



# **Mississippi Health Insurance Exchange Advisory Board**

**Mississippi Insurance Department**

**Commissioner Mike Chaney**

**July 11, 2012**

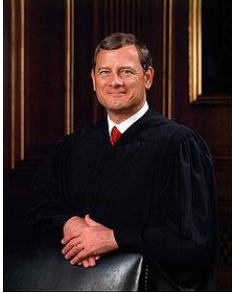
**Jackson, Mississippi**

# **PPACA and the Supreme Court**

## **The Decision**

# Opinions

## Majority



Roberts



Kagan



Ginsburg

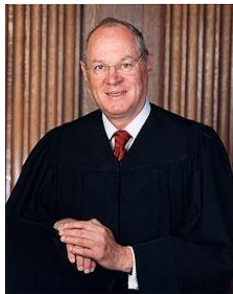


Sotomayor

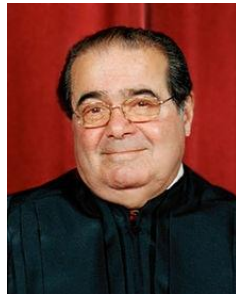


Breyer

## Dissent



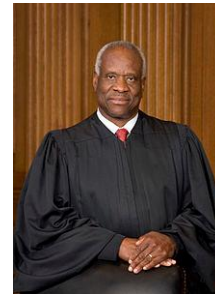
Kennedy



Scalia



Alito



Thomas

# The Holding

- Anti-Injunction Act
  - Only applies to prevent consideration of taxing laws
  - Penalty for noncompliance with Individual Mandate is a “penalty,” not a “tax”
- Individual Mandate
  - Not permitted by the Commerce Clause
  - BUT, Penalty for noncompliance is a “tax,” not a “penalty”
  - End result: Individual Mandate is upheld
- Medicaid Expansion
  - States cannot lose existing Medicaid funding for nonparticipation with expansion
- All other provisions of the law remain in force

# Some Implications of Decision

- Health Insurance Exchange still required
  - State based, or
  - Federally facilitated
- Individual Mandate
  - Almost all Americans required to purchase insurance by 2014
  - Shared responsibility payments will apply for non-compliance
- Medicaid Expansion
  - Effectively optional for all states
  - Projections are that 15 or fewer states will participate

**Adoption of Minutes from  
Exchange Advisory Board Meeting  
on June 13, 2012**

**Final Recommendations  
and Findings from  
Advisory Subcommittees on  
Outreach, Education, Adoption,  
and Enrollment**

# Navigators: Role

## Role of a Navigator

- A Navigator's role is distinct from the role of a producer
- Navigators should provide education and information to individuals about the Exchange
- Navigators should not enroll consumers in health plans or Medicaid
- Once an individual is ready to enroll, Navigators should transition them to the appropriate contact
- Agents and brokers should not be Navigators



# Navigators: Training

## Certification vs. Licensure

- Certification is necessary; licensure is too restrictive
- Pre-certification requirements (e.g., background & credit check)

## Training Program

- Training program should balance rigor with accessibility
- Training should be comprehensive
- Navigators should be trained in the following areas:
  - HIPAA Compliance
  - Consumer protection standards
  - Exchange processes
  - Terminology
  - Eligibility requirements

# Agents & Brokers

## Training & Certification

- Carry a state license
- Participate in an Exchange training course
- Carry an appointment with *all* insurers in the Exchange
- Minimum tenure before brokers would be eligible for Exchange certification
- Subject to recertification

## Compensation

- Parallel compensation both inside & outside the Exchange
- Should come directly from the carrier, not the Exchange

# Communications: Marketing

## Utilization of Diverse Marketing Efforts

### – Traditional marketing mediums

- TV
- Print
- Radio

### – Grass-Root Efforts

- Churches & faith-based groups
- Community health centers
- Colleges & universities
- Libraries
- State agencies
- Business associations
- DMV offices
- Medical offices & associations
- Professional associations
- Public & sporting events
- Chambers of commerce
- County supervisors
- Community organizations
- Trade organizations

# Communications: Messaging

## Messaging

- Keep it simple
  - Easy to understand
  - Easy to remember
  - Easy to relate to
- The message should focus on three main points:
  - Exchange's overall ease of use
  - Capacity for side-by-side comparison shopping
  - Consumer's ability to choose a tailored plan

# **Employer Participation in the PPACA**

# What's in a Number?

**2,700\***

Number of pages comprising the PPACA

**1,968**

Number of new and expanded powers given to the HHS Secretary

**6**

Number of times “SHOP” is specifically mentioned in the PPACA

**5**

Number of pages of final regulations from HHS in which the SHOP is addressed

# Employer Eligibility Requirements

An employer is eligible to purchase coverage for employees through a small business exchange if the employer:

- Is a small employer
- Elects to offer, at a minimum, all full-time employees coverage in a Qualified Health Plan (QHP)
- **Either** has its principal business address within the Exchange area
- **Or** offers coverage to each employee through the SHOP serving that employee's primary worksite

# What is a Small Business?

- Federal Definition: 100 or fewer employees
- Mississippi Definition: 50 or fewer employees
- From 2014 to 2016, states may limit the employers who participate in the SHOP to those with 50 or fewer employees
- In 2016, participation is automatically expanded to employers with 100 or fewer employees



# What is a Small Business?

- If an employer has over 100 employees within multiple states, it is still considered a large business
- The HHS rule has not yet been finalized on the method of determining employer size
  - Number of employees regardless of part- or full-time status
  - Number of full-time equivalent employees
- Continued Eligibility
  - If an already-qualified employer ceases to be a small business solely from an increase in employees, it may continue to participate in the SHOP exchange

# Other General Rules

- SHOP may authorize a minimum participation rate
  - Must be based on employee participation in the SHOP,
  - May not be based on participation in any particular QHP or QHPs of any particular issuer.
- Employers may be allowed limit the number of plans offered to employees
- The SHOP is responsible for providing each employer with a bill listing the employees enrolled under that employer, the QHP each employee is enrolled in, and the cost of the QHP.

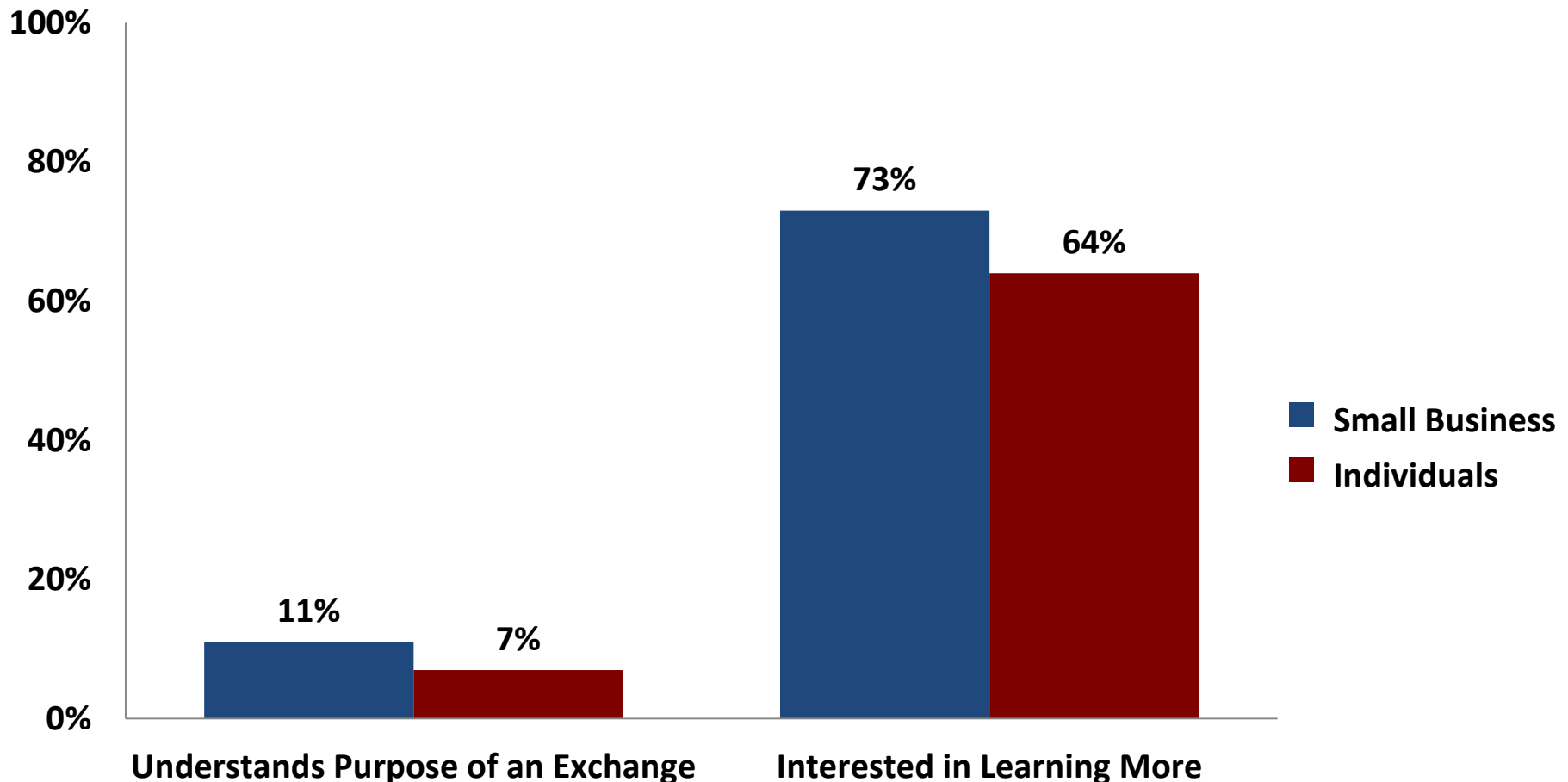
# **Mississippi Individual and Small Business Survey**

