

**Insurance Benefit Exchange
Workgroup Reporting Format to the Insurance Benefit Exchange Steering Team**

Workgroup Name:

Focus / Business Operations

Date presenting to Steering Team:

Undetermined – Due 8/1/2011

Topic or Decision Point Being Addressed:

Should there be required price concessions or extra benefits and services for plans available in the Exchange?

1. Recommendations or perspectives considered

This section should highlight the various perspectives on the topic that were discussed or considered by the workgroup.

The workgroup considered a variety of issues, including the following:

- Whether requiring price concession or extra benefits would deter carriers from offering plans on the exchange.
- What sorts of price concessions or extra benefits the exchange could demand.
- How price concessions or extra benefits would interact with the requirements that (1) all small group and individual plans contain the same “essential health benefits”; (2) carriers pool risk inside and outside the exchange; and (3) carriers use the same price inside and outside the exchange.

Through its members, the workgroup heard perspectives from carriers, producers, business owners, and consumer advocates.

2. Consensus Recommendation from the Workgroup to the Steering Team

The consensus of the workgroup was to not require price concessions or extra benefits within the exchange. The workgroup recommends allowing competition among carriers to determine the benefits and prices in the exchange.

<u>Strengths of the recommendation</u>	<u>Weaknesses of the recommendation</u>
<ul style="list-style-type: none">• It would allow greater innovation and competition within the exchange.• It would avoid the confusion of attempting to reconcile price concessions and extra benefits inside the exchange with the requirements that the benefits, risk pools,	<ul style="list-style-type: none">• The state could lose the opportunity to negotiate better prices and benefits for consumers.• If competition produces a greater variety of plans, this could promote adverse selection because it might allow consumers to match

<p>and prices be the same inside and outside the exchange.</p> <ul style="list-style-type: none"> • It would make the exchange a more attractive place for carriers to offer plans. 	<p>their health plan with their expected health conditions.</p>
--	---

3. If a Consensus Recommendation was not reached, please list here the Majority and Minority Recommendations as well as pros/cons for each

Not applicable. The workgroup reached consensus.

4. Rationale behind the recommendation(s)

Please include how the recommendation supports the Guiding Principles that frame this effort

5. Impact or Consequences

Please address all of the following that apply

- a) Adverse selection
- b) Fiscal impact (Cost of care, Cost of the exchange)
- c) Quality of care
- d) Other, please list
- e) Topic requires support from or may impact another workgroup:
 - i. Focus/Business Operations Issues
 - ii. Governance/Legal/Legislative
 - iii. Background Research
 - iv. Customer Outreach/Education/Information
 - v. Insurance Market Issues
 - vi. Funding/Financial
 - vii. Agents/Brokers/Navigators
 - viii. Medicaid Integration and Interagency Communications
 - ix. Insurance Company IT Interface