Building a Health Insurance Exchange for Rhode Island

March 10, 2011

State of Rhode Island
Office of Health Insurance Commissioner

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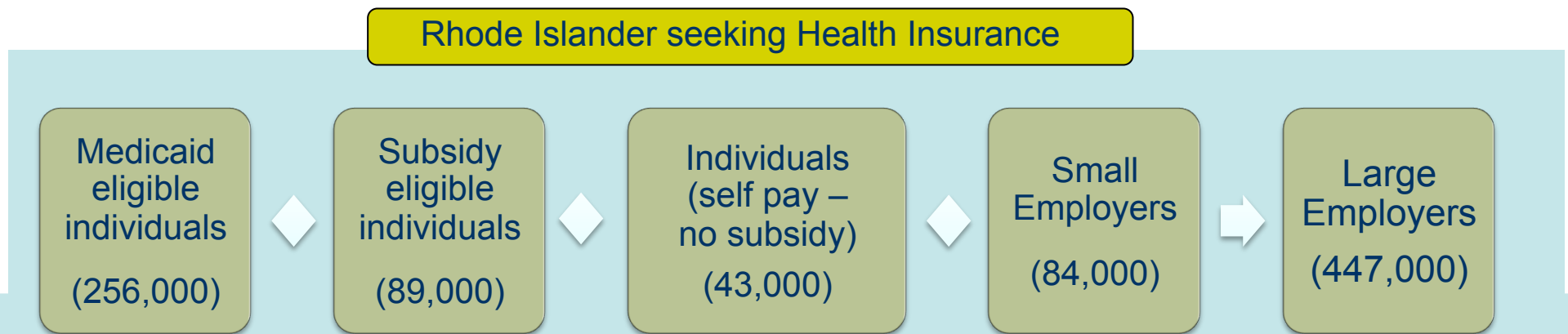# Agenda

1. What is an Exchange?

2. Exchange Development

3. Next Steps

What is an Exchange?

❖ A new health insurance marketplace for individuals and small businesses

❖ A web portal through which eligibility for publicly subsidized coverage may be determined, including:

- Medicaid
- CHIP
- Federal subsidies for commercial coverage
- Affordability of employer-based plans (if unaffordable, individual qualifies for subsidy)

❖ Statute sets eleven minimum exchange functions

Who will use the Exchange?

(1) Web Portal: a robust marketplace for all Rhode Islanders to identify health insurance options and purchase coverage

Rhode Islander seeking Health Insurance

Medicaid eligible individuals (256,000)	Subsidy eligible individuals (89,000)	Individuals (self pay – no subsidy) (43,000)	Small Employers (84,000)	Large Employers (447,000)

(2) Help Rhode Islanders Choose Health Insurance

Display insurance options in an easy
to understand, highly interactive web page

(3) Enroll

Determine eligibility,
enroll in coverage, &
facilitate subsidy

*Source: Preliminary estimates of 2014 volume , modeled using CPS, DHS, OHIC, ACS and MEPS data

Web Portal for an Exchange: Wisconsin Example

Web Portal for an Exchange: Massachusetts

Web Portal for an Exchange: Utah Example

Agenda

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2011 Structure & Tasks-Exchange Planning

Health Insurance Exchange Interagency Working Group
Co-chairs:
OHIC (C. Koller), Medicaid Director (E. Nicolella)

➢ Participants: Medicaid, OHIC, HEALTH

➢ Primary short term tasks

- Background research: population modeling/who goes where

- Integrated eligibility systems planning for exchange, Medicaid

- Exchange business process design, technical requirements

➢ Guiding principles: Collaboration, seek regional solutions, coordinate with Medicaid technology procurement

Resources: Funding Timeline

2010	2011	2012	2013	2014

Business Plan:

Exchange Planning Funds

Draft RFPs:

"Level One" Funding – Bridge Due March 30

Build/Buy Infrastructure:

"Level Two" Funding – Implementation Apply in December 2011
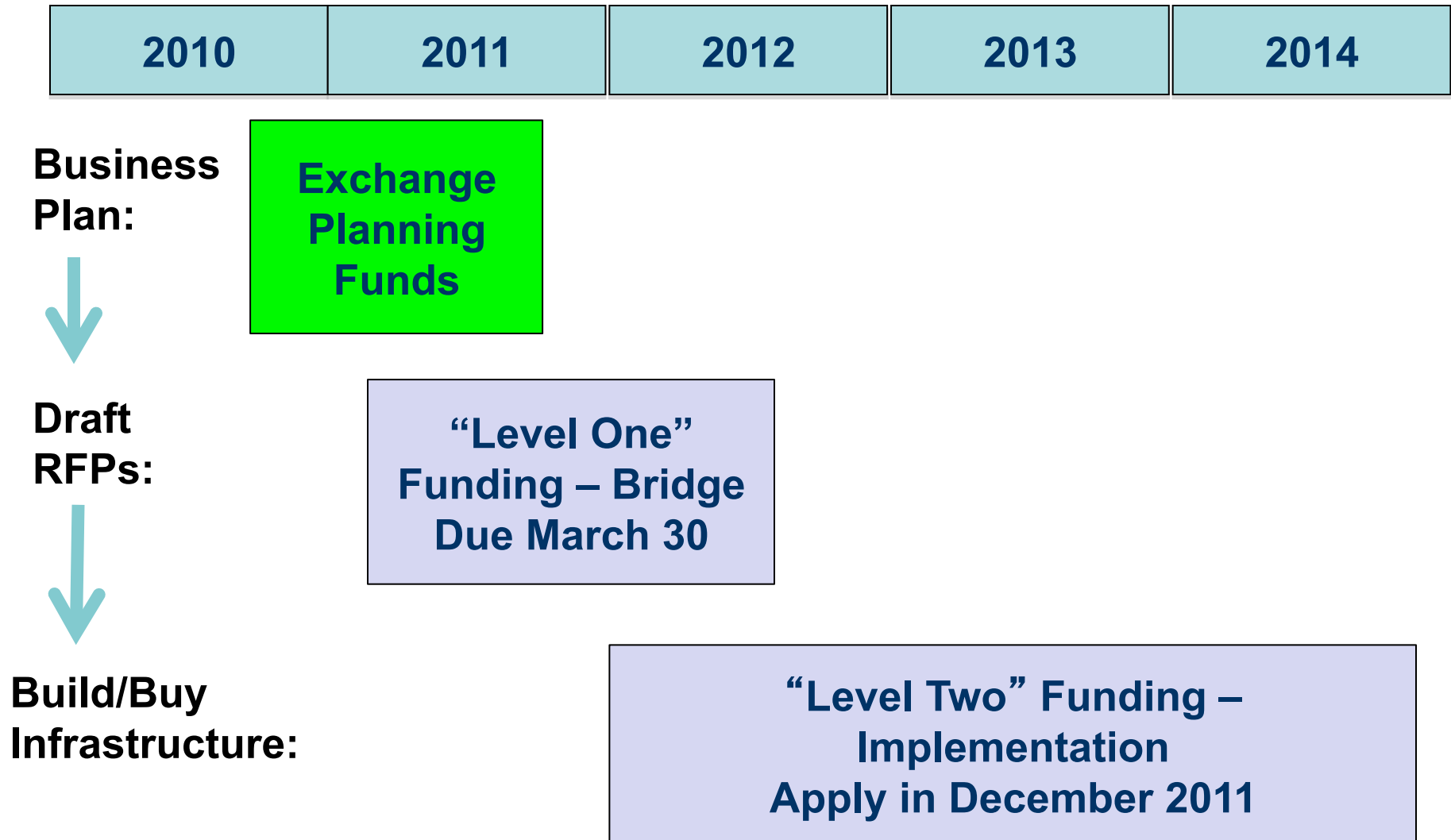
Exchange Planning Grant (2010 – 2011)

- $1 million administered jointly and collaboratively by:
  - Department Human Services (DHS)
  - Department of Health (HEALTH)
  - Office of the Health Insurance Commissioner (OHIC)
- Applicant: OHIC
- Key deliverable: Business Plan
  - Strategic, financial, and operations plan
  - Stakeholder building
  - Integrated technology plan between Medicaid and the Exchange (eligibility systems)
  - Application for implementation funding

"Level One" Funding – Bridge (2011-2012)

- $3 to $5 million administered jointly and collaboratively by:
  - Department Human Services (DHS)
  - Department of Health (HEALTH)
  - Office of the Health Insurance Commissioner (OHIC)

