



# HIX: What's Next?

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# Agenda

## HIX: What's Next?

- HIX Implementation So Far
  - State Planning Efforts
  - Marketplace models
  - State-based Marketplaces
  - Enrollments by State
- State of the States
  - ...and Federally Facilitated Marketplace (FFM)
- What's Next in 2015?
  - Upcoming Implementations
  - Rule Changes for 2015
- Timeline (2014 – 2018)
- Q&A - Discussion

# HIX Implementation so Far

## All Over the Map

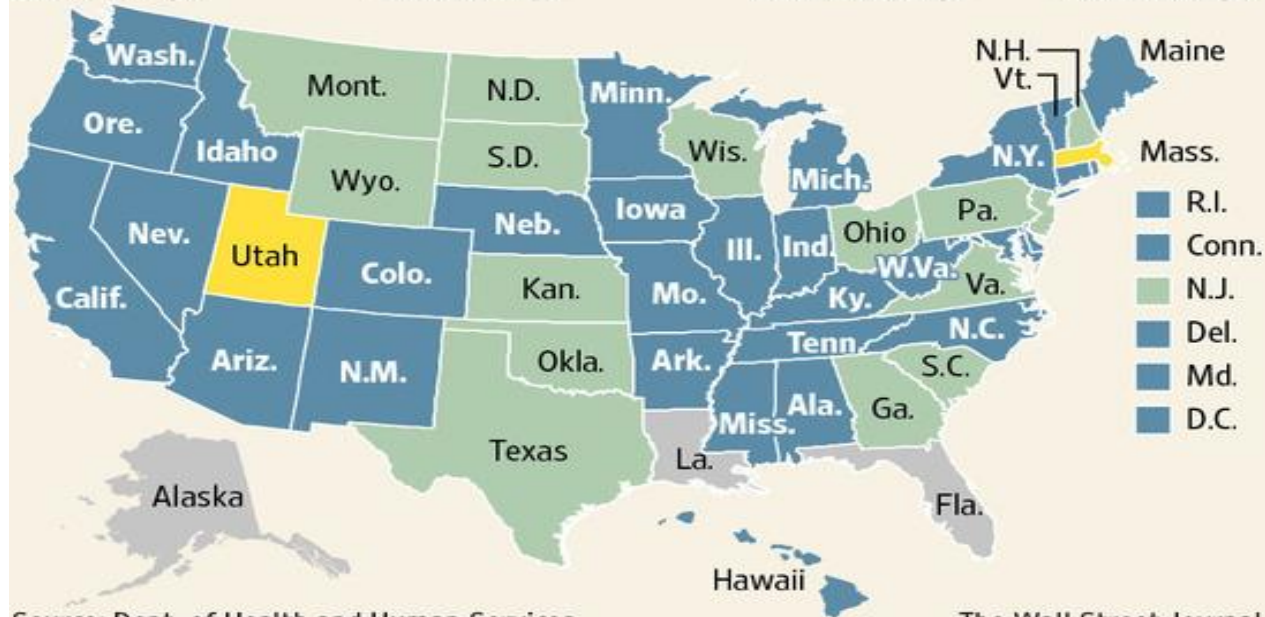
Status of state insurance exchanges under the federal health-care overhaul:

Have taken grants for establishing an exchange

Have taken grants to consider running an exchange

Already running its own exchange

Rejected federal funds for exchange



Source: Dept. of Health and Human Services

The Wall Street Journal

# HIX Implementation so Far

## Marketplace Models:

- **State-based Marketplace Model** – All core functions of the Marketplace are operated by the state. For Plan Year 2014 – HHS approval was required by January 2013. (14 states)
  - SHOP Only Rules finalized in August 2013, permitted states to implement a state-based SHOP Only Marketplace model (Utah and Mississippi)
- **Consortium or Regional Marketplace Model** – More than one state partner together to establish an exchange that serves the population of participating states. (None implemented yet).
- **State Partnership Marketplace Model** – States may elect to participate in the Federally-facilitated Marketplace model but retain and operate certain functions of the Marketplace. Primary example would be the state retaining the functions of plan management and consumer assistance and eligibility and enrollment managed by the FFM. (6 states)
- **Federally-Facilitated Marketplace Model** – HHS operates all functions of the Marketplace for states who have opted to not implement a State-based Marketplace.

