



Consultation Part II - Exchange

August 13, 2012



Our first care is your health care
Arizona Health Care Cost Containment System

“Reaching across Arizona to provide comprehensive quality
health care for those in need”

Health Insurance Exchange

- Overview
- Planning to Date
- Essential Benefits Discussion
- Funding a Self-Sustaining Exchange
- State-based vs. Federally-facilitated Exchange: Pros and Cons



Health Insurance Exchange: Principles for an Arizona Exchange

- ❑ Build on Arizona's Strong Health Insurance Market.
- ❑ Support Market Facilitator Approach.
- ❑ Maximize Choice and Competition.
- ❑ Impose Minimal Regulations and Reporting Requirements.



Exchange Timeframes

- September 2012: Essential Benefits decision
- **November 2012: Submit State's Intent regarding Exchange to HHS Secretary**
- January 2013: HHS Secretary Certifies Exchange
- July 2013: Systems Readiness Testing
- October 2013: Exchange enrollment begins
- January 2014: Exchange coverage begins
- January 2015: Exchange must be self-sustaining through user fees, assessments or other funding sources



American Indian Exchange Provisions

- ❑ American Indians enrolled in Qualified Health Plan below 300 percent FPL will not have to pay any cost sharing
- ❑ There is no cost sharing for services received from I.H.S, tribal facilities or urban clinics
- ❑ Exchanges are to provide special monthly enrollment period for American Indians
- ❑ Tribal members exempt from individual responsibility payment



Tribal Exchange Issues (Continued)

- ❑ Exchanges may permit Tribes or Tribal organizations to pay premiums
- ❑ Governor's Office has entered into an agreement with ITC A to provide support with education and consultation discussions
- ❑ State continues to raise issues with regards to Exchange and Medicaid as part of AHCCCS consultations



Exchange Tax Credits

- ❑ Law provides for refundable, advanceable Credits
- ❑ Up to 133% FPL – 2% of income
- ❑ 133-150% FPL – 3-4% of income
- ❑ 150-200% FPL – 4-4.63% of income
- ❑ 200-250% FPL – 6.3-8.05% of income
- ❑ 250-300 FPL – 8.05-9.5%
- ❑ 300% + - 9.5%

FPL Level	2009 Single	Premium as Percent of Income	Annual
Up to 133%	\$14,844	2%	\$297
133%	\$14,845	3%	\$445
150%	\$16,742	4%	\$670
200%	\$22,322	6.3%	\$1,406
250%	\$27,902	8.05%	\$2,246
300%	\$33,483	9.5%	\$3,181
350%	\$39,063	9.5%	\$3,711
400%	\$44,644	9.5%	\$4,241



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Health Insurance Exchange: Essential Health Benefits

- ACA requires states to establish the Essential Health Benefits (EHB) that must be included in all new individual and small group policies sold within or outside of the Exchange.
- EHB must be based on a benchmark plan selected by the State by September 30, 2012 and must satisfy the following requirements:
 - Cover services within each of the 10 statutory service categories;
 - Chosen from the 10 benchmark plan options;
 - Supplemented from the federally-defined options if the benchmark plan does not provide coverage for all of the EHB categories.



Health Insurance Exchange: 10 EHB Statutory Service Categories

- ❑ Hospitalization
- ❑ Emergency Services
- ❑ Ambulatory Services
- ❑ 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
- ❑ Preventative and wellness services and chronic disease management
- ❑ Pediatric services, including oral and vision care



Health Insurance Exchange: Funding

- Federal grants fund all planning, design and start-up costs through December 31, 2014.
- Arizona received a one-year planning grant for \$1 million on September 30, 2010.
- Arizona received a one-year grant for \$29.8 million on November 28, 2011.



Health Insurance Exchange: State vs. Federal

State-based Exchange

Arizona decides:

- Number of insurers on Exchange
- AHCCCS eligibility
- How to fund Exchange
- Benefits, providers and plans offered on the Exchange
- Better customer support and more say in essential network

Federally-facilitated Exchange

HHS decides:

- Which insurers are included in Exchange marketplace
- AHCCCS eligibility
- How Arizonans will pay for Exchange costs
- Benefits, providers and plans offered on the Exchange



Tribal Member Network

- One of the most important issues for Tribal members – coverage is great but must have local network
- No extensive history of I.H.S and 638 facilities contracting with commercial health plans
- ACA identified essential community provider as providers that serve predominantly low-income medically underserved individuals



I.H.S and 638 role in Network

- Met with Commercial Insurance Plans
- Governor's Office emphasized need for including facilities in network
- Considering including as requirement
- Need to overcome challenges
- Plans identified
 - Need select point of contact
 - Electronic billing
 - Eligibility verification
 - Quality Measures



Next Steps on Making Reality

- Identify Experts from 3 I.H.S Areas
- Identify Tribal/638 Expert(s)
- Work to develop model contract
- Rates would be separate discussion
- Need to move quickly
- Governor's Office/AHCCCS happy to serve as conduit to bring parties together





Questions



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