# Key Points

- Awareness and understanding of a health insurance exchange is low
- Small businesses prefer to use a broker to stay informed (vs. individuals who prefer to use a website)
- Employers expressed concerns over health insurance costs
- Respondents expressed specific interest in exploring *Defined Contribution Plans* as an option in the exchange

# Awareness of Exchange Concepts

Awareness of the basic purpose of a health insurance exchange is low



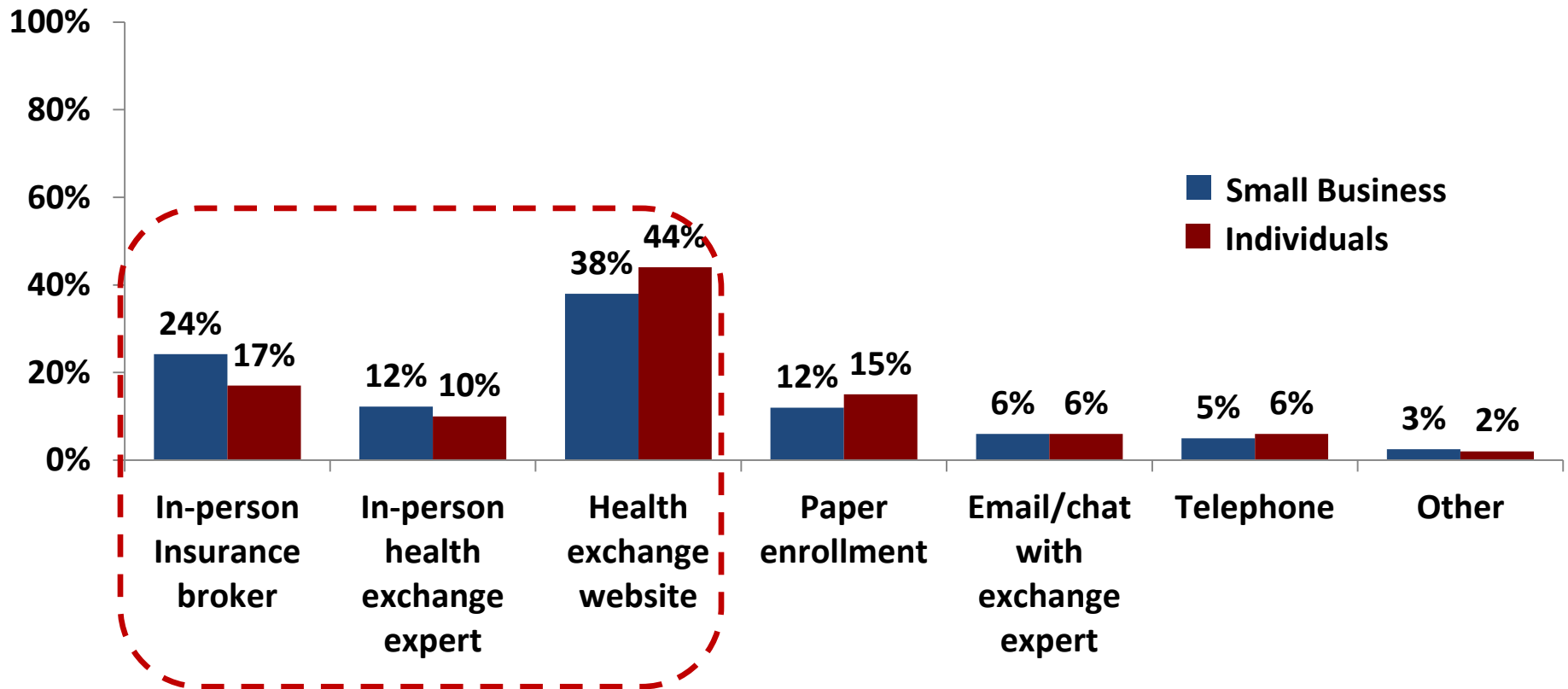
*[Question 14: Briefly describe your understanding of a health insurance exchange?]*

*[Question 26: How interested are you in learning more about Mississippi's health insurance exchange?]*

Small Business N=399, Individuals N=662

# Desire for Direct Assistance

Small businesses prefer in-person channels and website assistance equally when they need answers to questions or support to resolve issues.

