

Health Insurance Exchange – Research and Evaluation

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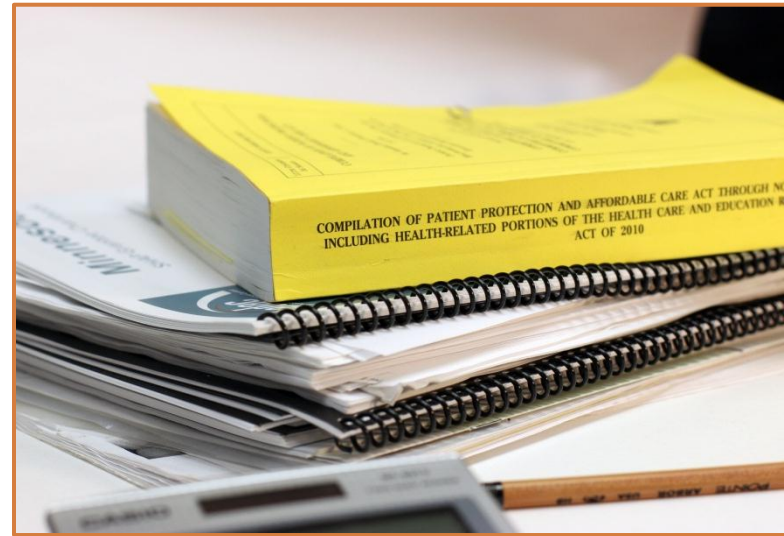
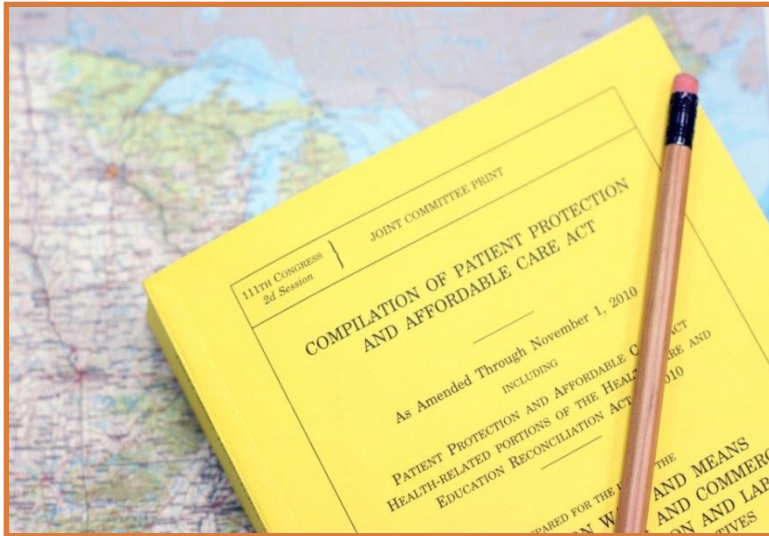
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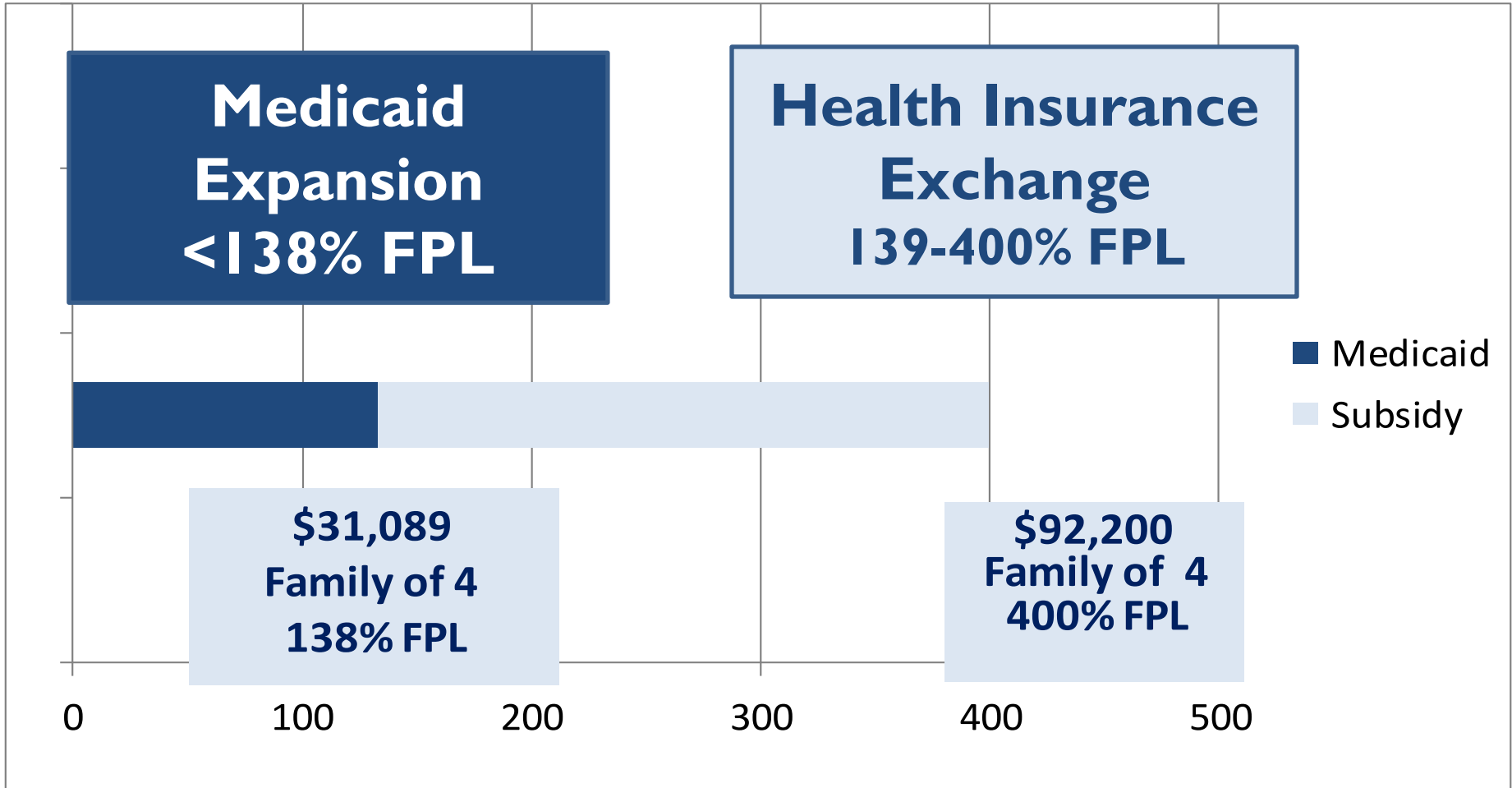
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Overview