- Applicant: OHIC

- Key deliverable: Draft RFPs
  - RFPs to build Exchange marketplace infrastructure including eligibility, web portal, premium billing, etc.
  - Coordinated consumer support plan for Rhode Island
  - Exchange data and reporting
  - Initial funds for Exchange operations once Authority is established and Board is seated

"Level Two" Funding – Implementation (2012 – 2014)

- Administered by the Exchange Authority

- Applicant: Exchange Authority

- Key deliverable: Build/Buy Infrastructure

  - Support all remaining Exchange implementation expenses

  - Support all Exchange functions required to meet the federal minimum until Exchange is self-sustaining in 2015

- Level Two funding contingent upon:

  - Established governance structure
  - Self sustaining financial model

Getting to 2014: What Needs to Be Done

Setting up an Exchange is a major operational challenge. To enroll for 1/1/14 it must be fully operational by q2 2013. Current projections suggest **we are at risk** for meeting critical deadlines in planning, and core process design.

	2011 Jan-Jun	Jul-Dec	2012	2013	On Target for 2014? *Risk level*
Plan Strategy and Business Plan Development	Research, policy, Financial model	• Assess options • Stakeholder review • Final Business Plan			**** Med/High Risk**** *Need Escalated RFP Process*
Core Processes Getting Started Help me Choose Enroll in Coverage	Operational Model	RFP/Vendor Selection	Build	Test, Open Enrollment	**** HIGH Risk **** *Need Technical/ ops lead staf f, Need Establishment 1 grant*
Ancillary Processes Appeals Exemptions Employer Vouchers		High level plan	Detailed process, Protocols, standards	Implement & Test	Medium/Low Risk
Back office functions Plan Procurement Call Center Marketing, navigators Financial Systems		Strategy/plan	RFP, Vendor Selection, add to existing RFPs, Build as needed.	Test/refine Begin Marketing & outreach	Low RIsk

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Immediate Next Steps

1. Establish Legislative Authority

    -   Pass legislation

    -   Seat a board

2. Resources

    -   Planning grant resources in place

    -   Apply for Level One funds

3. Technology planning, especially eligibility systems

Backup

What are the federal requirements?

Eleven Minimum requirements

A. Certify qualified health plans;

B. Provide a toll-free telephone hotline;

C. Provide an internet website to obtain standardized comparative information on plans;

D. Assign a rating to each qualified health plan

E. Standardized format for presenting health plan options

F.   Inform individuals of eligibility requirements for Medicaid or any applicable State or local public program and, if eligible for any such program, enroll in program

What are the federal requirements?

Eleven Minimum requirements (continued)

G. Provide electronic calculator to determine cost of coverage after any premium tax credit

H. Grant exemptions from the individual requirement

I. Transfer to the Secretary of Treasury a list of people who:
- are exempt from the individual mandate;
- Individuals with access to ESI who qualified for subsidized coverage

J. Provide to each employer the name of each employee who ceases coverage during a plan year

K. Establish the Navigator program

Who will the Exchange Serve: Details on Individuals

Short term Implementation Projects (Now thru Q1, 2012)

Core Functions	P2: Eligibility	P3: Choosing Health Plan	P4: Enrollment (including premium + cost share subsidy)	P5: Free Choice Voucher	P6: Appeals/ consumer relations	P7: Exemptions	P8: Certify Health Plans

Planning Tasks

(1) Define Operational Model, Estimated Costs

(2) Create Mock Up of web tool to communicate capabilities, business decisions

Operational Implementation Tasks

(1) Data points – What information does each task require?

(2) Links – Where do we obtain data? How do we verify data?

(3) Business rules – How do we use the data collected? In what order is it processed?

(4) Reporting – How will we need to view and analyze the data collected?

(5) Governance/Fiscal responsibilities – Who's responsible? How are costs allocated among state departments and Exchange entity?

Technical Implementation Tasks

(1) Identify technical/IT system requirements , components needed to support operational/business processes, and potential vendors from whom we could build/buy these components

(2) Identify technical integration opportunities across core functions

(3) Design technical architecture to support each core function

(4) Ensure technical architecture meets standards (ACA, HIPAA, Disabilities Act, security, FIPS) and key principles of Exchange IT capabilities defined by OCIIO

Deliverable:
Purchasing strategy and associated RFP(s) for IT systems to support business operations