

New York State

Insurance

EXCHANGE

Center for Working Families Conference

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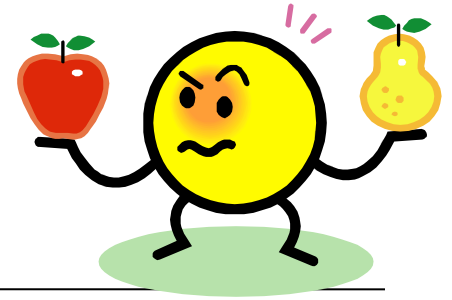
Health Care For All New York

Outline of Presentation

- Refresher on the Exchange under the Affordable Care Act
- Exchange activity in other states
- What's in New York's negotiated health insurance exchange bill?
- What's next?

Refresher on the Exchange under the Affordable Care Act

Exchanges facilitate enrollment into health insurance coverage



- ACA mandates that states set up health insurance Exchanges in 2014, or default to a federal Exchange
- Exchanges are health insurance “marketplaces” which allow people and small businesses to:
 - Enroll in Medicaid or get government subsidies to buy commercial coverage
 - Compare plans on an “apples to apples” basis
 - Use a website or telephone hotline to help enroll into “qualified health plans”
- Only citizens and immigrants who are lawfully present can use the Exchange

The Exchange will help 810,000-1.16 million New Yorkers enroll in health coverage

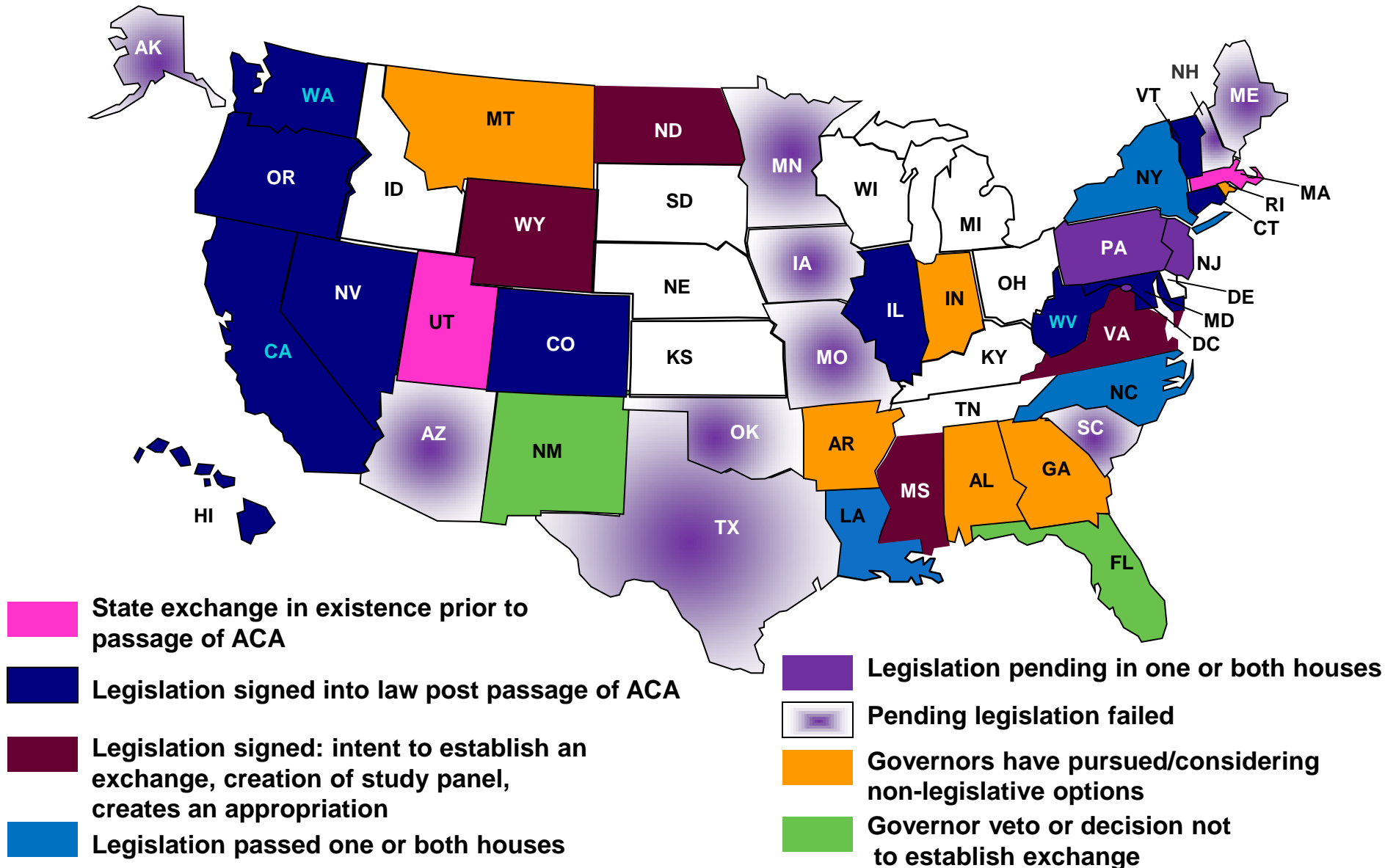
	Currently Uninsured	% of Total Uninsured	Newly Insured Post-Reform	Remaining Uninsured Post-Reform
Eligible for Medicaid but unenrolled	1,000,000	42%	110,000-440,000	660,000-1,000,000
Newly eligible for Medicaid (Childless adults 100-133% FPL)	90,000	3%	50,000-70,000	20,000-40,000
Access to Exchange & Eligible for Subsidies (0-400% FPL)	700,000	27%	570,000	130,000
Access to Exchange & Not Eligible for Subsidies (>400% FPL)	340,000	13%	80,000	260,000
Affordability Exemption Takers				200,000
Penalty Payers				60,000
Undocumented Immigrants	390,000	15%	0	390,000
TOTAL	2,620,000	100%	810,000-1,160,000	1,460,000-1,820,000