- MN State-Based Exchange
- Overview of Minnesota Individual and Small group markets *(Data from MDH Health Economics Program)*
- Research/Evaluation Topics – Data Sources



Coverage Expansion Categories



2012 Federal Poverty Guideline for a family of four = \$23,050

Target Population for Exchange

1. Those who purchase coverage in the individual market

-No offer of affordable employer-sponsored insurance no ESI)

2. Small employers who want to offer coverage

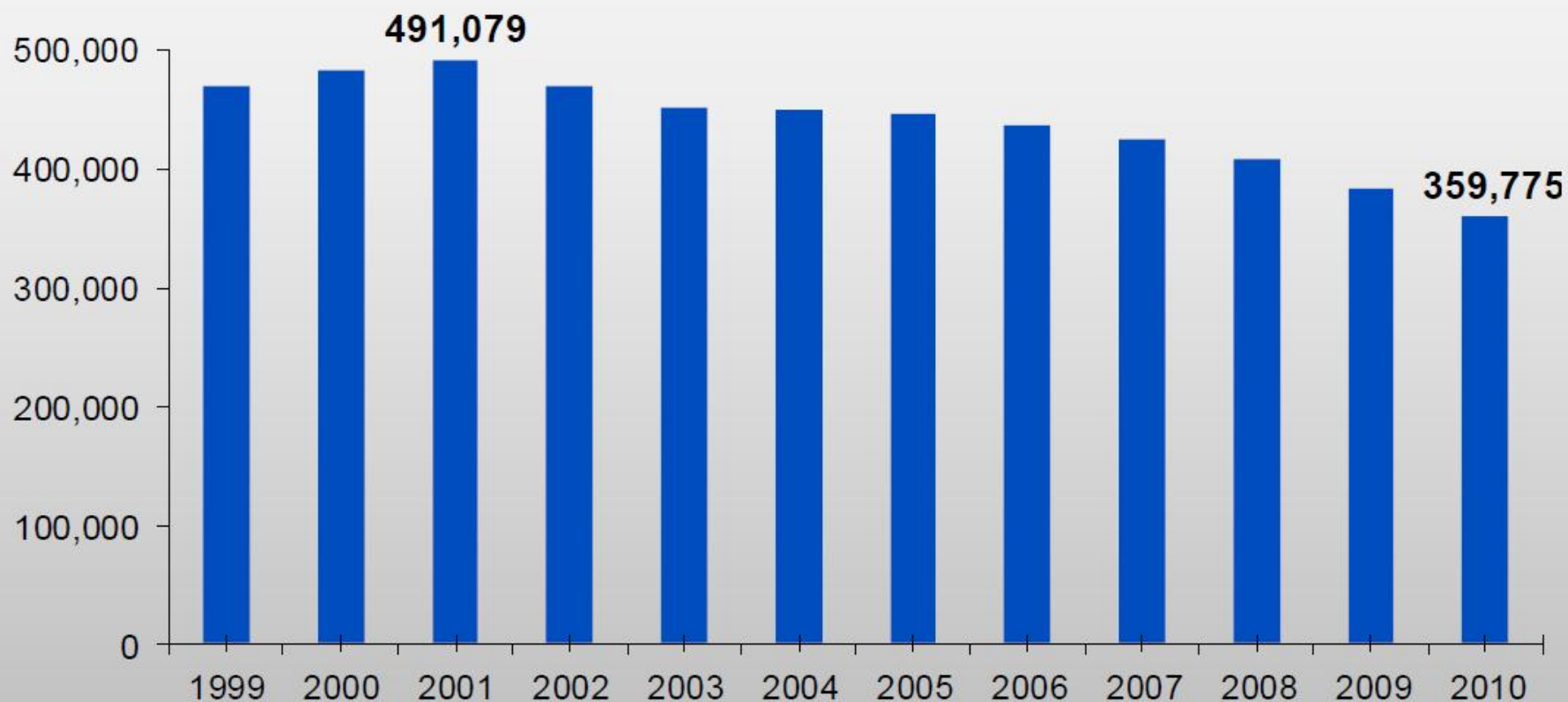
- <50 employees (<100 in 2016)

