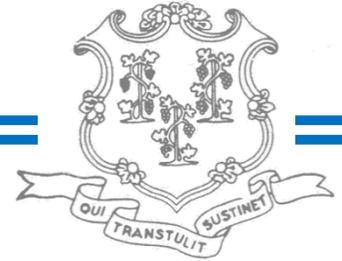


Connecticut Health Insurance Exchange

Strategy Sub-Committee

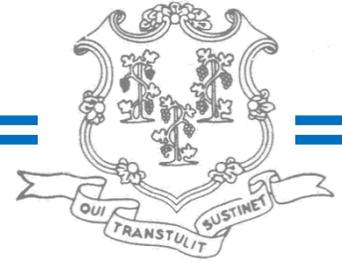
November 15, 2012
Legislative Office Building, 1A

Agenda



1. Call to Order and Introductions
2. Vision, Mission, and Key Success Factors
3. Ideas for Strategic Initiatives in an Evolving Marketplace
4. QHP Solicitation and Certification Requirements - Issues to Review
5. Next Steps
6. Public Comment
7. Adjournment

Vision and Mission



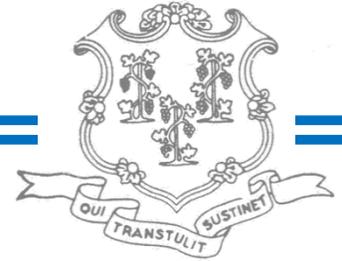
Vision

To support the Exchange Board of Directors with innovative ideas and strategic guidance to help assure the continued attraction, relevance,, and sustainability of the Exchange to consumers and small businesses in Connecticut.

Mission

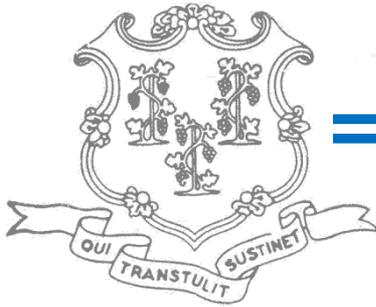
To evaluate and recommend strategies to support the evolving needs of Connecticut consumers and small businesses. Further, to utilize the Exchange as a catalyst for change in Connecticut's delivery system using its unique role to identify and promote new ways to provide efficient, high quality, and affordable care.

Key Success Factors

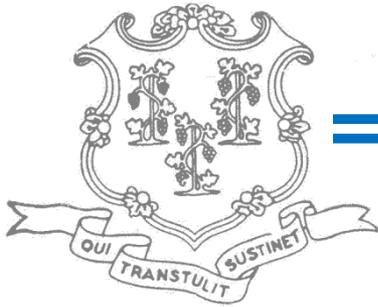


Key Success Factors

1. Approve a multi-year strategic plan for the Exchange
2. Define measurable tactics to support the strategic plan
3. Engage Exchange staff, CT state agencies, consumers, small businesses, and external experts to advise on ways to promote delivery system change
4. Annual evaluation and recommendation to Exchange Board of Exchange purchasing criteria
5. Promote information sharing and decision transparency

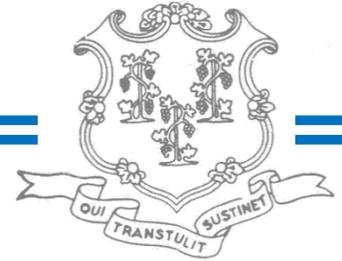


Exchange Strategies for an Evolving Marketplace



QHP Solicitation and Requirements

Initial QHP Certification



Principles of QHP Certification:

Consumer Focused:

Engage carriers which provide value to its clients—consumers and small employers. Sustainability of the Exchange depends upon it certifying QHPs and offering services that are valued by its clients.

Choice and Quality:

Ensure consumers have a range of choice between current and new carriers on the Exchange. Ensure those carriers which serve Connecticut best with choice, network and value see the Exchange as their premier avenue to the people of Connecticut.

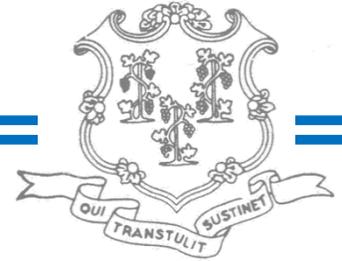
Transparency:

Ensure QHPs provide the clinical, quality, network and cost metrics needed for consumers to make an informed choice.

Continuous Improvement:

Engage QHPs that are committed to reducing health disparities and fostering health equity in Connecticut by evolving to serve consumers as the market and consumer needs change. Provide an effective forum for QHPs to promote wellness and prevention through innovate plan design and delivery systems and for consumers to make their evolving needs known to QHPs.