Our Challenge!

Source: NYS Health Foundation, "Implementing Federal Health Care Reform: A Roadmap for New York State," August 2010.

Exchange Activity in Other States

Status of State Legislation to Establish Exchanges, As of September 2011



Source: National Conference of State Legislatures, Federal Health Reform: State Legislative Tracking Database.
<http://www.ncsl.org/default.aspx?TabId=22122>; Commonwealth Fund Analysis.

What's in New York's Negotiated Health Insurance Exchange Bill?

New York's Health insurance Exchange Bill: What's in it?

- Sets up a Public Authority
 - 9 member board
 - 2 *ex officio* Directors: Commissioner of Health, Superintendent of the New York Department of Financial Services
 - 7 three-year term Directors with Expertise: 3 appointed by the Governor, 2 by the Assembly, 2 by the Senate
 - Modest conflict of interest provisions
 - Duty to serve in the “public interest” of Exchange users
 - State officers law, § § 73, 74



What's in the Bill?



Exchange functions:

- ✓ Set up individual and small business exchange (program) to enroll qualified individuals into health and/or dental coverage starting 1/1/14
- ✓ Inform and enroll people into public coverage
- ✓ Adopt a standardized format for presenting health plan options
- ✓ Maintain a website & electronic calculator of costs and subsidies
- ✓ Administer insurance exemptions, subsidies, and data matches
- ✓ Run a grant program for Navigators
- ✓ Consult with regional advisory committees
- ✓ Consult with stakeholders (consumers, experienced enrollers, small business & self-employed, state Medicaid offices [including LDSS], advocates for hard to reach populations, providers, insurers)

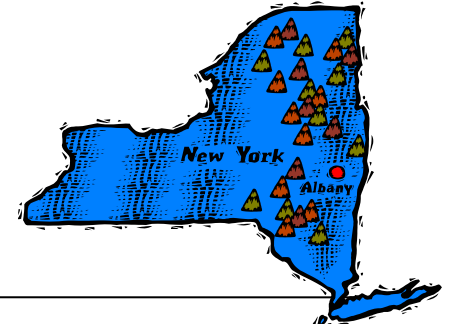
What's in the Bill?



