers continue to have consolidated billing (unlike federal SHOP in 2014)
- Education and outreach continues
- Brokers continue to assist employers and employees
- Employer participation rate (minimum employees) continues at 75% or less
- Employer funding flexibility continues (no minimum contribution)

*Improving care • connectivity • collaboration*

# Utah's Exchange Model



## Employer Exchange (*Avenue H*/"SHOP")

- Employees continue to have choice of carriers, networks, and plans (will not be limited to one plan in 2014, or one metal level in 2015 and beyond, as federal SHOP enrollees)
- Employers continue to have consolidated billing (unlike federal SHOP in 2014)
- Education and outreach continues
- Brokers continue to assist employers and employees
- Employer participation rate (minimum employees) continues at 75% or less
- Employer funding flexibility continues (no minimum contribution)
- *new*: Website, call center support, and marketing available in Spanish
- *new*: At least two state-licensed "navigators" for consumer outreach and education
- *new*: Stand-alone dental (stand-alone vision prohibited by ACA)
- *new*: Rates not based on health factors or gender (in/out of exchange)
- *new*: Exchange participation qualifies certain employers to receive federal credits

*Improving care • connectivity • collaboration*

# History of Avenue H



- AUG '09** Launch of Utah Health Insurance Exchange
- JAN '10** Coverage for limited number of small groups begins (pilot program)
- 11 employer groups
  - 380 covered lives
- JAN '11** Coverage for *all* small groups begins
- OCT '12** UHIE re-branded as *Avenue H*
- MAY '13** Statistics
- 344 employer groups
  - 2,867 employees
  - 5,168 dependents
  - 8,035 covered lives
  - 69% previously uninsured**

*Improving care • connectivity • collaboration*

# ACA Changes for Avenue H



- Essential Health Benefits
  - Benchmark Plan: PEHP Basic Plus Plan
  - Insurers can add benefits to build richer plans
  - Includes Pediatric Dental
- Modified Community Rating
  - No Pre-existing Conditions and Guarantee Issue
  - Rates can only vary for age, demographic location and tobacco use
  - Rates will be developed using a rate build up process for adults and children
- Categorize plans as bronze, silver, gold, or platinum
  - Actuarial Values of 60%, 70%, 80% and 90%
- And many more provisions....

*Improving care • connectivity • collaboration*