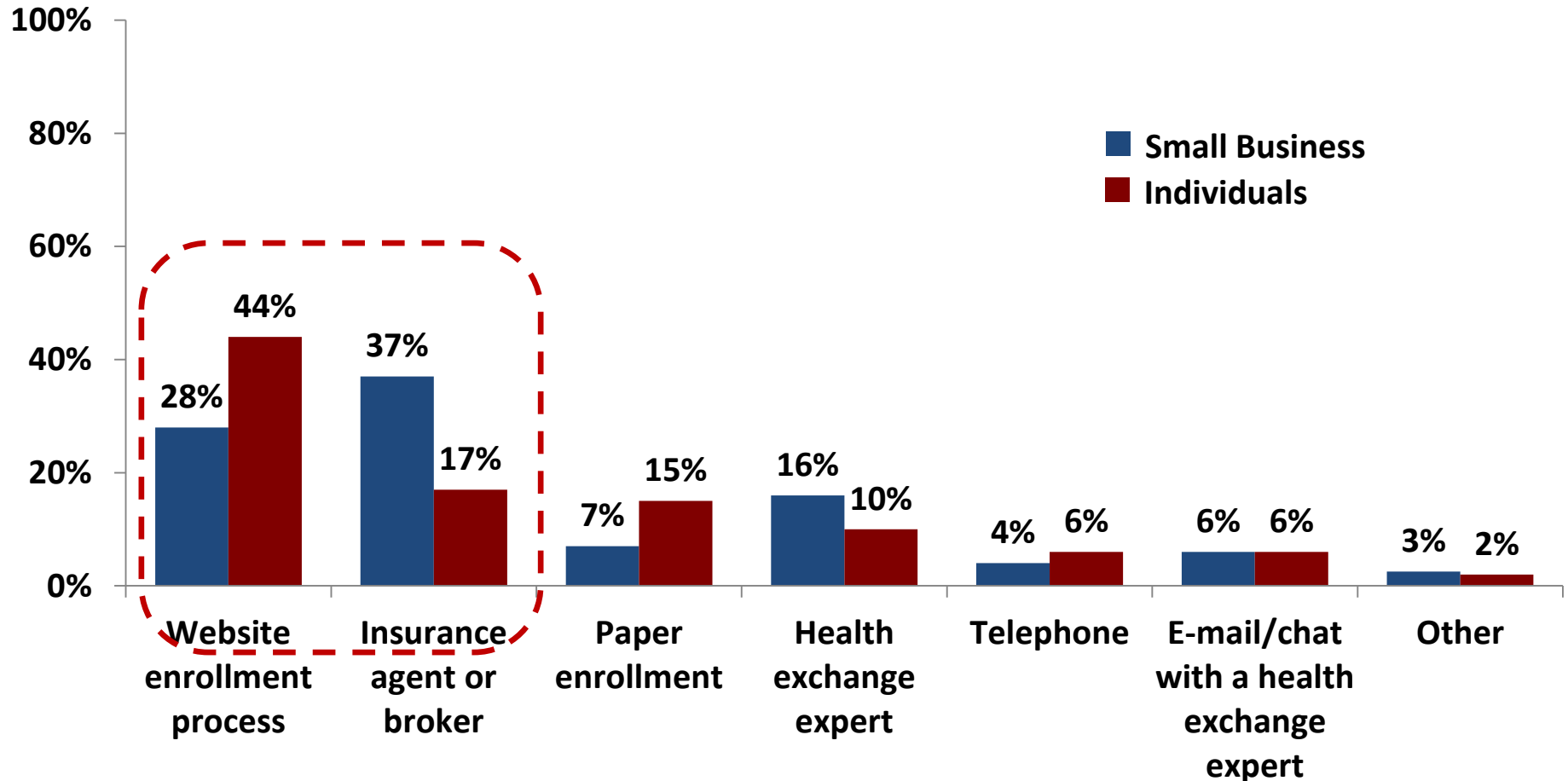


*[Question 22: In which of the following ways would you most prefer to receive education and information about the health insurance exchange?]*

