

Health Insurance Exchanges: Implementation in Rural Places



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Reminder of the Role of Health Insurance Exchanges



- ❧ Certify qualified health plans that will participate
- ❧ Including assuring essential health benefits are included, and at four levels of coverage
- ❧ Facilitate purchase by making choices available and easily understood, including 800 line and web site
- ❧ Monitor financial integrity

Snapshot of Rural Implications



- ❧ Development and enforcement of adequacy of network/access standards
- ❧ Development and enforcement of marketing standards
- ❧ Interactions with insurance brokers in rural communities
- ❧ Selecting Navigators
- ❧ Establishing rating areas

The RUPRI Panel Commented on CMS call for answers to questions:

October 1, 2010



☞ On Structure and Functions

☞ On enrollment, choices and outreach

☞ Text of comments available at

http://www.rupri.org/Forms/HealthPanel_ExchangeComments_Oct2010.pdf

Structure and Functions: Rating areas



- ❧ Larger the area, less likely rural employers and individuals adversely affected by risk rating
- ❧ Segmenting rural employers could result in higher premiums
- ❧ Risk adjustment methods for spreading risk across plans preferable to address differences in risk across geographic areas and populations

Structure and Functions: Determining if State is making sufficient progress



- ∞ Be accountable for achieving milestones in all areas of the state

Structure and Functions: Considerations involved in certifying QHPs



- ❧ Segmentation through sub state regional HIEs could limit choices in rural markets
- ❧ Exchanges combining individual and group products offer greater efficiency and convenience for rural businesses and individuals
- ❧ Adequacy of provider network and access standards will be critical in ensuring plans offered in rural and urban markets are comparable
- ❧ Marketing and enrollment materials and activities need to be monitored to ensure plans do not engage in practices aimed at selectively enrolling individuals or firms

Structure and Functions: Factors to facilitate participation of sufficient mix of QHPs to meet needs of consumers



- ❧ Structure exchanges to provide comparable choices (numbers of plans offering comparable benefits) throughout the whole HIE market area, including rural areas
- ❧ Experiences with MA can be instructive

Structure and Functions: Factors important in establishing minimum requirements for actuarial value/level of coverage



- ❧ Evidence that actuarial value of plans available in rural markets is less than urban markets (*Health Affairs* article by Gabel et al; 2006, vol 25: 832-843)
- ❧ Allowing premium to vary by geography may lead to variation in plan choices and plan benefit structures, potentially limiting rural choices

Enrollment, Eligibility and Outreach: Online and coordination with Medicaid



- Account for difference in broadband access, especially in individual market; need physical outreach and enrollment strategies in rural areas
- Coordination with Medicaid and other public programs especially important in rural areas because of disproportionate reliance on those sources of coverage and frequent coverage transitions
- Populations will be eligible for Medicaid for the first time; may need intensive outreach efforts, tailored to reach rural people and places

Enrollment, Eligibility and Outreach: Activities likely to be used, strategies likely to be successful



- ❧ Tailor strategies to the characteristics of rural populations and employers
- ❧ Individuals more likely to resist public programs
- ❧ Employers more likely to be smaller in size, in different industries, with different cost structures
- ❧ Outreach strategies must consider the audiences, and how those audiences typically receive information

Enrollment, Eligibility and Outreach: Coordination between employers and exchanges



- ❧ Consider unique characteristic of employers of rural persons: tend to have fewer employees and pay lower wages and to be focused disproportionately in certain industry categories that may face more employment risks
- ❧ Rural employers may have less experience with employer-sponsored insurance market
- ❧ Rural employers and their works more likely to have used brokers

National Association of Insurance Commissioners Model Act (draft from 9/27/10): Selected duties with rural implications



- ❧ Maintain website through which prospective enrollees obtain standardized comparative information on plans
- ❧ Assign rating to each qualified health plan in accordance with criteria developed by Secretary
- ❧ Utilize standardized format for presenting health benefit options in the exchange
- ❧ Select entities qualified to serve as Navigators
- ❧ Consult with stakeholders relevant to carrying out the activities required under this Act

(NAIC) Functions of Navigator



- ❧ Public education activities to raise awareness of availability of QHPs
- ❧ Distribute fair and impartial information concerning enrollment, and availability of tax credits
- ❧ Facilitate enrollment
- ❧ Provide referrals to applicable office of health insurance consumer assistance or health insurance ombudsman
- ❧ Provide information in manner culturally and linguistically appropriate to needs of the population served by the Exchange

(NAIC) Stakeholders include



- ❧ Educated health care consumers who are enrollees in QHPs
- ❧ Individuals and entities with experience in facilitating enrollment in QHPs
- ❧ Representatives of small businesses and self-employed individuals
- ❧ State Medicaid office
- ❧ Advocates for enrolling hard to reach populations

So



- ❧ Lots at stake
- ❧ Certainly much to monitor and influence to assure appropriate rural roll out
- ❧ But lots of potential: Medicare Part D experience

Other Issues



- ❧ Panel document on *First Look*
http://www.rupri.org/Forms/Health_PPACAImpacts_Sept2010.pdf
- ❧ Accountable Care Organizations: Panel responses to CMS questions:
http://www.rupri.org/Forms/HealthPanel_CMSSComments_Dec2010.pdf
- ❧ Accountable Care Organizations: January 2011 *Journal of Rural Health*, presentations
- ❧ Value based purchasing proposed rule: Panel comments posted after the comment period closes in March

For Further Information



The RUPRI Center for Rural Health Policy Analysis

<http://cph.uiowa.edu/rupri>

The RUPRI Health Panel

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