- Sliding scale tax credits (100-400% FPL)

- These two groups don't have same leverage as large employers when purchasing coverage*
- Apx 12% of MN population gets coverage in these market now -- Plus new populations include currently uninsured*



Enrollment Trends in Minnesota's Small Group Health Insurance, 1999 to 2010

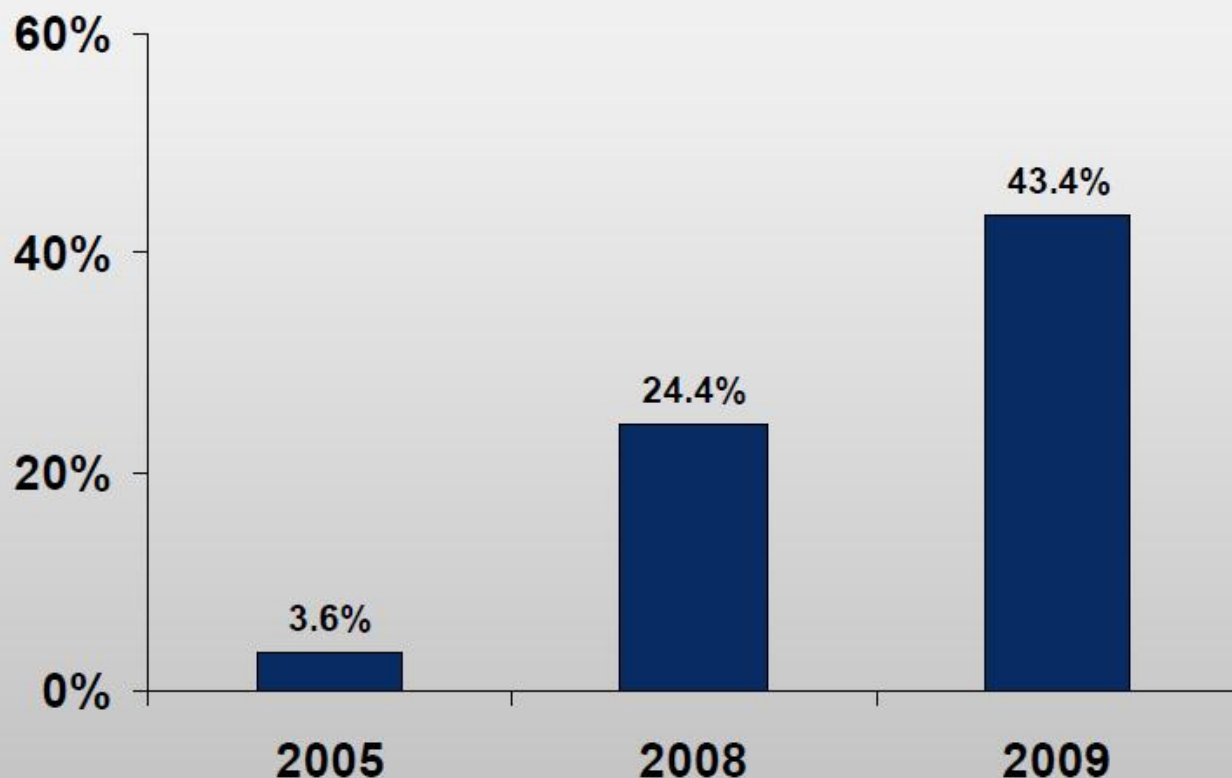


Fully Insured market only

Source: MDH, Health Economics Program; estimates based on data from various sources.