*Small Business N=399, Individuals N = 662*

# Enrollment Preferences

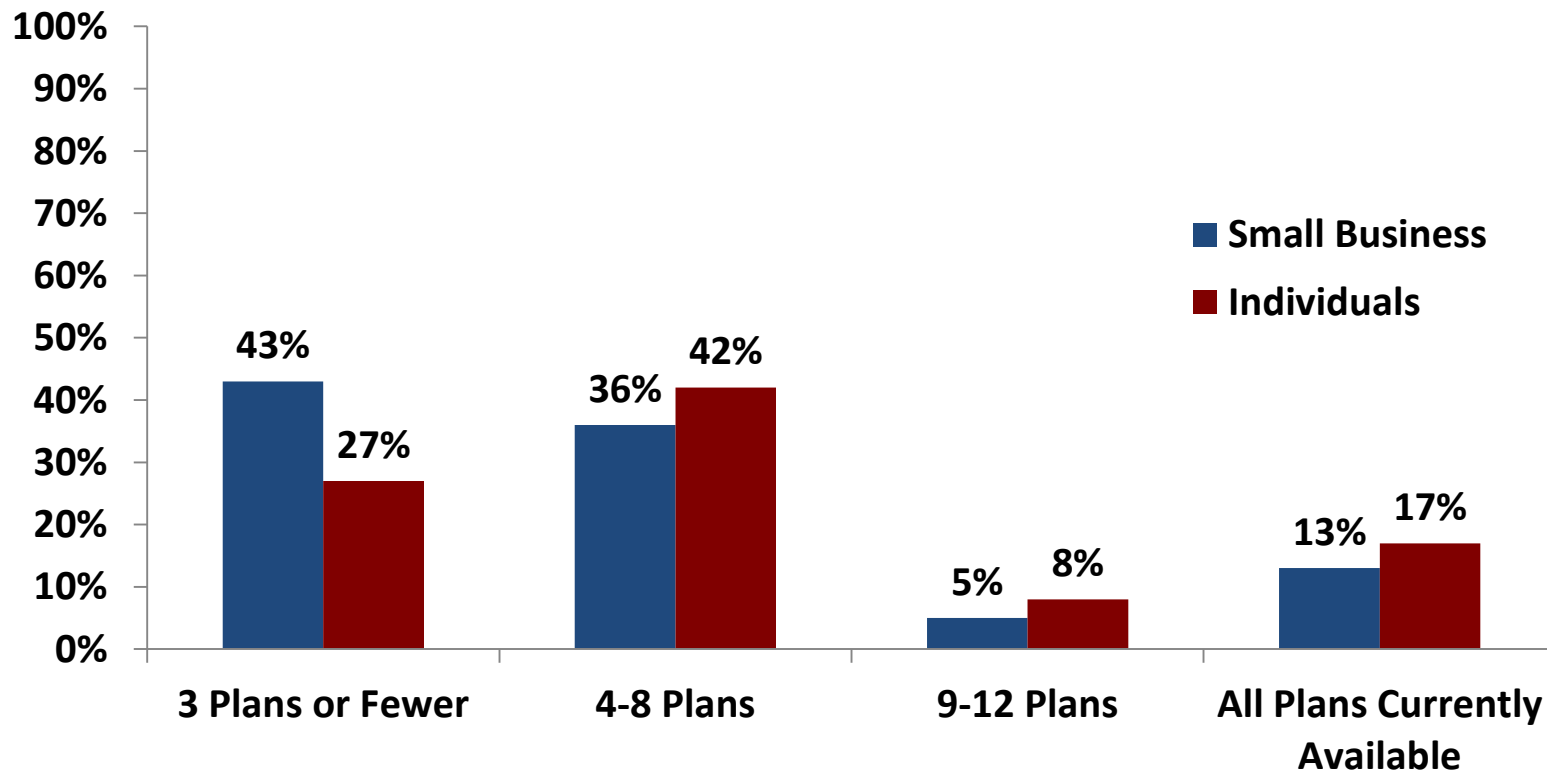
Small businesses prefer enrollment through an insurance agent or broker



[Question 20: How would you most prefer to enroll annually in a health insurance plan?]

# Number of Plan Options

Various answers are received when asked how many plans should be available in the exchange.



