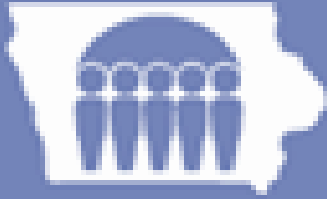


Iowa Department of Human Services

Health Benefit Exchange (HBE)

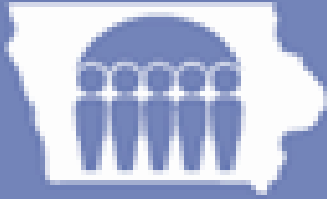
Jennifer Vermeer, DHS Medicaid
Director

January 9, 2013

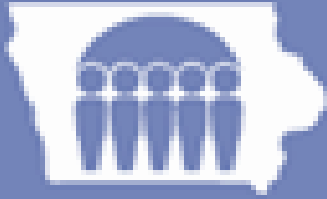


A Health Insurance Exchange:

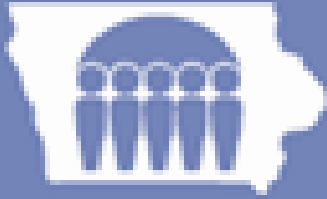
- Is a marketplace for consumers to purchase commercial health insurance coverage. Types of plans offered include individual policies and small group policies.
- Establishes a single access point to health coverage programs including Medicaid, CHIP, and publicly-subsidized commercial insurance.
- Supports both individual and small group insurance markets.
- Provides premium tax credits for eligible individuals to purchase health coverage.
- Offers a two-year tax credit that subsidizes premium costs for eligible small employers that have lower-wage workers.



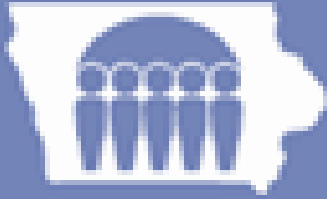
- ACA created the ability for state's to establish a State-based Exchange entity or elect (default) to a Federally-facilitated Exchange (FFE).
- The primary functions of the Exchange include:
 - Eligibility and enrollment for Individuals into Insurance Affordability Programs, Medicaid, CHIP
 - Eligibility and enrollment for Small Business Health Options Program (SHOP)
 - Plan Management
 - Financial Management
 - Consumer Assistance for the Exchange



- ***State-based Exchange Model (SBE)***– All core functions of the Exchange are operated by the state. Must have HHS approval by 1/1/13.
- ***State Partnership Exchange Model (SPE)*** –States may elect to participate in the Federally-facilitated Exchange (FFE) model but retain and operate certain functions of the Exchange. Primary example would be the state retaining the functions of plan management and consumer assistance and eligibility and enrollment managed by the FFE.
- ***Federally-facilitated Exchange Model (FFE)*** – All core functions of the Exchange are operated by the United States Department of Health and Human Services (HHS) on behalf of a state.

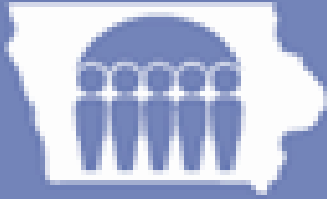


- Iowa's State Partnership Exchange Model (SPE) 2014
 - Plan Management
 - Consumer assistance
 - Medicaid Eligibility Determination
- Transition to a state based Exchange 2015



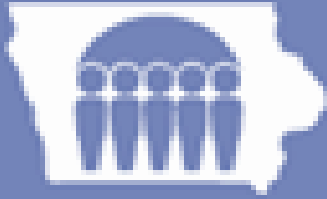
Eligibility

- From a consumer perspective, eligibility determination for insurance subsidies (APTC/CSR) and Medicaid must be “seamless”; regardless of the model, goal is for consumers to be assisted through “no wrong door”
- Household income must be between 100% and 400% of the Federal Poverty Level (FPL); Iowa is undecided on whether or not to expand Medicaid to 138% FPL and this decision will dictate the income level for APTC/CSR
- Requires significant interaction and coordination between the Medicaid system and the Federally Facilitated Exchange to provide the “seamless’ consumer experience



