

# Mississippi Health Insurance Exchange Advisory Board

## Final Recommendations Exchange Market Regulation

### Background

The Mississippi Health Insurance Exchange Advisory Board (“Advisory Board”) was formed in order to provide input and recommendations to the Mississippi Insurance Department (“MID”) on issues regarding the design, development, and implementation of the state health insurance exchange, known as “One, Mississippi.” MID divided the specific issues to be taken up by the Advisory Board into six (6) topic areas, one of which is exchange market regulation. On that topic, Advisory Board members were tasked with making recommendations, based on discussions with their respective subcommittees.

The Patient Protection and Affordable Care Act (“PPACA”) has outlined some of the functions and responsibilities exchanges must perform, one of which is certification of qualified health plans (“QHPs”). In order to offer health insurance on One, Mississippi, carriers and QHPs must be certified. The minimum certification requirements have been defined by PPACA and related Federal regulations, but states may promulgate additional regulations to meet the needs of the state. Subcommittee discussions have touched upon some of the possible requirements for certifying carriers and health plans, including market participation, health plan offerings, network adequacy, coverage areas, and standardization.

### Carrier Participation Requirements

#### *Market Participation*

PPACA directs each state to provide for the establishment of both an individual exchange and a small employer exchange. Minimum requirements may be set forth regarding whether carriers must participate in one or both of these markets. Currently in Mississippi, carriers are given the freedom to participate in the market(s) of their choice. Some Subcommittees feel that requiring carriers to participate in both the individual and small employer exchanges of One, Mississippi may increase the number of plan offerings available to consumers. However, other Subcommittees believe that such a requirement may have the opposite effect by discouraging carriers to participate at all on One, Mississippi.

Many of the Subcommittees recommend that if carriers choose to participate on One, Mississippi, they should be required to participate in the same markets inside that they participate in outside of One, Mississippi. Such parity would help minimize adverse selection. Subcommittee members would like carriers to be able to continue using the same business models in the markets they currently serve. The intent is neither to create barriers to

participation on One, Mississippi nor drive any carriers out of the state through restrictive requirements.

### *Health Plan Offerings*

PPACA requires carriers participating in the exchange to offer at least one (1) plan at the silver metal level and at least one (1) plan at the gold metal level. The two remaining metal levels are bronze and platinum. These metal levels correspond to the actuarial value of a plan. If the exchange wishes carriers to offer more than one (1) plan at each of the two (2) given levels, it may impose such requirements.

The Subcommittees unanimously recommend that no additional requirements should be imposed on carriers for offerings beyond the two (2) plans required by PPACA. They agree that there is high probability that carriers will offer additional plans at all metal levels due to market forces. Subcommittee members feel that minimal regulation will encourage carrier participation.

## **Health Plan Requirements**

### *Network Adequacy*

Health plans often contract with a number of providers from which consumers may choose to receive their medical care. An “adequate” network will have enough providers to serve the health plan members in a timely manner with quality care. In general, there are two (2) methods by which network adequacy can be measured: a quantitative method or a qualitative method. The quantitative method requires a specific number of providers and services to be available within a given geographical area (e.g., 100 providers within 60 miles or 60 minutes of 95% of plan members). The qualitative method is much broader. PPACA uses a qualitative measurement from a National Association of Insurance Commissioners (“NAIC”) model in establishing network minimum standards, stating that a QHP must “maintain a network sufficient in number and type of providers...to assure that all services will be accessible without unreasonable delay.”

Most of the Subcommittees recommend using the qualitative NAIC standard for initially determining network adequacy for plans on One, Mississippi, with a few of the Subcommittees also recommending moving toward a quantitative standard at a later date. One Subcommittee recommends using the same standards used by both Mississippi’s State and School Employees’ Health Plan and the Children’s Health Insurance Program (“CHIP”). The use of telemedicine was encouraged to satisfy potential location/distance requirements.

There was some discussion in a few of the Subcommittees regarding the inclusion of providers in networks. One Subcommittee would like to see an “open panel” policy, allowing providers to join any network, as long as they agree to meet the minimum standards and requirements. Another Subcommittee recommends requiring networks to include Essential Community

Providers (“ECPs”) and mental health and substance abuse providers, as long as these providers are willing to accept the same contract terms as other providers.

