

**Kansas Insurance Department  
Health Benefit Exchange  
Governance/Legal/Legislative Workgroup**

**Requested By: Insurance Commissioner Sandy Praeger**

**Date: March 2011**

**Team Purpose**

Make recommendations to the Health Benefit Exchange Steering Committee related to the planning and development of a Kansas Health Benefits Insurance Exchange. Specifically this workgroup will be responsible for the issues related to governance, legal and legislative issues.

**Guiding Principles**

Each workgroup will be guided by the following principles:

- Working for the best possible outcomes for Kansas consumers, Kansas agents and Kansas companies
- Balancing administrative simplicity, efficiency and effectiveness
- Continuity of care
- Providing user-friendly access to all eligible Kansans and Kansas-based businesses that desire access
- Leveraging and integrating with the K-MED system

**Boundaries/Expectations**

- Participants come to the table ready to share their knowledge and perspectives and be open to learning from others in order to achieve the best possible recommendations
- Work from shared data and information which may require effort between meetings
- Present recommendations to the Steering Committee using the format provided
- Strive to reach consensus if possible; when not possible, fairly present majority and minority perspectives

**Policy Framework**

- For now, small employer will be defined as those with 50 or fewer employees
- The four factors (geography, age, smoking and family status) to set premium rates have already been defined
- Regulation and approval of plans and rates remains with the Kansas Insurance Department
- The NAIC is working on a standard application form and the format for presentation of plans
- Subsidies are available only through the Exchange
- Plans must disclose:
  - Claims payment policies and practices
  - Period financial information
  - Data on enrollment/disenrollment
  - Number of claims denied
  - Rating practices
  - Cost-sharing and payments for out-of-network coverage
  - Enrollee rights under PPACA
  - Other information required by HHS Secretary
- Navigators may be
  - Trade, industry, professional associations
  - Ranching and farming organizations
  - Community and consumer-focused non-profits
  - Chambers of commerce

Unions  
Licensed agents and brokers  
Navigators cannot perform functions that would require a producer's license.

### **Tasks/Goals requiring Recommendations**

#### ***IT Integration-related***

None

#### ***Policy-related***

1. What governance structure should be used? Should the Exchange be a new state agency, a part of an existing state agency, a new non-profit entity created by the State? For instance, the MA Connector is administered by an independent quasi-governmental authority that has decision making authority and regulatory powers; Board structure and membership. The UT Exchange is housed in the Governor's Office of Economic Development and is much more limited in function, providing an internet site to provide information so that more informed decisions can be made on purchasing health insurance. UT's model allows the state to retain budgetary, payroll and policy decisions, whereas MA's delegation to a regulatory authority limited (somewhat) political interventions and allowed for rapid start-up.
2. Governing statutes and regulations

### **Target Timeline**

March 15, 2011, 9am	Attend the Steering Committee meeting for overview information
March 31, 2011, 2pm	Present recommendations to the Steering Committee, if needed
April 26, 2011, 2pm	Present recommendations to the Steering Committee, if needed
May 24, 2001, 2pm	Present recommendations to the Steering Committee
June 23, 2011, 2pm	Present recommendations to the Steering Committee
July 28, 2011, 2pm	Present recommendations to the Steering Committee
September – October 2011	Attend some of the public input meetings that will be scheduled

### **Resource Persons**

Team Leader: Jeff Ellis [jellis@spencerfane.com](mailto:jellis@spencerfane.com)

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#### K-MED Consultant:

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#### Facilitators:

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