Initial QHP Certification - Discussion



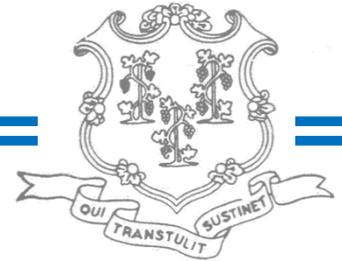
QHP Certification Requirements:

- Minimum Standards
- Plan Standardization (Benefits and Cost Sharing)
- Mix and Number of Plans
- Rating Factors
- Network Adequacy
- Transparency and Reporting Requirements

QHP Solicitation Process:

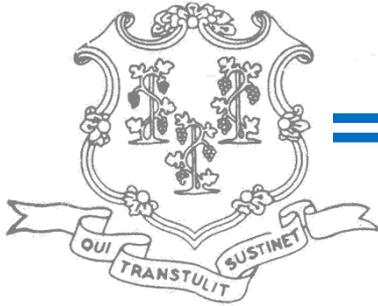
- Selective Contracting
- Rate Negotiations
- Market Participation

Next Steps

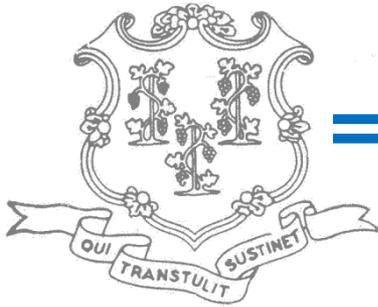


Upcoming Meetings:

November 20, 2012 9 – 12 a.m.	Joint Meeting of the Consumer Outreach & Experience AC and Health Plan Benefits & Qualification AC
November 29, 2012 9 – 12 a.m.	Monthly Exchange Board Meeting
Early December	Release of QHP Solicitation



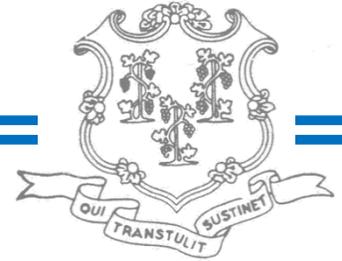
Public Comment



Adjournment

Reference:

ACA Reforms Impacting the Commercial Market



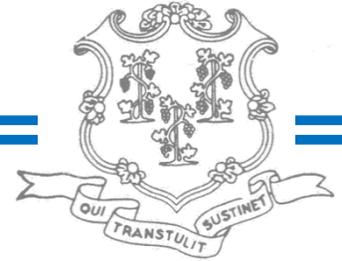
With the enactment of the ACA, the Connecticut's health insurance marketplace will be transformed into a more consumer-oriented market that will reward better care management, prevention, and affordability.

General ACA Reforms Impacting the Commercial Insurance Market Include:

- No medical underwriting
- No denial of coverage due to a pre-existing condition
- Strict limits on out-of-pocket expenditures
- Minimum medical loss ratio ("MLR") established
- Minimum coverage requirements:
 - "Essential Health Benefits"
 - Extensive preventative services provided at no cost
 - Standardizes coverage levels based on actuarial value (i.e. metal tier)
- New rating factor standards reduce risk selection:
 - Elimination of industry rating
 - Elimination of gender rating
 - Rates must be set for entire benefit or policy year
 - Exchanges must receive rate increase justification prior to rate increase implementation
 - Reduced age rating factor (3:1)

Reference:

Minimum QHP Certification Requirements

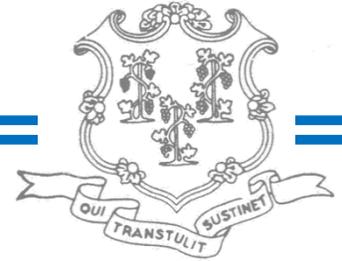


Minimum Qualified Health Plan (QHP) certification requirements include:

- Annual information concerning rates, covered benefits, and cost sharing requirements
- Consideration of rate increase justification
- Issuers must provide coverage information to the Exchange, including:
 - Claims payment and practices
 - Enrollment and disenrollment data
 - Data on denied claims and rating practices
 - Cost-sharing information and out-of-network coverage and payments
- *Accreditation*: Issuers must be accredited on basis of local performance
- Issuers must comply with quality improvement standards. For example:
 - Improving patient safety
 - Lowering hospital readmissions
 - Reducing health disparities
 - Creating ACOs and funding of electronic medical records
 - Promoting of patient-centered medical homes
- Issuers must (i) disclose and report quality and outcome measures and (ii) meet required member satisfaction standards:
- Issuer must comply with carrier risk adjustment program
- *Network adequacy standards*: QHP must include “essential community providers” and meet minimum network standards

Reference:

Purchasing Model: “Managed Competition”



Features of Connecticut’s Proposed Managed Competition:

- Increase competition by attracting new health plans
- Increase competition on price and quality by aligning benefits and cost-sharing across QHPs
- Promote delivery system and payment reform by encouraging unique product designs from issuers
- Set rigorous standards for measurable quality improvement over time
- Increase access by requiring issuers to serve the entire state.
- Improve access by requiring QHPs to contract with essential community providers and to report routinely on access issues
- Improve consumer assistance for low-income enrollees by utilizing Navigators and requiring issuers to add customer service resources specially trained to deal with new enrollees
- Increase competition on service by scoring and prominently displaying an index crafted from the required reporting elements on carriers’ claims payment, dispute resolution, MLRs, and other public data.
- Promote cost containment by rigorously reviewing the justification for QHP rate increases that exceed overall medical inflation indexes, or some other trigger point well below HHS’ 10% trigger

