

New Hampshire
Insurance Department

Plymouth Forum On the ACA
February 22, 2013



Michael Wilkey - Director
Compliance and Consumer Services Division

Forum on the ACA Objectives

- Identify and Discuss Insurance Department Role in the ACA
- Anticipated Operation of the Exchange
- Implementation and Timing
- Types of Plans to be offered on the Exchange



What are Exchanges?

- Exchanges will function as **New Marketplaces** where individuals and small businesses can **purchase health insurance** and, depending on income, individuals can **qualify for premium tax credits** and cost sharing subsidies. **Web based.**
- Individuals may also use the exchange to **Enroll in Medicaid.**
- In addition to the exchange for the individual market, each state must have an exchange for the small group market, known as a **Small Business Health Options (SHOP) exchange;** a state may combine the exchanges.
- The Affordable Care Act (ACA) **Requires that Each State** have an exchange.
- Exchanges must be **Operational by January 1, 2014,** and self-sustaining by January 1, 2015.

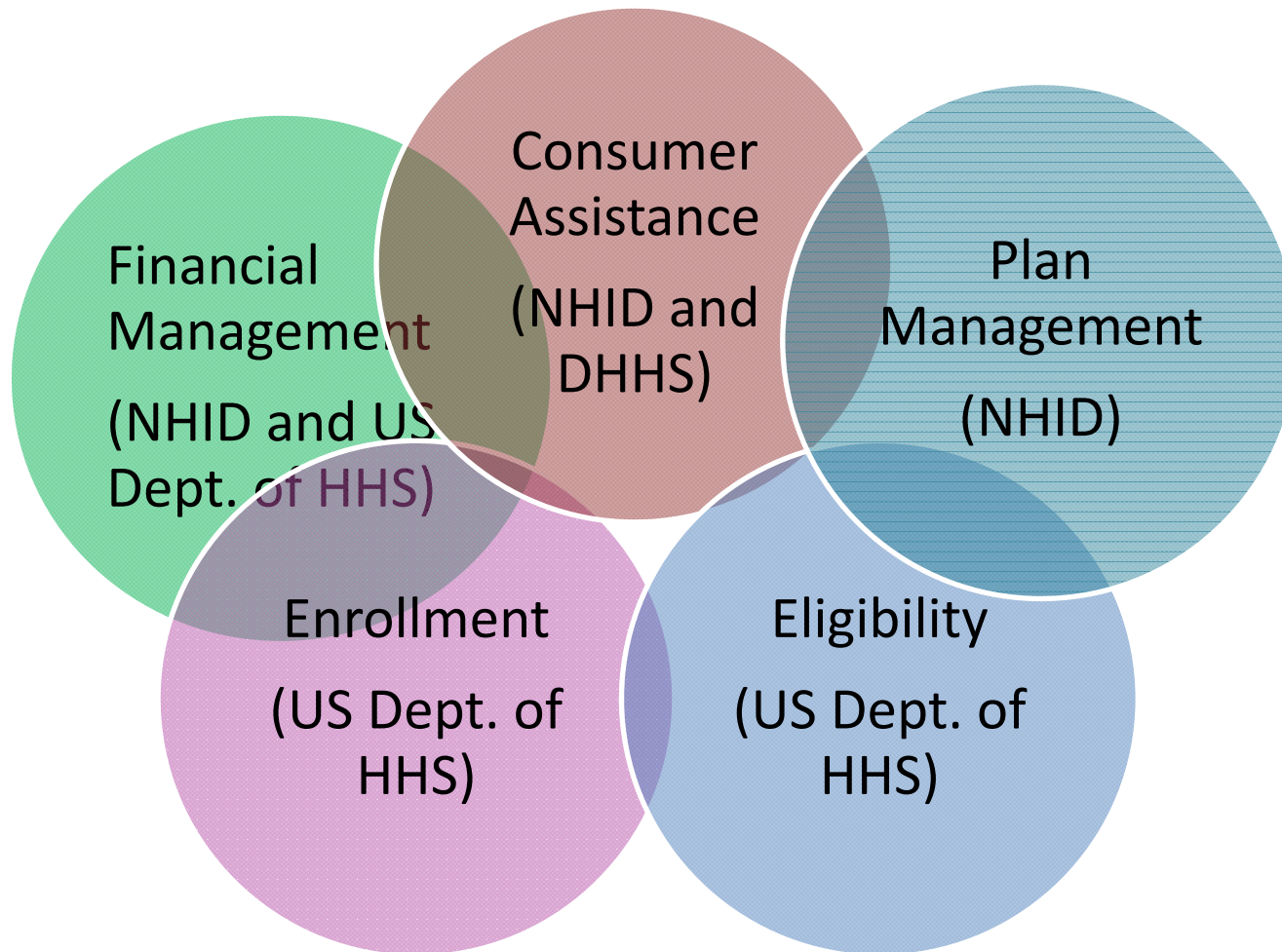


Exchange Models

- **State Based Exchange:** A Health Benefits Exchange established and operated at the state level.
 - State of New Hampshire Legislative Prohibited.
- **Federally Facilitated Exchange (FFE):** A Health Benefits Exchange established and operated by the Federal Government. Some state roles may still remain.
 - Default option for states that do not choose a model.
- **Partnership Exchange:** An FFE with certain functions (plan management and / or consumer assistance) operated by the state.
 - Deadline for states to choose this model for 2014: 2/15/2013.
 - States can transition between models for 2015 (or subsequent years).