Small Group Market Enrollment in High Deductible Health Plans with Savings Option, 2005 to 2009

(by share of total enrollment)

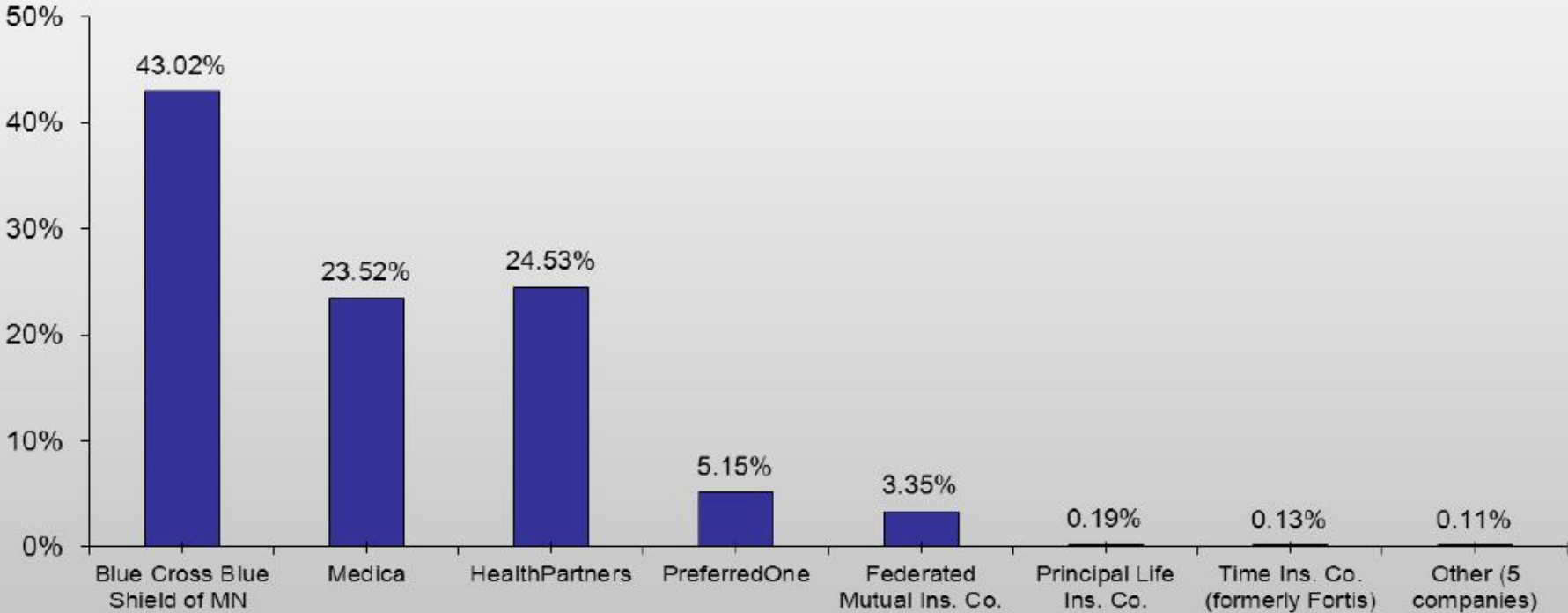


Qualified High Deductible Health Plan enrollment must meet the minimum deductible guidelines for the calendar year, as determined by the Internal Revenue Service (for 2009 the minimum deductible is \$1,150), and be paired with (or have the option to pair with) a Health Savings Account.