Special functions of the Exchange: Must establish requirements that insurers must meet

- ✓ Licensed by DOI, received prior approval of rates
- ✓ Disclosure of certain benefits
- ✓ Appropriate cost-sharing and deductibles
- ✓ Meet minimum standards on marketing, network adequacy, essential community providers in underserved areas
- ✓ Public disclosure of: claims policies & number of denials, financial, rating practices, enrollments/disenrollments, out-of-network payment policies, and other info required by HHS.

What's in the Bill?



Regional Advisory Committees

- ✓ 5 regions (NYC, Metro Sub; Northern; Central, Western)
- ✓ 5 Members on each regional committee (1 appointed by Senate; 1 by Assembly; 3 by the Governor)
- ✓ 3 year terms
- ✓ Members shall be representatives of (no more than 2/category):
 - Health Insurance Consumer Advocates
 - Small businesses
 - Health Care Providers
 - Insurance Industry; and
 - 1 of either a Broker or Labor
- ✓ Must issue an annual report about regional variations in operation of the Exchange

What's in the Bill?

Studies (must be completed by 7/1/12):

- Essential Health Benefits (including: consistency inside/outside the exchange, state mandates)
- Insurer rules inside/outside the Exchange (including: whether all indiv/small groups must use the Exchange; risk selection; market disruption; market merger, reinsurance and risk adjustment mechanism, rating issues, size of small group)
- Basic Health Plan
- Active Purchaser, Selective Contractor, or Clearinghouse
- Expenses and Financing of the Exchange
- Benchmark Benefits
- HealthyNY, FHP Employer Buy-In
- Brokers
- Navigators
- Health Equity
- Health Savings Accounts
- Whether large groups should participate in the Exchange
- Integration of Public Insurance

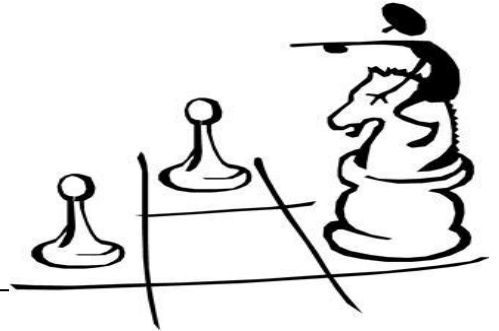


What's not in the Bill?

- Doesn't have the strongest anti-conflict of interest provisions (e.g., MD, CA, CT, WA)
- Does not explicitly authorize the Exchange to be an active purchaser, or the merger of the individual and small group markets
 - These are to be studied



So, what happened?



- Governor, Assembly and Senate negotiated a bill at the end of session
- Bill passed the Assembly
- Died in the Senate, did not come to floor for a vote

What's Next?

Time is running out



- New York's Exchange must be certified operational by the federal government by January 1, 2013.
 - If we cannot meet this deadline, the federal government will come in and implement an Exchange for us.
- To be certified operational, New York has much to do between now and the deadline.
 - Pass an Exchange bill
 - Appoint a governing board
 - Set up an agency to oversee the Exchange
 - Determine and secure the Exchange infrastructure
 - Design and implement the Exchange's data exchange capabilities
 - *And much more!*

What is the outlook for New York?

New York is currently facing two possible outcomes:

- **We pass an Exchange bill:** New York can still pass a bill, but it must do so immediately and crucial decisions must be made now. Study time is OVER.
- **We do not pass a bill and default to the federal exchange:** If New York does not act now to implement its own Exchange, the state will lose the opportunity to tailor its Exchange to New Yorkers' specific needs and preferences. Instead, New Yorkers will be forced to accept and use a basic “cookie-cutter” federal Exchange.



Thanks!