### *Coverage Area*

Currently, carriers in the commercial insurance market in Mississippi are free to cover various-sized regions throughout the state as desired, which can potentially result in unequal health offerings. For example, some carriers may avoid offering plans in higher-risk regions, leaving fewer offerings available to those consumers. One solution discussed by the Subcommittees may be to require all QHPs to offer statewide coverage.

A few of the Subcommittees would like to encourage statewide coverage, while the remaining Subcommittees recommend the current standard of regional coverage. Some concerns of the Subcommittees include the importance of parity inside and outside of One, Mississippi and attention to border populations. Since many consumers who live near the state border tend to travel to the bordering states for health care services, it is important that carriers continue to structure their plans around those regions, crossing over state borders where necessary. One Subcommittee, in an effort to move toward statewide coverage, mentioned that the state could allow regional plans on a conditional basis, with a deadline to expand coverage.

### *Standardization*

Two types of standardization of plans being offered on One, Mississippi were discussed by the Subcommittees. The first type is standardization of the actual health plans. Every QHP is required to cover, at minimum, the Essential Health Benefits (“EHB”), consisting of ten (10) different categories of coverage. The EHB requirements standardize the QHPs to an extent. However, if the state chooses, it can draw additional parameters around benefit offerings, creating more similar, or even identical, products differentiated only by provider network, coverage limits, and cost.

The Subcommittees unanimously decided that there should not be requirements imposed upon the QHPs in addition to the EHB requirements. They believe the EHB requirements are sufficient, and that plans should be given flexibility to encourage participation and creativity in product design.

Plan presentation is the second type of standardization. On the One, Mississippi website, consumers will be presented with each QHP in which they can enroll. It will be important to present the plans in such a way that consumers can easily compare them, and decide which plan best meets their needs. Subcommittees discussed which elements may be the most important and most useful for consumers to compare when choosing a product. The following list summarizes the important comparison elements from Subcommittee discussions:

- Price;
- Benefits;
- Plan limitations and exclusions;
- Provider directory;
- Geographic coverage area (rating and network adequacy);
- Highlight health issues of particular concern among the Mississippi population.

In addition to the elements listed above, many Subcommittee members stressed the importance of simplicity; using simple language and keeping the website itself simple. It was also mentioned that One, Mississippi should have assistance readily available to consumers.

## **Appendix: Details from Subcommittee Recommendations**

### **Educated Health Care Consumers Subcommittee**

#### *Carrier and Market Participation*

The Subcommittee feels that carriers should be required to participate in the same markets inside and outside of One, Mississippi.

#### *Plan Offerings*

The Subcommittee recommends that carriers should not be given additional mandates regarding providing plans at varying tiers and/or multiple plans within tiers. The Subcommittee recommends providing limited regulations upon the onset of One, Mississippi, yet allowing for modification if needed later.

#### *Network Adequacy*

The Subcommittee recommends the adoption of the NAIC model of a qualitative standard for network adequacy.

#### *Plan Coverage Area*

The Subcommittee recommends that the coverage area for plans inside of One, Mississippi ought to be consistent with the carriers' current coverage areas outside of One, Mississippi.

#### *Plan Standardization*

The Subcommittee believes that the standardization of health plans through the EHB requirements is sufficient.

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### **Experience in Enrollment Subcommittee**

#### *Carrier and Market Participation*

The Subcommittee recommends that participation in both exchanges of One, Mississippi not be required. Members recommend parallel markets inside and outside of One, Mississippi, requiring the same carrier participation inside and outside. The Subcommittee is concerned that requiring participation in both the individual and small employer exchanges possibly will discourage participation by smaller, niche carriers. However, offering too much flexibility without regulation may not protect consumers.

#### *Plan Offerings*

The Subcommittee recommends that offering plans in additional metallic levels, beyond what is federally mandated, and offering more than one (1) plan per metal level should not be required.

### *Network Adequacy*

The Subcommittee recommends that One, Mississippi initially follow the NAIC model to implement a qualitative standard of measurement to determine network adequacy. However, with time, One, Mississippi should move toward a more exacting quantitative standard of measurement, establishing a mechanism for oversight to ensure network adequacy.