Exchange Functions



Three Types of Federal-State Partnerships

Option 1: Plan Management

- Goal is to let States help tailor health plan choices.
- Plan management functions include:
- Plan selection
- QHP certification, including: licensure and good standing, EHB, meaningful difference review, ect.
- Collection and analysis of plan rate and benefit package information.
- Ongoing issuer account management.
- Plan monitoring, oversight, data collection and analysis for quality.
- HHS would coordinate with states to provide plan oversight to resolve consumer complaints and issues with enrollment.

Option 2: Consumer Assistance

- Goal is to take advantage of State's experience to support a seamless consumer experience.
- Consumer assistance functions that a State would operate:
- In-person assistance
- Navigator management
- Outreach and education
- Consumer assistance function that HHS would operate:
- Call center operations
- Website management
- Written correspondence with consumers to support eligibility and enrollment

Option 3: Plan Management and Consumer Assistance-combines all state functions listed above

- HHS will perform all other exchange functions (eligibility, enrollment, and financial management).



Requirements for Products Offered on The Exchange

- Include **Essential Health Benefits (EHB)**.
- Adhere to **deductible and out-of pocket maximum** limits.
- Provide **60 % actuarial value minimum**.
- Comply with “metal levels” – benefit tiers with specified actuarial values
 - **Bronze** 60%
 - **Silver** 70%
 - **Gold** 80%
 - **Platinum** 90%
- Be certified by the exchange through which the plan is offered (certification requirements to be determined)



Essential Health Benefits

The ACA requires coverage of services in the following 10 general categories:

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance abuse disorder services, including behavioral health treatment (Mental Health Parity and Addiction Equity Act)
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventative and wellness services and chronic disease management
10. Pediatric services, including oral and vision care (HRSA and Lists A & B of the HHS preventative services)



Who May Use Exchanges and Why?

- **Individuals**

To **satisfy the individual mandate** to purchase minimum essential coverage in order to avoid penalties; individuals can only **access subsidies** when they purchase coverage through the exchange.

- **Small Businesses with fewer than 50 employees**

Those eligible for a temporary two year **tax credit** to offset part of the employer premium contribution; those attracted to the **functionality** of the SHOP exchange. IRS with additional incentives for groups under 10 with qualifications.

- **Members of Congress and their staff**

Required under the law.



Individuals

In 2014 uninsured Americans not covered under a government plan will either:

- Secure coverage through their **employer** if available: or
- If unavailable or “unaffordable” buy and **individual market plan** through either:
 1. The individual market **exchange** – purchaser may be eligible for subsidy
 2. The **private** (off – exchange) **market**; or
 3. Go **uninsured** (will pay a penalty unless qualified for an individual exemption)



Small Groups

Employers who have 50 or fewer employees will have at least three health insurance options in 2014:

- Offer a **fully insured plan** through either:
 1. A SHOP exchange.
 2. The private (off-exchange) small group market.
- Offer a **self-funded plan**, if allowed by the state law, where essential health benefits and metal level requirements do not apply.
- **Stop offering coverage**; let employees buy through the individual market.



Large Groups

Employers who have 51 or more employees will have at least three health insurance options in 2014:

- Offer health insurance-either fully **insured or self-insured**, that meets the minimum coverage definition (less strict essential health benefit requirements) and is affordable.
- Offer **some level of coverage** that does not meet minimum requirements and **pay the employer penalty**.
- **Stop offering coverage**; let employees buy through the individual market and **pay the employer penalty**.



2013-2014 Critical Point Timeline

February 13, 2013
State Decision
Exchange
(Governor and
Benefit Oversight
Grant Approval
given)

March 28, 2013
System
Workflows in Place
for Carrier Filings

October 1, 2013 –
March 1, 2014
Open Enrollment

February 15, 2013
Plan Management
Grant approved
Consumer
Assistance Grant
Submitted

July 31, 2013 All
Exchange QHP
Certification
Deadline for
Offering on the
Exchange



State of New Hampshire Department of Insurance Contact Information

21 S. Fruit Street, Suite 14
Concord, NH 03301

Toll Free: 1-800-852-3416
Main number: 1-603-271-2261
TDD Access Relay NH: 1-800-735-2964
Website: www.nh.gov/insurance