Source: MDH, Health Economics Program

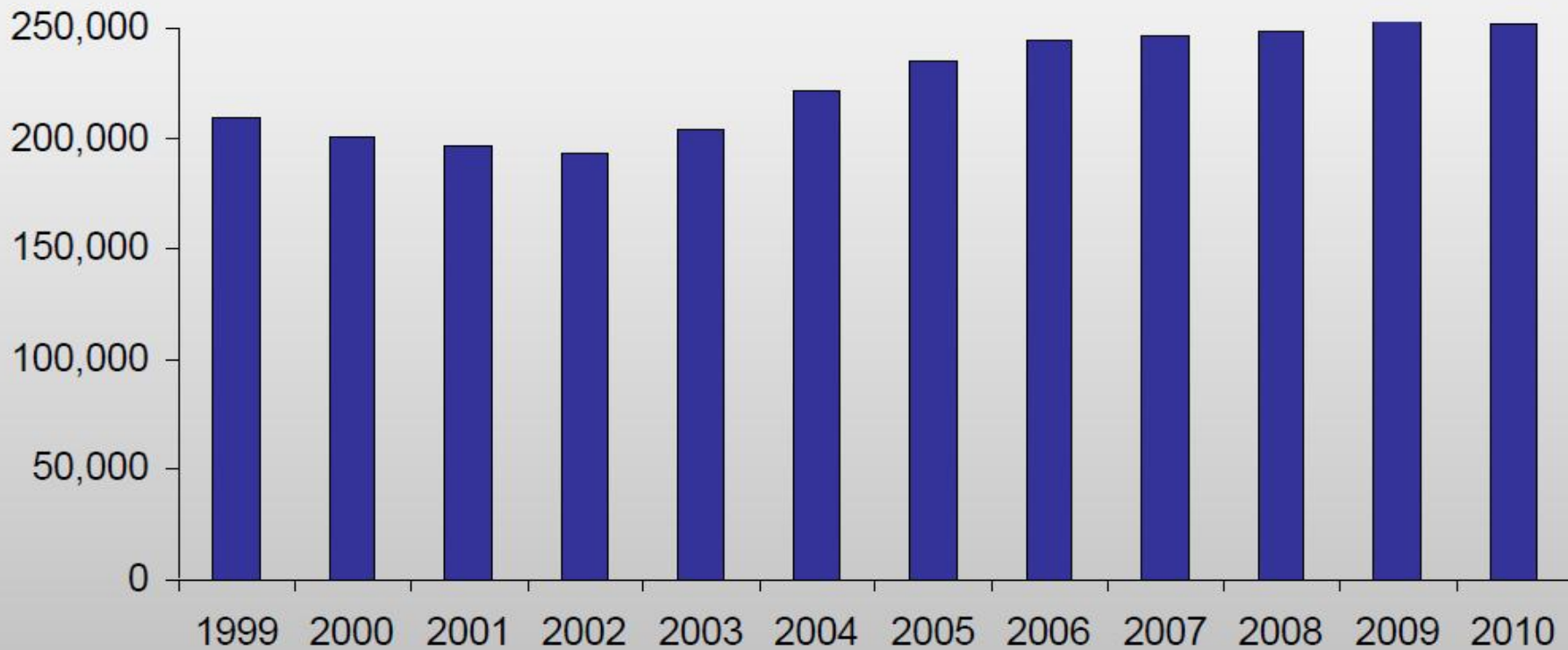
Health Plan Market Shares: Small Group Market, 2010

Total Premium Volume in 2010: \$1.49 Billion



Companies with common ownership were treated as one entity. For example, Blue Cross Blue Shield of MN includes Blue Cross Blue Shield of Minnesota and Blue Plus. Market shares based on premium volume; fully insured market only.
Source: Minnesota Department of Commerce, "Report of 2010 Loss Ratio Experience in the Individual and Small Employer Health Plan Markets for: Insurance Companies Nonprofit Health Service Plan Corporations and Health Maintenance Organizations," June 2011.

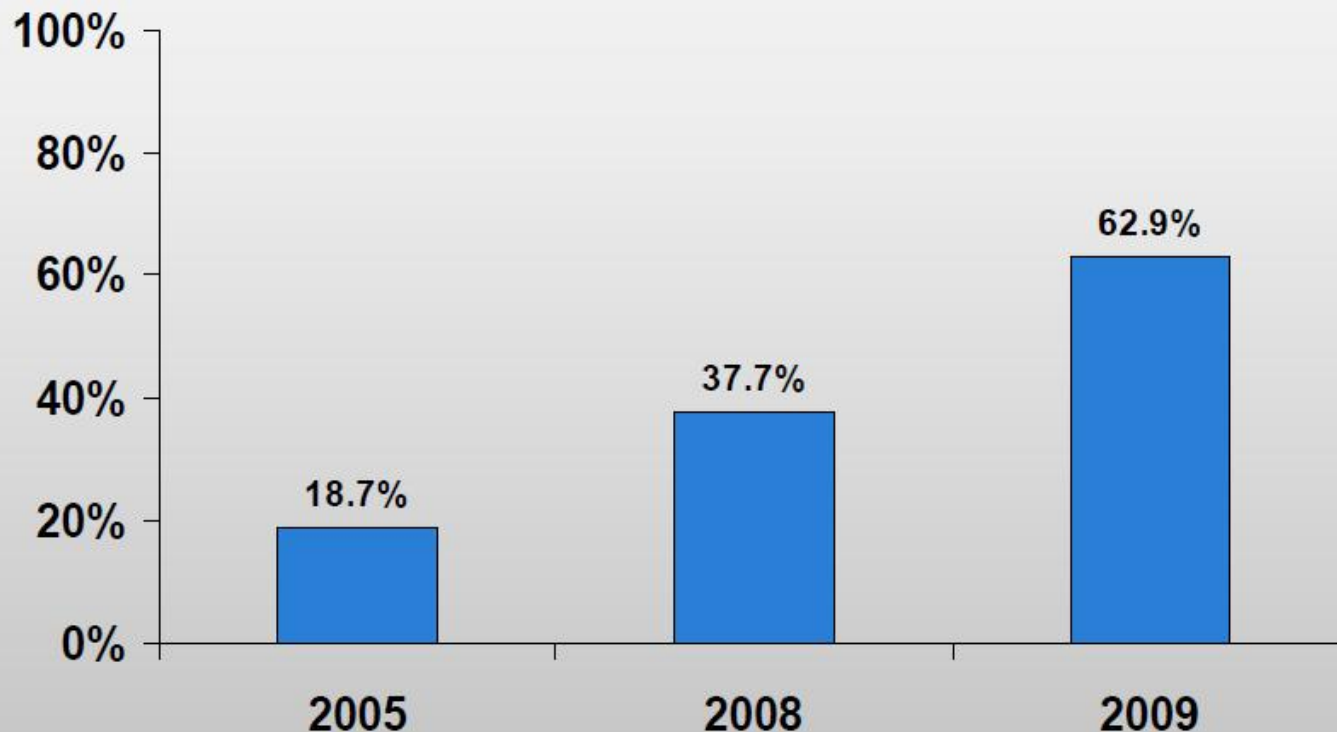
Enrollment Trends in Minnesota's Individual Market, 1999 to 2010