### *Plan Standardization*

The Subcommittee would like to allow carriers to be creative in designing health plans, thereby standardizing the plans only as is federally required through the EHB requirements. The Subcommittee would like to see plans presented in such a way that they highlight the health issues (e.g., prenatal education, hypertension screening, etc.) that are of particular concern among Mississippi's population.

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## **Hard-to-Reach Populations Subcommittee**

### *Carrier and Market Participation*

The Subcommittee's underlying concern is to ensure there are carriers dedicated to covering individuals, particularly in the rural communities. Therefore, the group's recommendation is to require carriers to participate in both the individual and small employer exchanges.

### *Plan Offerings*

The Subcommittee recommends that carriers not be required to provide plans beyond the federally mandated levels of coverage. Subcommittee members felt that if there was sufficient market demand, carriers would offer plans at the bronze and platinum levels. Regarding the potential requirement that carriers provide more than one (1) plan per metallic level, the Subcommittee feels this requirement is unnecessary.

### *Network Adequacy*

The Subcommittee recommends the adoption of the NAIC model standards for network adequacy where appropriate and use of the network adequacy standards found within Mississippi's State and School Employees' Health Plan and CHIP plan as a guide for the minimum distances to access providers. The Subcommittee also recommends encouraging the use of telemedicine as an option to meet potential location requirements.

The Subcommittee recommends that as long as Essential Community Providers are willing to accept the same contract terms as other providers in the network, they should be required to be included in a carrier's network. These include Community Health Centers and Community Mental Health Centers. Furthermore, the Subcommittee recommends that provider networks be required to include mental health and substance abuse providers.

### *Plan Coverage Areas*

The Subcommittee does not see an issue with a carrier only offering a plan in a particular geographic region. However, members recommend that the plan coverage area is transparent to enrollees and emphasize to members that the plan only covers that specific region.

### *Plan Standardization*

Aside from meeting the EHB requirements and having an adequate network, the Subcommittee stated that carriers should be given flexibility in plan design in order to encourage participation. With regard to plan presentation, the following elements are recommended as requirements: price, benefits, plan exclusions, geographic area (rating and network adequacy), and provider directory. The Subcommittee believes the standardized format should aim to be more simple rather than comprehensive and complex.

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## **Health Care Providers Subcommittee**

### *Carrier Participation Requirements*

The Subcommittee recommends minimizing regulations that provide barriers to carrier participation. Rather, it supports policies that would encourage participation in One, Mississippi.

### *Network Adequacy*

The Subcommittee uniformly agreed upon an “any willing provider” policy, which allows any provider to participate in any network if he/she has the desire and agrees to meet all minimum standards. There is some concern with the availability of in-network specialists, such as ophthalmologists, psychologists, and dermatologists.

### *Plan Coverage Area*

The Subcommittee does not recommend requiring statewide coverage in plans. Rather, it believes it is important to allow regional markets within the state, especially for those carriers that currently offer plans in limited areas. The Subcommittee considered the tendency of many residents living near state borders to cross into a neighboring state for medical services. It is the hope that coverage will follow along these regional boundaries and across state lines in these circumstances.

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## **Health Insurance Agents and Brokers Subcommittee**

### *Carrier Participation Requirements*

In general, the Subcommittee recommends minimal regulations regarding carrier participation on One, Mississippi as well as in any particular market.

### *Network Adequacy*

The Subcommittee cautions against restrictive network requirements, as it may discourage carrier participation in One, Mississippi. The flexibility to alter networks is crucial for carrier adaptability in the Mississippi market.

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## **Health Insurance Issuers Subcommittee**

### *Carrier and Market Participation*

The Subcommittee feels that, as carriers, market flexibility is imperative and that some carriers may be better suited for specific markets. Carriers must be allowed to participate where they are best equipped to be successful. Carriers must be allowed to be creative and not have heavily prescriptive requirements placed upon them by One, Mississippi.

### *Plan Offerings*

Members feel that beyond the requirements in federal law, carriers must be allowed to decide what policies make the most sense for them to offer in particular markets. There was general consensus that with fewer requirements carriers are more likely to develop solutions for market demand.

### *Network Adequacy*

Carriers must be able to use exclusive networks to be competitive in markets. Also, there must not be such strict network standards that it is impossible to meet the standard in Mississippi due to certain provider shortage types.

