

Vermont Exchange Advisory Group Meeting 10
March 19, 2012
MINUTES

Present: Peter Sterling and Donna Sutton Faye (VT Campaign for Health Care Security), Trinka Kerr (VT Health Care Ombudsmen), Catherine Hamilton (Blue Cross and Blue Shield of Vermont), Sonia Tagliento (MAXIMUS), Chris Rice (McLean, Meehan and Rice), Theo Kennedy (Otis and Kennedy), Jill Olson (Vermont Association of Hospitals and Health Systems), George Richardson (Vermont Dental Society) William Martin (Downs, Rachlin and Martin), Jill Sudhoff-Gueria (KSE); Abe Berman (Vermont Managed Care), Barbara Beaty (Hewlett Packard), April Tuck (CHSI), Craig Fuller (Keller and Fuller), Meg O'Donnell (FAHC), Tom Rugg (HB Benefits), Bill Little (MVP), Senator Claire Ayer, Dale Hackett (self), Susan Barrett and Danielle Hibbard (Bi-State Primary Care), Joshua Slen (Molina Health Care), Dr. Julia McDaniel (McDaniel Chiropractic), Representative Michael Fisher, Dr. Tim Tanner, (Northern Counties Health Care), Cheri L'Esperance (William Shouldice and Associates), Scott Deluca (Oracle), Betty Morse (Vermont Family Network)

Staff and consultants: Lindsey Tucker and Betsy Forrest, (Department of Vermont Health Access, DVHA) Robin Lunge (Agency of Administration), Nolan Langweil (Joint Fiscal Office), David Martini, (BISHCA), Dr. Karen Hein and Spenser Wepler (Green Mountain Care Board) Brendan Hogan (Bailit Health Purchasing)

I. Welcome and Introductions - Lindsey Tucker and Robin Lunge opened up the meeting and asked that the group introduce themselves.

II. Updates

a) General

H.559 went through Senate Finance and Senate Appropriations.

b) Final Exchange Rules Issues

Robin walked the group through the PowerPoint *Final Exchange Rules: Preliminary Review*.

The final rules issued on March 12, 2012 incorporated two sets of proposed rules:

1. Exchange establishment proposed rule (issued on 7/15/11)
2. Exchange eligibility proposed rule (issued on 8/17/11).

The rule is 644 pages long with 24,000 comments (nearly 2,000 of which were substantive) and the Federal government responded to many but not all of Vermont's comments.

These final rules are not completely final because some sections of the rules were issued as interim final; the federal government will allow more comments on the interim final sections until May 11, 2012 (45 days from the actual federal register publishing date of March 27, 2012).

The areas that are still considered interim include:

- Ability of state to permit agents & brokers to assist individuals in applying for assistance
- Medicaid and CHIP regulations
- Options for conducting eligibility determinations
- Eligibility standards for cost-sharing
- Timeliness standards for eligibility determinations
- Verification for applicants with special circumstances
- Timeliness standards for transmission of information for administration of advanceable premium tax credits and cost-sharing reductions
- Agreements between agencies administering insurance affordability programs.

Vermont may submit additional comments, but needs to further review the rules and make a decision as to which areas, if any, warrant additional comments.

Areas which had unanswered questions included:

- How to measure the quality of Qualified Health Plans
- What will be involved in the exchange appeals process

HHS overview of the rule:

- Granted states flexibility in Exchange design

Many decisions left to state Exchanges, and Exchange plans won't face as rigorous a review as Medicaid state plans do.

- Differences from proposed rules:
 - States can have HHS determine eligibility for subsidies
 - States can have Medicaid agency determine eligibility for Medicaid/CHIP
 - States cannot allow insurance agents to determine eligibility for subsidies, but agents can assist with health plan options
 - HHS can grant conditional approval (in January 2013) to states that show they are likely to be fully operational by October 2013; (for example, if the state can show they are 90% ready.)
 - Rules make it clear that states should not have duplicative claims systems.
- States must adopt conflict of interest standards and be clear about what a Broker can do either as a broker or as a navigator. If a broker becomes a navigator for small group members, they would not be able to be compensated as a broker. It is unclear whether commissions could be paid to brokers who serve large groups. This may be a question that the state asks in the next round of comments to the Federal Government.
- The eligibility system needs to be seamless. The system will have tax information and will tell applicants the amount of their modified adjusted gross income (or MAGI) so a subsidy level may be

calculated. Applicants must have the option to apply in person, as well as by web portal, phone, and mail.