Source: MDH, Health Economics Program; estimates based on data from various sources.

Individual Market Enrollment in High Deductible Health Plans with Savings Option, 2005 to 2009

(by share of total enrollment)

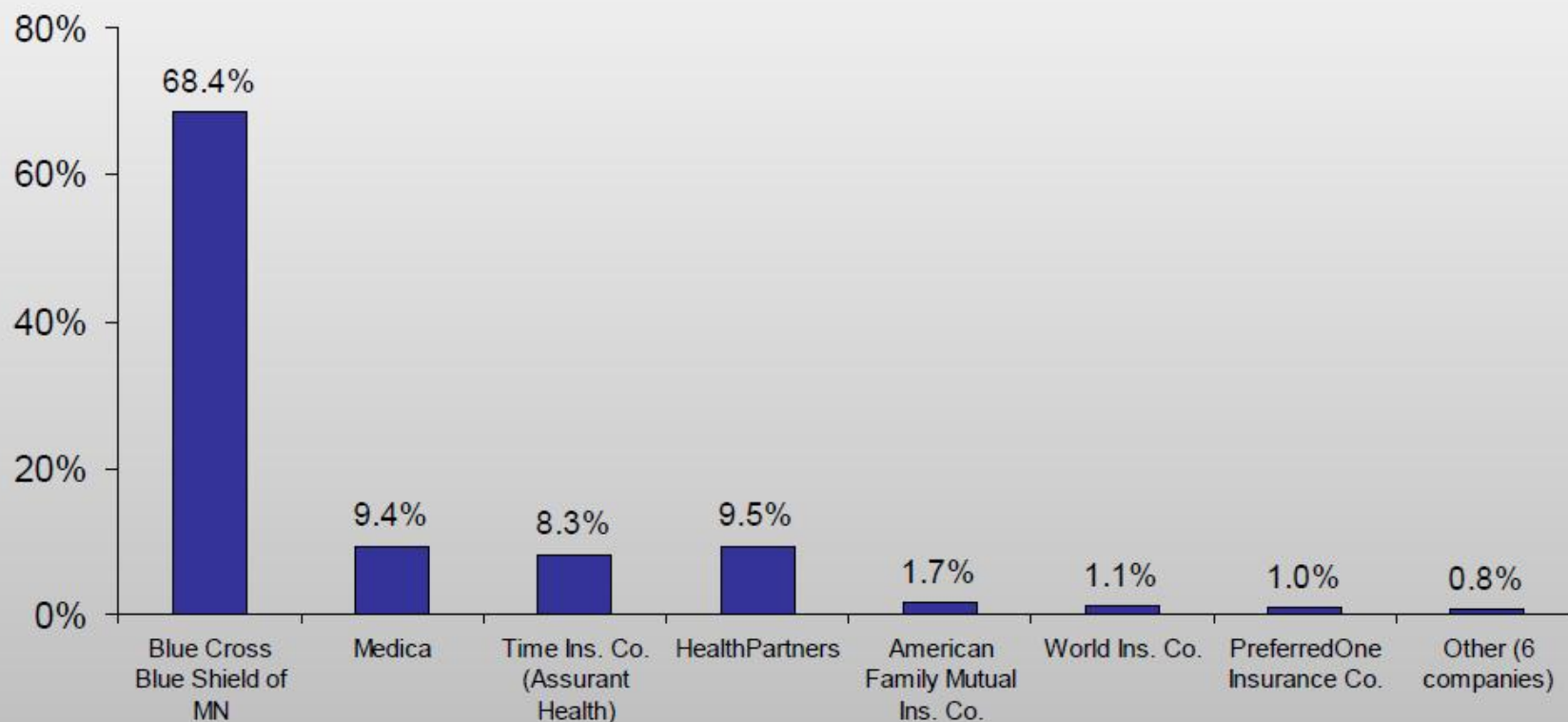


*Qualified High Deductible Health Plan enrollment must meet the minimum deductible guidelines for the calendar year, as determined by the Internal Revenue Service (for 2010 the minimum deductible is \$1,200), and be paired with (or have the option to pair with) a Health Savings Account. In the 2009 survey firms did not reliably report on HSA pairing, therefore the portion of HDHP plans was determined using only the IRS minimum deductible guideline.

Source: MDH, Health Economics Program

Health Plan Market Shares: Individual Market, 2010

Total Premium Volume in 2010: \$648 Million



Note: Companies with common ownership were treated as one entity. Market shares based on premium volume; fully insured market only.
Source: Minnesota Department of Commerce, "Report of 2010 Loss Ratio Experience in the Individual and Small Employer Health Plan Markets for: Insurance Companies, Nonprofit Health Service Plan Corporations, and Health Maintenance Organizations," June 2011.

Things we are thinking about...

1. 3M early retiree policy – *effective 12/31/2014*

- Transition Credits - \$300 per month
- Find a plan in the Individual Insurance Exchange
- Get reimbursed up to \$300/month for monthly premiums you are paying for a plan you purchased in the Individual Insurance Exchange