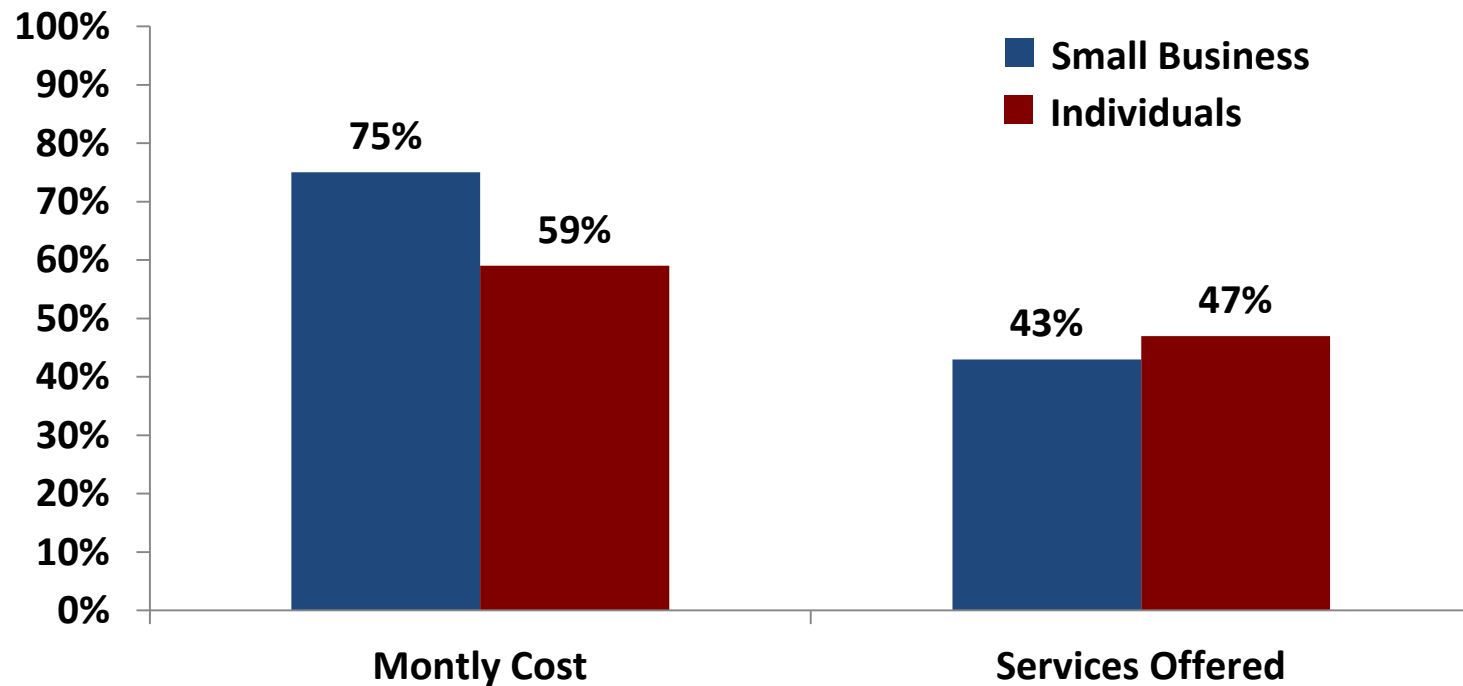
*[Question 18: How many health insurance plans do you think should be offered through a state-run health benefits Exchange?]*

*Small Business N=399, Individuals N = 662*



# Criteria for Selecting Plans

The two factors mentioned as most important when considering health plans was cost and coverage