### *Plan Coverage Areas*

Carriers must be able to be creative and flexible to offer products where certain products make the most sense to a particular carrier. Due to market conditions and ability of networks carriers may not be able to offer all products in all markets. The standards should be flexible in order to offer what is appropriate for the environment and in ways to ensure consumer choice.

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## **Large Employers Subcommittee**

### *Carrier and Market Participation*

The Subcommittee recommends that no additional carrier participation requirements beyond the current requirements be implemented. Carriers should be able to continue using current business models, and in the markets they currently serve.



### *Plan Offerings*

The Subcommittee recommends that carriers not be required to provide plans beyond the federally mandated levels of coverage.

### *Network Adequacy*

The Subcommittee recommends that the Exchange initially use the NAIC model of a qualitative standard to determine network adequacy. Members also believe that parity on this issue should be required inside and outside of One, Mississippi.

### *Plan Coverage Areas*

The Subcommittee does not recommend requiring statewide coverage of health plans.

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## **Public Health Experts Subcommittee**

### *Carrier and Market Participation*

The Subcommittee recommends that no participation requirements should be imposed on carriers, including participation on One, Mississippi. However, market parity should be required for products offered both inside and outside of One, Mississippi.

### *Plan Offerings*

The Subcommittee recommends that carriers should not be required to offer plans at any level beyond those two mandated under PPACA. Carriers also should not be required to offer more than one plan within any single metallic level, although carriers should be incentivized to offer a variety of plans.

### *Network Adequacy*

The Subcommittee recommends the adoption of a quantitative standard for measuring network adequacy, similar to that used by Mississippi's State and School Employees' Health Plan and CHIP plan.

### *Plan Coverage Areas*

The Subcommittee believes that statewide coverage should be encouraged.

### *Plan Standardization*

The Subcommittee recognizes that some standardization will be inherent in the EHB requirements, but no additional requirements are recommended for standardization. There was no consensus reached within the Subcommittee, but limitations and exclusions would be

desirable additions to basic plan display requirements. The Subcommittee also recommends simplifying the language used in the One, Mississippi web portal and other outreach and education materials.

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## **Small Businesses & Self-Employed Individuals Subcommittee**

### *Carrier and Market Participation*

The Subcommittee leans toward allowing carriers to participate in one or both markets, as long as they are participating in the same markets inside and outside of One, Mississippi.

### *Plan Offerings*

The Subcommittee's recommendation is that carriers should be able to formulate their own strategies regarding offerings of plans beyond the two (2) federally mandated levels of coverage, and bronze level plans will likely appear in response to market demand. The Subcommittee believes that carriers should be encouraged to offer a broad variety of distinct plans, but they should not be required to offer more than one plan in any metallic level. These decisions should be left to the carriers.

### *Network Adequacy*

The Subcommittee recommends implementing the NAIC model of a qualitative standard for network adequacy.

### *Plan Coverage Areas*

The Subcommittee feels that carriers offering regional coverage are acceptable within One, Mississippi. It is recommended that a county should be established as the smallest geographic area allowed, given that this is the standard for Medicare HMOs.

### *Plan Standardization*

The Subcommittee feels that the current EHB requirements are sufficient for plan standardization. The Subcommittee encourages simplicity in the initial setup of One, Mississippi. It also recommends highlighting significant plan exclusions and limitations to help with plan comparison.

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## **State Government Agencies and Divisions Subcommittee**

### *Carrier and Market Participation*

A consensus was not reached within the Subcommittee. However, one member believes that carriers should be able to choose the markets they will enter; this approach will be the most likely way to increase consumer choice.

### *Network Adequacy*

The Subcommittee does not have specific recommendations for network adequacy, but cites it as a concern, particularly due to areas of scarce access to specialty services.

### *Plan Coverage Areas*

The Subcommittee has interest in statewide coverage with some regional exceptions. One idea is that carriers may initially offer health plans on One, Mississippi as regional participants, with a broad deadline to expand their coverage statewide.

### *Plan Standardization*

The Subcommittee agrees that the current EHB requirements are sufficient for plan standardization, with the understanding that there will be some differences among the plans. The Subcommittee's foremost recommendation is that the web portal—and other information provided to consumers—must be easy to understand, and assistance should be readily available when needed.