# HIX Implementation so Far

## Marketplace Models:

State-based Exchange	State Partnership Exchange	Federally-Facilitated Exchange
<p>State operates all Exchange activities; however, State may use Federal government services for the following activities:</p> <ul style="list-style-type: none"> <li>● Premium tax credit and cost sharing reduction determination</li> <li>● Exemptions</li> <li>● Risk adjustment program</li> <li>● Reinsurance program</li> </ul>	<p>State operates activities for:</p> <ul style="list-style-type: none"> <li>● Plan Management</li> <li>● Consumer Assistance</li> <li>● Both</li> </ul> <p>State may elect to perform or can use Federal government services for the following activities:</p> <ul style="list-style-type: none"> <li>● Reinsurance program</li> <li>● Medicaid and CHIP eligibility: assessment or determination</li> </ul>	<p>HHS operates; however, State may elect to perform or can use Federal government services for the following activities:</p> <ul style="list-style-type: none"> <li>● Reinsurance program</li> <li>● Medicaid and CHIP eligibility: assessment or determination</li> </ul>

\* State Partnership Model is unavailable to new states for plan year 2015

# HIX Implementation so Far

## State-based Marketplaces:

State	2014	2015
Arkansas		X
California	X	
Colorado	X	
Connecticut	X	
Hawaii	X	
Idaho		X
Kentucky	X	
Maryland	X	
Massachusetts	X	
Minnesota	X	

State	2014	2015
Mississippi*	SHOP	
Nevada	X	
New Mexico	SHOP	X
New York	X	
Oregon	X	
Rhode Island	X	
Utah*	SHOP	
Vermont	X	
Washington	X	
Washington, DC	X	

\* SHOP Only Marketplace models

# State of the States

## Enrollments by State:

Location	Marketplace Type	Individuals Eligible to Enroll in a Marketplace Plan	Eligible to Enroll with Financial Assistance	Determined Eligible for Medicaid/CHIP*	Individuals who Selected A Plan
<b>United States</b>		<b>8,751,907</b>	<b>5,246,641</b>	<b>4,377,932</b>	<b>4,242,325</b>
California	State-based	1,190,260	897,256	11,360,001	868,936
Florida	Federally-facilitated	990,455	621,139	124,363	442,087
Georgia	Federally-facilitated	341,650	181,790	62,162	139,371
Illinois	Partnership	246,188	151,238	131,995	113,733
New York	State-based	533,948	258,556	310,645	244,618
North Carolina	Federally-facilitated	390,925	251,953	55,691	200,546
Pennsylvania	Federally-facilitated	349,151	195,218	32,793	159,821
Texas	Federally-facilitated	758,344	414,272	94,954	295,025
Virginia	Federally-facilitated	251,566	133,492	33,897	102,815
Washington	State-based	197,220	117,751	628,893	107,262

# State of the States...and FFM

## Federally-facilitated and State Based Marketplaces

- Operational and enrolling consumers
  - Not without “bumps” in the road; fixes are being put in place

HHS/State	Vendor	Status
Federally-facilitated	CGI	HHS replaced CGI with Accenture
Hawaii	CGI	Fixing deficiencies.
Maryland	CGI	HHS Inspector General is reviewing MD's Marketplace
Massachusetts	CGI	Ending contract with CGI.
Minnesota	Maximus	Procuring an external Project Management Office to oversee stabilization.
Oregon	Oracle	<i>CoverOregon</i> leadership replaced; external report analyzed project deficiencies.
Vermont	CGI	Fixing deficiencies.

- Lessons learned can be applied to 2015 and beyond
  - Aggressive timelines put pressure on quality – establish acceptance criteria up front.
  - Keep it simple – less is more.
  - Test, test, and test again.



# State of the FFM

## What's planned for 2014

- **Premium Rate Updates** – The system functionality that would allow carriers to adjust premium rates during the plan year is expected to be implemented by the 3<sup>rd</sup> quarter 2014.
- **SHOP Employee Choice** – In the fall of 2013, HHS announced Employee Choice in the FFM SHOP Marketplace has been delayed to plan year 2015.
- **Transition of Grandfathered Plans Extended** – States have the flexibility to extend transition of Grandfathered Plans for plan year 2015.  
<http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2014-Fact-sheets-items/2014-03-05-2.html>
- **Relief for Residents of States experiencing Technical Difficulties** – HHS released guidance on Feb. 27, 2014, that in “exceptional circumstances”, consumers may receive retro-active coverage and Marketplaces may pay carriers APTCs/CSRs retroactively. <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/retroactive-advance-payments-ptc-csrs-02-27-14.pdf>

# HIX: What's Next in 2015?

## Upcoming Implementations

- SHOP 2015 FFM Implementation
  - There will be implementation issues to resolve
  - Offering of multiple plans and premium aggregation may be a challenge
  
- Reconciliation of the expected Advance Premium Tax Credit (APTC) and Cost-sharing Reduction (CSR) expected amounts with actual amounts
  - Initial iterations and reconciliations may be difficult
  - The FFM premium transaction (820) requires manual processing (password protected Excel spreadsheet) for CSR expected amounts
  
- Edge Server software for Risk Adjustment program not yet operational
  - The longer the delay, the more data that must be reconciled
  - First quarter data submission may be “bumpy”

# CMS Rule Changes for 2015

## Benefit and Payment Parameters for 2015

- **HHS Notice of Benefit and Payment Parameters for 2015 (45 CFR Parts 144, 147, 153, et al.) Final Rule, March 11, 2014**
  - Changes the annual open enrollment period for the 2015 benefit year to begin on November 15, 2014 and extend through February 15, 2015
  - New Blueprint Timelines: Allow more time to transition into a State-based Marketplace after 2014 by moving the date a State must have an approved or conditionally approved Blueprint in place back from January 1st to June 15th for the following year. The 2015 Blueprint application will be due on June 1, 2014
  - Decreases the reinsurance attachment point and collects the reinsurance contribution amounts in the last quarter of the calendar year
  - <http://www.gpo.gov/fdsys/pkg/FR-2014-03-11/pdf/2014-05052.pdf>