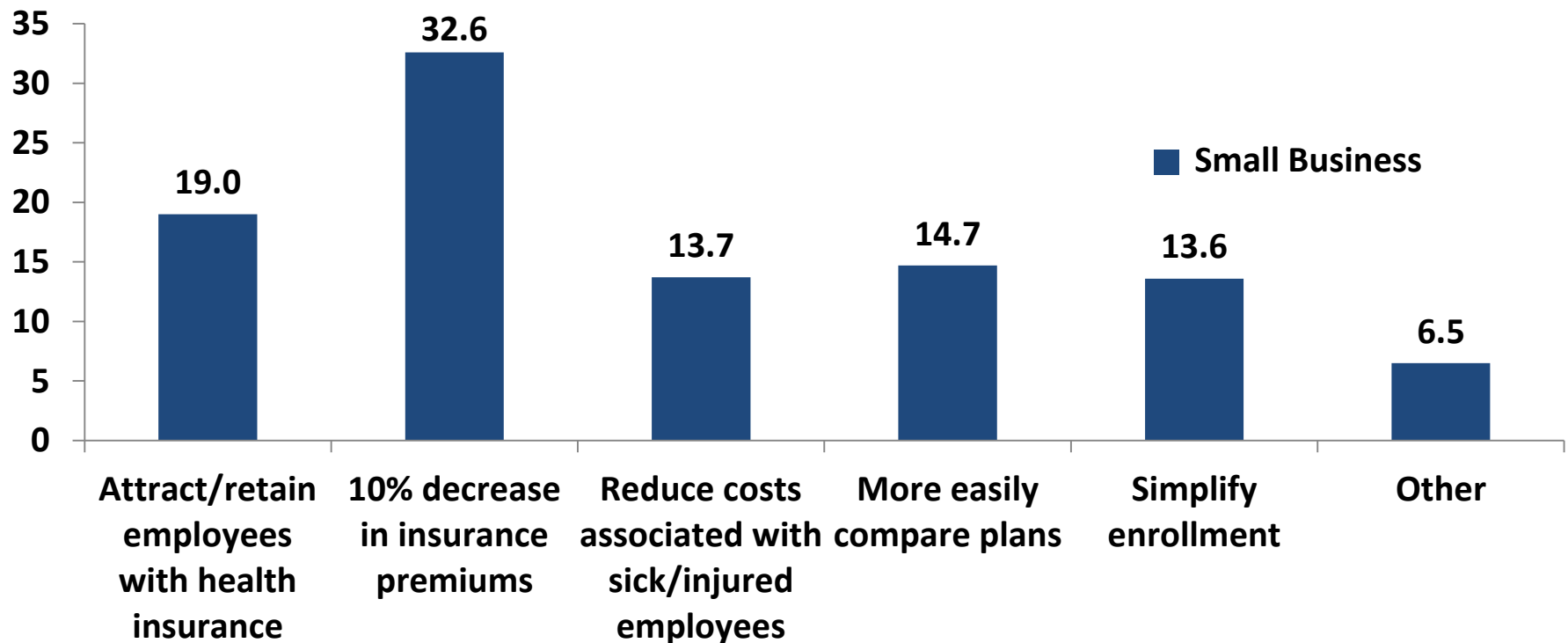


*[Question 23: When comparing health insurance plans, what are the top two characteristics you consider?]*

*Small Business N=399, Individuals N = 662*

# Preferred Exchange Outcomes

Issues surrounding the cost and quality of health insurance was rated the most important outcomes



*[from Question 15: How would you assign the relative value of potential outcomes that could result from the implementation of a Mississippi health insurance exchange?]*

*(100 points per respondents assigned across designated categories)*

*Small Business N=399, Individuals N = 662*

# Exchange Solutions

- The health benefit exchange will not fix all health care challenges, but it is one critical component in expanding coverage and improving the health insurance market.