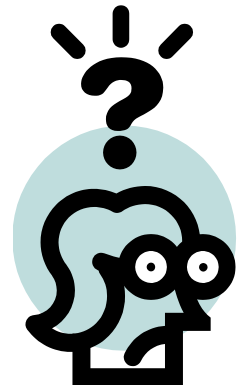
2. Moving MCHA into the Exchange*

- Pent up demand (*2/3 in high deductible plan*)
- Adverse selection (*average age 52, 65% with 4+ conditions*) after federal reinsurance provisions
- Disruption in coverage (*1/5 enrolled 10 yrs or more*)




More...

3. Making sure there is enough primary care capacity for expansion coverage and by urban/rural
 - *MN at 142/100,000 (nat'l average 120/100,000)**
4. Remaining uninsured and stability of safety-net
 - *Estimated 210,000 people uninsured*
5. What the premiums will be in the exchange and will be they low enough for young, healthy people to sign up?
 - How many willing to pay the penalty;
 - 2014 - \$95 (*for each adult*)
 - 2015 - \$325;
 - 2016 - \$695



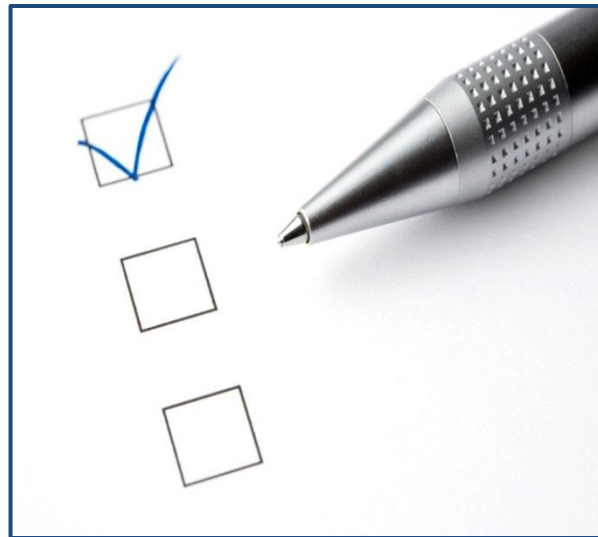
Why will premiums go up for young and healthy?

- No more health status rating for premiums – sick and healthy must be rated the same
- Age rating is limited 3:1
- The High Deductible Plans (\$5,000 and \$10,000) will not meet out-of-pocket limitations – these are the cheapest plans on the market

 Plans may offer **catastrophic coverage** but only to enrollees **under the age of 30** or those who would **otherwise be exempt** from the requirement to purchase coverage because the premium exceeds 8% of their income.

- coverage level would be set at the HSA current law levels except that prevention benefits and coverage for three
- primary care visits would be exempt from the deductible.

