



# Washington Health Benefit Exchange

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# What is a Health Benefit Exchange?



# Who Can Be in the Exchange?

- Medicaid expansion up to 133% of FPL (138%)
- Basic Health Plan option between 138-200% FPL
- Exchange over 138/200% of FPL, up to 400% FPL eligible for advanced premium tax credits and cost sharing reductions
- Small Business Health Options Program (SHOP) exchanges for small businesses (2 - 50 employees) – tax credits in the SHOP

# Building the Exchange

## 2012

- Board begins governing authority
- ESSHB 2319 passed
  - Deloitte Consulting, LLP, signs on as system integrator
  - Exchange names first CEO and moves into new building

## 2011

- HCA receives one-year \$22.9 million grant to design and develop Exchange
- SSB 5445 passed creating Exchange as “public private partnership”
- Governor names Exchange Board members

- Washington becomes second Level 2 establishment grant recipient, \$128 million
  - Exchange moves onto own payroll and accounting systems
  - WA HBE applies for certification to operate state based exchange with HHS/CCIIO
  - Sustainability plan submitted to Legislature

## 2013

- Exchange must be certified by HHS
  - Additional legislative action taken as needed
- **Open Enrollment begins (October 1)**

## 2014

- Coverage purchased in the Exchange begins
  - Open enrollment ends in March.

# Governance and Transparency

- 11 member, bi-partisan board assumed authority  
March 15, 2012
- Open public meetings, public disclosure
- Independent from state agencies, Governor's office, but with critical inter-dependencies
- Currently seven (7) stakeholder committees, technical advisory committees, and workgroups

# Exchange Board Members

**Margaret Stanley** – Chair, Retired Executive Director, Puget Sound Health Alliance

**Steve Appel** – Farmer, Past President of the Washington Farm Bureau

**William Baldwin** – Partner, The Partners Group

**Donald Conant** – General Manager, Valley Nut & Bolt, Assistant Professor

**Doug Conrad** – Professor, University of Washington

**Melanie Curtice** – Partner, Stoel Rives

**Ben Danielson** – Medical Director, Odessa Brown

**Phil Dyer** – Senior VP, Kibble & Prentice, and Former Legislator

**Teresa Mosqueda** – Legislative & Policy Director, Washington Labor Council

**\*Commissioner Mike Kreidler** – Insurance Commissioner

**\*MaryAnne Lindeblad** – HCA Director

# Exchange Value Proposition

| Consumer  | Public/State  |
|---|---|
| ü “No wrong door” – Unprecedented access to plans, programs and support | ü Reduction in uninsured/under-insured and uncompensated care                 |
| ü Certified QHPs with essential health benefits                         | ü Enhanced population wellness  |
| ü Trusted information and customer assistance                           | ü Better informed consumers   |
| ü Ability to compare and purchase plans                                 | ü Competitive insurance marketplace   |
| ü Group purchasing power for individuals and small businesses (2-50)    | ü Single monthly bill and payment for multiple QHP enrollees for small groups |

# Health Plan Offerings in the Exchange

- ü Plans must meet ACA requirements; no additional criteria laid out
- ü Will include a consumer rating system
- ü Must offer stand-alone dental plans in Exchange
- ü “metal tiers” corresponding to levels of shared costs for consumers

# Market Rules

- ü To offer bronze plan, outside plans must offer gold and silver plans.
- ü ACA catastrophic plan may only be sold inside the Exchange.
- ü Commissioner evaluates adverse selection in prescription drug benefit cost sharing (inside and outside of Exchange) and can adopt rules to mitigate.
- ü Plans (except catastrophic) outside the exchange must conform with the ACA actuarial levels: bronze, silver, gold, and platinum.
- ü Board, by December 1, 2016, and with Commissioner review maintaining market rules or let expire.

# Essential Health Benefits

- ü Commissioner selects largest small group plan as benchmark plan.
- ü 10 essential health benefits (broad categories, e.g., emergency services, hospital care, prescription drugs, mental health...)
- ü Commissioner must submit to the legislature list of mandated state benefits that would require appropriation from the state, including anticipated costs of the mandate and the statutory language needed for any changes.

# Exchange Activities

- Board Operations and Policy Committees
- HBE advisory committee and technical advisory committees
- Stakeholder outreach and communication
- IT systems development
- Coordination with Medicaid expansion
- Partners (HCA, DSHS, OIC, Tribes, Legislature...)
- Building the Exchange entity

# Managing Expectations

The Exchange is designed to:

- Allow an individual to apply for and enroll in health insurance (including receiving tax credits, Medicaid and CHIP)
- Provide access to tax credits for health insurance to small businesses (2-20 employees)
- Provide access to qualified health plans
- Allow for apples to apples comparison of health plan offerings
- Foster a competitive pricing environment

# Managing Expectations (part 2)

The Exchange is not designed to:

- Replace your relationship with your health plan
- Define service provider areas
- Recommend or advocate for specific plans
- Set pricing for plans
- Initially address delivery system reforms
- Replace the individual and small group markets

# Important Board Policy Decisions

## Completed

- Criteria for qualified health plans (QHPs)
- Premium aggregation
- Consumer Rating System
- Pediatric Dental Benefits

## Upcoming

- Navigator program
- Role of agents/brokers
- Exchange financing/Sustainability

# Key Challenges

- **Tight timeline – Oct. 1, 2013**
  - Federal dependencies and guidance
  - IT flight path
- **Delivery environment**
  - Critical inter-agency interdependencies
- **Managing expectations**
  - Options deferred to 1.5 or 2.0
  - Complex authorizing environment

# Learning More About the Exchange

<http://www.hca.wa.gov/hbe>

Includes information about:

- Exchange Board
- Legislation and grants
- Policy discussion
- TAC and stakeholder involvement
- IT systems development
- HHS guidance
- Listserv registration