## Health Insurance Challenges

Lack of Transparency

Administrative Burden

Unpredictable Costs

Difficult Enrollment

One-Size-Fits-All Plans

Health Benefit Exchange

## Health Benefit Exchange Solutions

Easily compare plan options among insurers

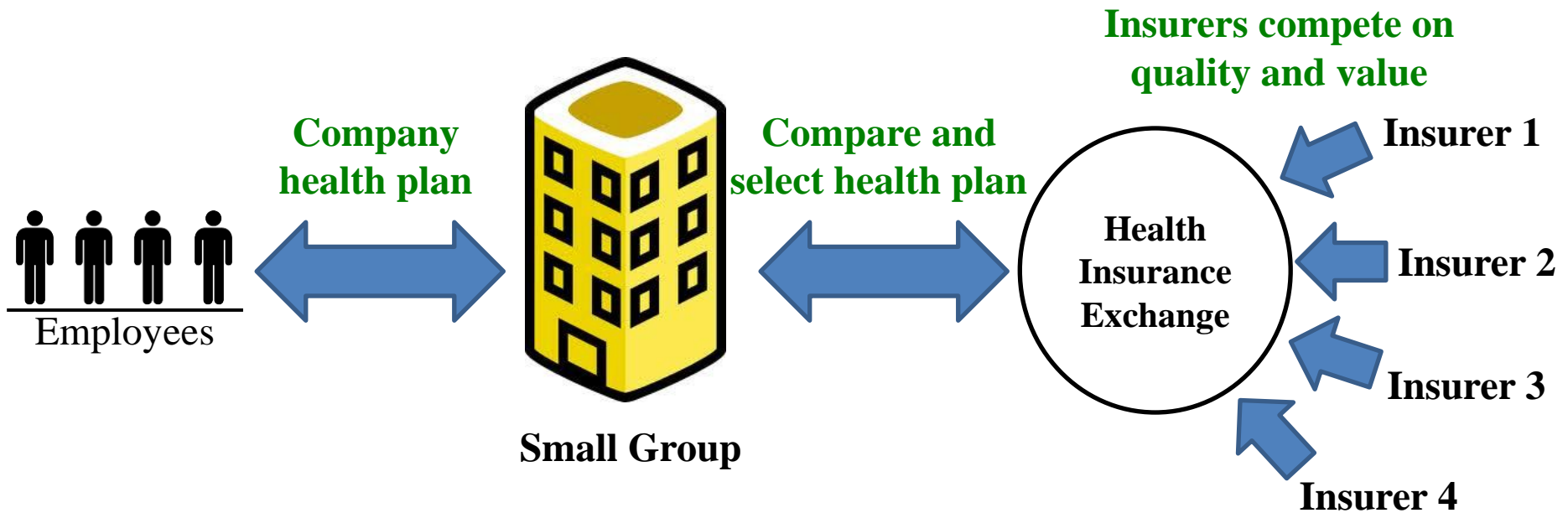
Easy to Manage Policies

Tools for predicting and managing costs

Simple enrollment process

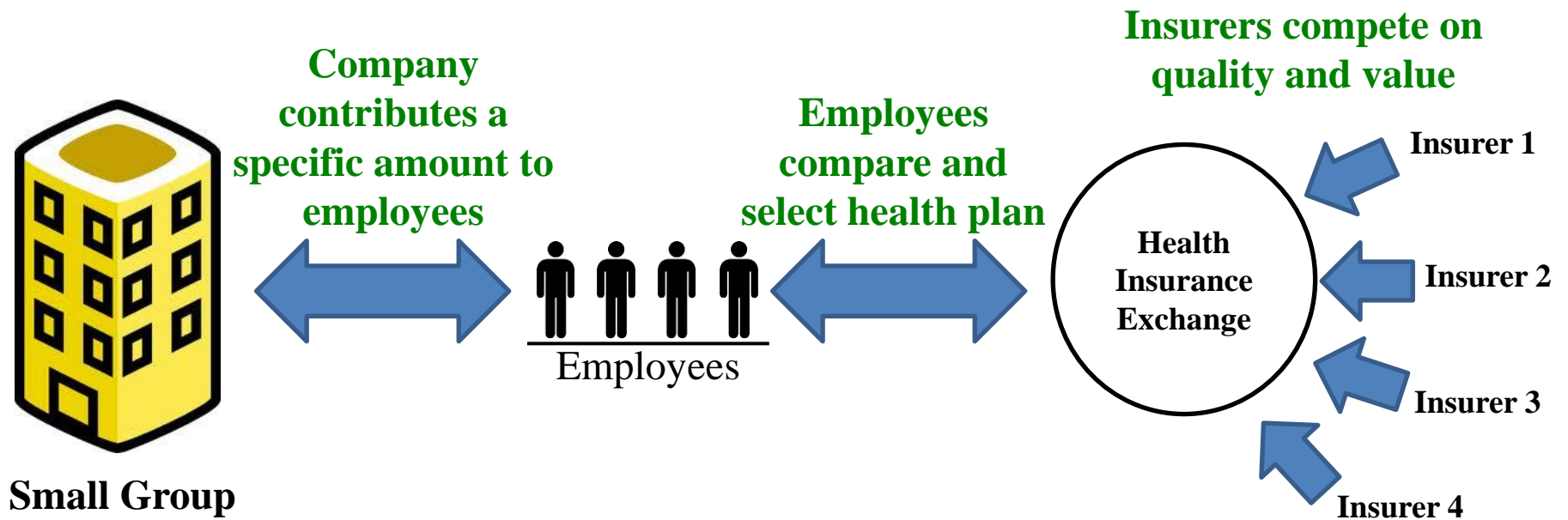
Employees can select customized plans

# SHOP Exchange Model



# Defined Contribution Model

Employers select a specific amount they contribute to the employee plans. Employees then take that money and select a plan for themselves.



# Benefits of Defined Contribution

- Costs are more predictable
  - The employer can choose the amount they will contribute each year to health plans
- Enrollment and administrative burdens are reduced
  - Employers no longer have to select plans for employees
- Employees can select plans that are customized to their needs

# Premium Aggregation

- Employers receive one bill & remit one payment from the SHOP for all QHPs in which their employees are enrolled
- Contributions from the employee and employer(s) are combined into one payment sent to the issuer through the exchange
- Minimum requirement for SHOP exchange
- Optional for individual exchange

# **Other Business & Closing Remarks**





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**Commissioner Mike Chaney**

**July 11, 2012**

**Jackson, Mississippi**