SOME PRELIMINARY RESEARCH/EVALUATION QUESTIONS AND POTENTIAL DATA SOURCES



*Based on SHADAC work of Julie Sonier, Elizabeth Lukanen, and
Lacey Hartman for the CA HealthCare Foundation*
<http://www.shadac.org/publications/framework-tracking-impacts-aca-in-ca>

Distribution of Health Insurance Coverage

Employer-sponsored/in out of exchange

Nongroup/in-out of exchange

Public (MinnesotaCare, Medicaid, other)

Uninsured

Data Sources

- MN Health Care Access Survey
- Current population survey
- American Community Survey
- Commerce department filings
- Exchange administrative data
- DHS administrative data
- Other?

Health Insurance Exchange Operations

Number of people purchasing nongroup coverage through exchange (with and without subsidies)

Percent of nongroup market purchasing through exchange

Number of employers and people with group coverage through exchange

Percent of small group market purchasing through exchange

Data Sources

- New administrative Exchange data reporting
(SHADAC Monthly Decision Metrics Report)
- Commerce department filings
- State and Federal Household and Employer Surveys
- MEPS-IC adding new exchange questions *(we think...)*

Barriers to Care

Percent of people who forgo needed care

Reasons for forgone care

Percent of people not able to an appointment with a doctor in a timely way

Percent of people who had difficulty finding a provider that would accept new patients

- Primary care
- Specialty care

Percent of people who had difficulty finding a provider that would accept their insurance

- Primary care
- Specialty care

Data Sources

- MN Health Care Access Survey (*July 2013*)
- Behavior Risk Factor Surveillance System (BRFSS)
- Pooled years of National Health Interview Survey?
- Other?

Access: Use of Service Measures

Percent of people with a usual source of care

Type of place for usual source of care

Percent of people with a doctor visit in the past year

Percent of people with a preventive care visit in the past year

Data Sources

- MN Health Care Access Survey (*July 2013*)
- Behavior Risk Factor Surveillance System (BRFSS)
- Other?

Provider-Based Measures

Percent of physicians accepting new patients, by payer

- Primary care
- Specialty care

Percent of physicians participating in public programs

- Primary care
- Specialty care

Emergency room visit rates

Ambulatory care sensitive hospital admissions

Preventable/avoidable emergency room visits

Data Sources

- New questions on provider licensing forms?
- HRSA Area Resource File (ARF)
- Hospital-discharge data files (MN-specific)
- National Plan and Provider Enumeration System
- Other?

Safety Net Measures

Volume and type of services provided by safety net clinics

Uncompensated care

County indigent care volume and cost

Data Sources

- FQHC Uniform Data System (UDS)
- Hospital Cost Reports - HCCIS
- HCMC administrative/budget documents
- Other?

Figure 1: Summary of Decision Support Metrics for Health Insurance Exchange Operations

Access & Enrollment

1. **Applications.** Number of individuals who start applications, whether completed or not.
2. **Unsuccessful Applications.** Number of individuals who complete applications for coverage but do not obtain coverage.
3. **Enrollment.** Number of individuals enrolled in coverage through the exchange.
4. **Disenrollment.** Number of individuals disenrolled from coverage.
5. **Seamless coverage transitions.** Number of individuals transferring from one type of coverage to another by the following month.
6. **Retention.** Number of individuals who have been continuously enrolled in the same or different program for 6, 12, or 18 months.

Affordability

1. **Enrollees receiving subsidies.** Number of individuals receiving premium and cost sharing subsidies.
2. **Premium cost.** Average annual premiums before subsidies.
3. **Effective premium cost.** Average contribution to annual premiums.
4. **Subsidy value.** Average value of premium and cost sharing subsidies for individuals.
5. **Affordability index.** Metric incorporating plan value, plan cost less subsidy, and income.

Consumer Assistance

1. **Application processing time.** Elapsed time between “first” point of contact with exchange and eligibility determination.
2. **Consumer appeals and resolutions.** Number and type of appeals filed with the exchange and their resolutions.
3. **Composite satisfaction measure.** Measure combining multiple dimensions of individual consumer satisfaction.
4. **Volume and efficiency metrics.** For navigator/assister functions, web portal online help and service center operations.

Health Plan Management

1. **Qualified Health Plans.** Number of QHPs offered through the exchange.
2. **Certifications and de-certifications.** Number of certifications, de-certifications and reasons.
3. **Average risk scores.** Average risk scores for individuals enrolled in coverage through the exchange.
4. **Average rate changes.** Average rate increases for QHPs.

Exchange Financial Management

1. **Average plan reimbursement.** Average per member per month premium paid to QHPs.
2. **Plan assessment fees.** Total issuer fees due to the exchange.
3. **Financial solvency projections and break-even analysis.**
4. **Plan reimbursement ratio.** Total reimbursement to plans as a percent of annual exchange expenditures.
5. **Reserves ratio.** Reserves as a percent of annual exchange expenditures.

Contact Information

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