May 20th, 5:00 PM - 7:00 PM


Jay S. Himmelstein
University of Massachusetts Medical School

Michael A. Tutty
University of Massachusetts Medical School

Scott Keays
University of Massachusetts Medical School

Follow this and additional works at: http://escholarship.umassmed.edu/cts_retreat

Part of the Finance and Financial Management Commons, Insurance Commons, and the Management Information Systems Commons

This work is licensed under a Creative Commons Attribution-Noncommercial-Share Alike 3.0 License.

University of Massachusetts Medical School - Center for Health Policy and Research
Jay Himmelstein, MD, MPH, Michael Tutty, MHA, MS, and Scott Keays, MPH

Achievements as of 2010
- 98.1% of adults and 99.8% children insured after 3 yrs
- Of newly insured, 25% private pay
- 98% compliance (taxpayer filings)
- 59% - 75% voter approval rating
- Established functioning health insurance exchange (HIX)

Massachusetts Insurance Exchange

- Provides standardized shopping experience for individuals and small businesses
- Makes insurance affordable by direct application of subsidies for eligible residents earning below 300% of Federal Poverty Level (FPL)

2006 Massachusetts Health Reforms

2010 Affordable Care Act

Coverage Expansions:
- Medicaid expansion to <133% of FPL
- Insurance subsidies (as advanceable tax credits) to <400% of FPL
- Individual mandate like MA
- Insurance Market Reforms
- Requires all states to establish insurance exchanges

Establishing State Based Exchanges

Center for Consumer Information and Insurance Oversight (CCIO), established in CMS, to provide States with resources for implementing exchanges:
- MA Connector Authority awarded $1 million for policy and planning
- UMass Medical School was awarded $35,591,333 to establish New England States Collaborative For Insurance Exchange Systems (NESCIES)

Core Functions of ACA Mandated Exchanges

1. Eligibility and Enrollment
   - Employer enrollment in an Insurance SHOP Exchange
   - Individual enrollment in a qualified health plan offered through the insurance exchange
   - Integration with Medicaid and CHIP

2. Plan Management
   - Plan certification, recertification and decertification
   - Issue contracting
   - Plan rating

3. Financial Management
   - Premium determination including premium tax credits and cost sharing
   - Plan assessment, reinsurance, risk adjustment, and risk corridors functions
   - Individual insurer reconciliation

4. Customer Service
   - Manage responses to information requests and requests for service
   - Efficient distribution/management of requests across phone, web, paper, and face-to-face

5. Communications
   - Communications and outreach strategies; content and messaging
   - Measurement/reporting of communication effectiveness

6. Oversight
   - Federal oversight of Exchange operations
   - Insurance Exchange management and operations
   - Certifying exemptions from mandate

Massachusetts Exchange Vision

<table>
<thead>
<tr>
<th>Massachusetts Today</th>
<th>Massachusetts 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium subsidies for legal residents earning between 0% and 300% FPL</td>
<td>Tax credits for legal residents earning between 133% and 400% FPL</td>
</tr>
<tr>
<td>Premium subsidies managed by “Connector”</td>
<td>Tax credits managed by the Internal Revenue Service (IRS)</td>
</tr>
<tr>
<td>3 benefit tiers (Bronze-Gold) and Young Adult Plans</td>
<td>4 benefit tiers (Bronze-Platinum) and Catastrophic Plans</td>
</tr>
<tr>
<td>Benefit plans defined by MA minimum creditable coverage; fully-insured products</td>
<td>Federal essential benefits package</td>
</tr>
<tr>
<td>“Connector” collects premiums and pays health plans</td>
<td>Federal law suggests that individuals pay health plans directly minus tax credits</td>
</tr>
<tr>
<td>“Connector” sustained by administrative fee</td>
<td>Sustainability model yet to be determined</td>
</tr>
</tbody>
</table>

Health Reform 2014

Project Status
- Completed 2 federally mandated “gate” reviews – Architecture and Project Baseline Review
- Business Process Redesign (BPR) underway to identify gaps and create a blueprint for the exchange to meet 2014 goals
- Analyzing and updating policies on state level to comply with federal ACA
- Working with New England states to identify and develop reusable technology components

Potential Research Questions
- Consumer characteristics impact on health plan benefit design and plan selection
- Understanding and optimizing consumer’s health plan “purchasing” decision
- Plan selection/benefit type impact on general and specific clinical outcomes
- Effect of HIX design (e.g. active vs. passive) and functionality (e.g. active consumer support) on system outcomes (e.g. affordability, availability, take-up, etc.)

Acknowledgements
Funding for NESCIES comes from the CMS Center for Consumer Information and Insurance Oversight (CCIO) CFDA No. 93.525. The NESCIES project is a collaborative effort with:

And the State health and human services agencies in: Connecticut, Maine, New Hampshire, Rhode Island, and Vermont

For detailed project information, please visit www.nescies.org
Or contact jay.himmelstein@umassmed.edu