Eligibility

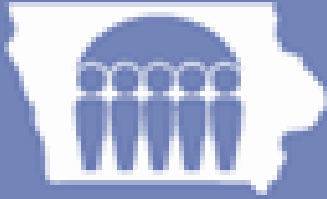
- Eligible individuals must be:
 - legally present in the U.S
 - not incarcerated
 - not eligible for other qualifying coverage (e.g. Medicare, other affordable employer-sponsored coverage)
- Individuals receiving Advance Premium Tax Credits/Cost Sharing Reductions (APTC/CSR) must be enrolled in a Qualified Health Plan (QHP).
- The tax credit may be advanced, with advance payments made by the Treasury directly to the insurance plan on the individual's behalf and reconciled at the end of the year.



Plan Management

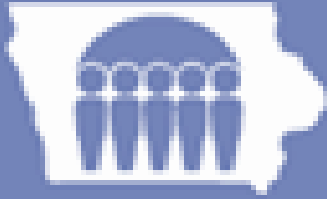
- Plan Management functions include:
 - Oversee QHP selection and shopping approach
 - Certify, recertify, and decertify QHP's. QHP's are health insurance plans offered by Issuers in the individual or small group Exchange market
 - Collection and analysis of plan rate and benefit package information
 - Issuer monitoring and oversight
 - Ongoing issuer account management
 - Issuer technical assistance

- IID performs health insurance regulatory functions that are nearly identical to the plan management functions described above. However, the health insurance landscape is changed by market reform and health plan insurance payment parameters affecting all plans within the individual and small group markets.



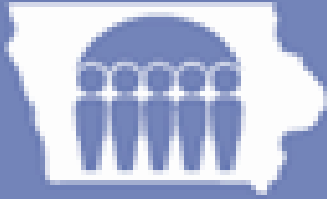
Consumer Assistance

- Consumer Assistance functions include:
 - Education and outreach
 - Website management - federal
 - Call center management – federal
 - In-person consumer assisters
 - Navigators
 - Funded through federal grants
 - Overseen and managed by Iowa



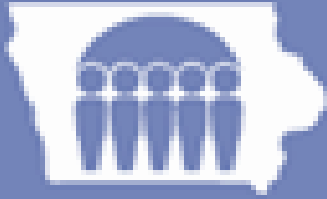
Essential Health Benefits

- The ACA defines certain categories of benefits as “essential health benefits” (EHB’s). Taken together, these categories make up EHB. The categories of essential health benefits are:
 - Ambulatory patient services
 - Emergency services
 - Hospitalization
 - Maternity and newborn care
 - Mental health and substance use disorder services, including behavioral health treatment
 - Prescription drugs
 - Rehabilitative and habilitative services and devices
 - Laboratory services
 - Preventive and wellness services and chronic disease management
 - Pediatric services, including oral and vision care
- Each health plan offers different options within the categories (i.e. services, utilization limits). A state must select the EHB package for their state and may choose from a pre-set list of federally chosen options that include:
 - States largest HMO;
 - State employee health plan;
 - Federal employee health plan;
 - One of the three largest small group health plan.



Medicaid Benchmark

- Medicaid Benefit Package (aka “benchmark”)
 - If state expands Medicaid, newly eligible Medicaid recipients will receive the state-defined Medicaid Benchmark package.
 - Each state may define their own Medicaid Benchmark package, and it must be at least equivalent to the essential health benefit package. ACA rules offer several “benchmark plan” options that states may choose from: largest commercial HMO, state employee plan, Federal Employees Health Benefit Plan Equivalent Coverage (FEHBP), and standard Medicaid (with HHS approval).



Key Dates

- 04/23/12 – Planning Review with CMS
- 08/15/12 – System Development Begins
- 09/10/12 – Design Review with CMS
- 02/15/13 – Blueprint Application due to CMS
- 10/01/13 – Open Enrollment Begins
- 01/01/14 – Go Live with State Partnership Exchange
- 01/01/15 – Go Live with State Based Exchange