# CMS Rule Changes for 2015

## **NPRM: 2015 Exchange and Insurance Market Standards**

- The rule would require navigators and assisters to get authorized before accessing consumers' personal information, require that they get recertified at least annually and subject them to monetary penalties for failure to comply with federal requirements
- It would also increase the administrative profit floor and cost ceiling for qualified health plans by 2 percent each, among other policy changes
- <https://www.federalregister.gov/articles/2014/03/11/2014-05052/patient-protection-and-affordable-care-act-hhs-notice-of-benefit-and-payment-parameters-for-2015>

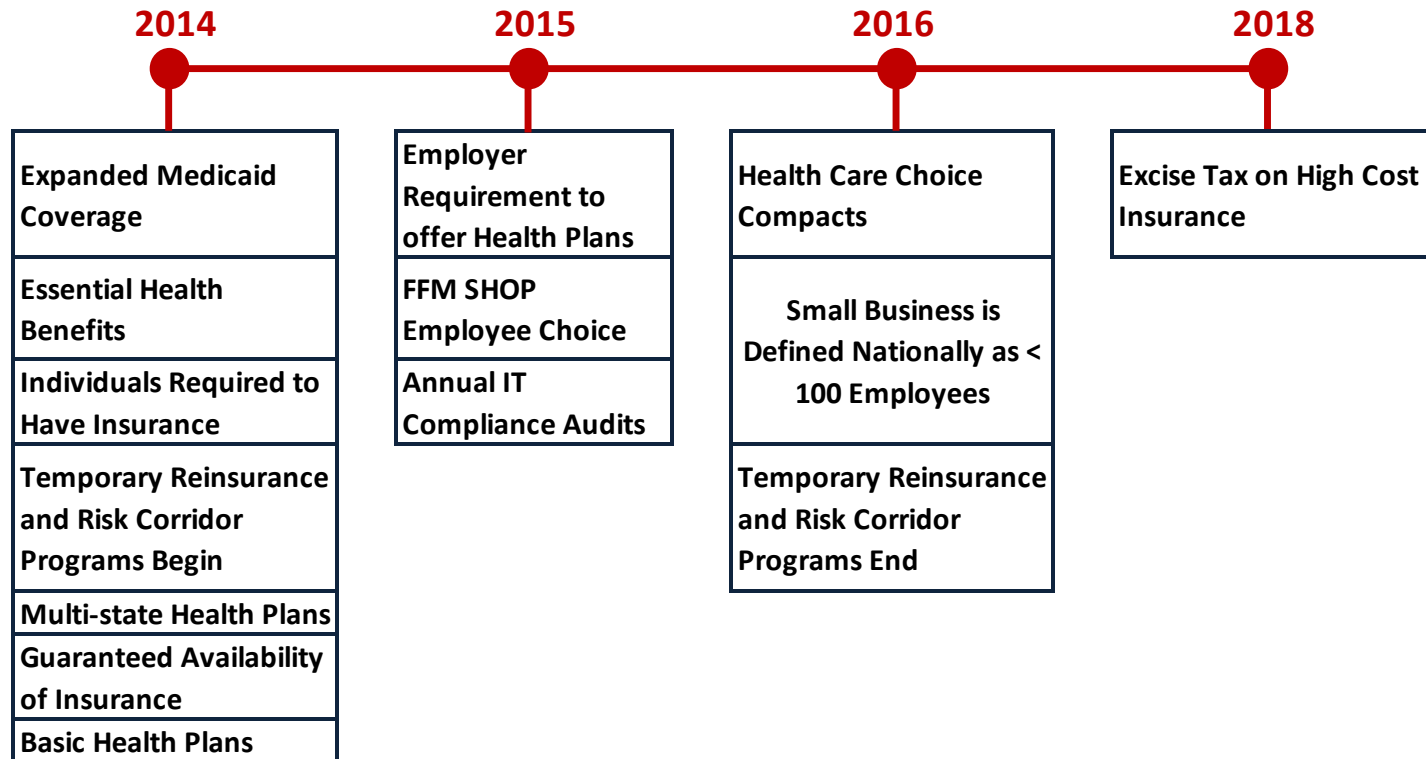
# CMS Changes for 2015

## Recent CMS Rules and Guidance

- **2015 Letter to Issuers in the Federally-facilitated Marketplaces (final March 14, 2014)**
  - QHP Issuers required to submit a provider list that includes all in-network providers and facilities for all plans; CMS will review to evaluate provider networks using a “reasonable access” review standard, and will identify networks that fail to provide access
  - States may choose to follow suit at their discretion
  - <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2015-final-issuer-letter-3-14-2014.pdf>

# HIX: What's Next?

## Timeline:



# Questions and Answers