- The initial enrollment period for exchange plans was expanded to October 1, 2013 through March 31, 2014. Annual enrollment every year after 2013 will occur from October 15 to December 7 for an effective date of January 1.
- States are allowed to add and define exceptional circumstances to the special enrollment reasons list.
- A question was raised about Catamount members whose enrollment ends July 2013. The state will need to work with insurance companies to plan when individual members renew policies to align them with the Exchange enrollment.
- H.559 will need to have language added that speaks more specifically about group insurance transitional provisions.
- An employee whose employer drops coverage will have access to a special enrollment period.
- The federal rule states that if a small employer grows beyond 50 employees, the employer may stay in small group employer coverage.
- Navigator fees are allowed for small group employers but not for large group employers.
- Premium bills for the exchange will likely be monthly, and the exchange will need to aggregate premiums for employees into one bill to the employer.
- Question was asked about what happens if an employee leaves employment. The employer would need to do what they do today, which is notify the insurance company, and in the future it would also involve notifying the exchange.
- The difference between the active purchaser model and the any willing provider model is similar to comparing Massachusetts to Utah. Massachusetts is an active purchaser and they have more standardization of plans. Utah is an any-willing-provider model and they have less standardization of plans.
- Additional rules will be sent out by the Federal Office of Personnel Management about the multi-state plans. Governor Shumlin sent a letter to the Office of Personnel Management saying that the multi-state plans should be on a level playing field with plans that operate just in individual states.
- No changes in vision coverage requirements.

c) **Benefit Analysis** - Additional refinement of the benefit analyses was completed. Specific requests for information regarding Mental Health and Substance Abuse services and coverage for MVP, BCBSVT, and the State of Vermont Employee's Plan were sent to Trinkia Kerr at the Health Care Ombudsmen Office and Floyd Nease at the Vermont Association for Mental Health. If others have questions about this please contact Lindsey Tucker directly at Lindsey.tucker@state.vt.us

Wakely Consulting is asking for more data from plans and will continue to work on preparing for actuarial analyses.

III. Medicaid Advisory Board and Exchange Advisory Committee Merger (Lindsey Tucker)

Lindsey led the group in a discussion about the merger process. The two boards need to merge by July 2012. The board needs to include a representative from large employers and brokers, (although the broker role could be filled by a different statutorily required board member.)

IV. Exchange Planning Timeline and Process (Lindsey Tucker)

Lindsey walked the group through the handout *Vermont's Level 1 Exchange Establishment Grant Exchange Design and Development 11/29/11-11/28/12*. The State is contracting with 5 different contractors to assist with a variety of tasks in 2012. (See list below)

Questions, Answers and Discussion that occurred are noted next to each contractor.

Vermont's Level 1 Exchange Establishment Grant Exchange design and development 11/29/11-11/28/12

Contractor #1: Wakely Consulting Group

- Specifications for call center changes
- Design of financial functions
- Plan for financial sustainability
- Recommendations on program integrity improvements
- Recommendations for staffing levels and Exchange organization chart
- Design Exchange evaluation process
- Draft Level 2 grant application
- Design for SHOP function (Small Business Health Options)
- Recommendations for individual and employer responsibility determinations
- Review of business process flows for enrollment
- Analyses of impacts on private insurance market
 - Market impact of employer decisions to drop coverage
 - Market impact of employer decisions to self-insure and recommendations for mitigating trend
 - Survey of benefits offered in existing high-deductible plans in the Vermont small group health insurance market and their relation to federal cost-sharing requirements
- Recommendations on risk-leveling programs
- Design of certification process for Qualified Health Plans (QHPs)
- Process for customer satisfaction surveys
- Recommendations on QHP plan designs (cost-sharing at various metal levels)

Wakely staff, working with staff from Joint Fiscal Office, Agency of Administration, and Department of Vermont Health Access will help the state develop a financial sustainability plan for the exchange beyond 2014. Wakely staff will not need to immediately focus on the exchange evaluation work as CMS has indicated evaluations of Exchanges won't occur until 2016. Wakely staff will assist the state by drafting the Level 2 Grant application. The Level 1 Grant application that was submitted to CMS allowed the state to receive over \$18 million in planning funding for 2012. The Level 2 Grant application would authorize states to receive implementation funding that would be spent in 2012 through 2014.

Contractor #2: Pacific Health Policy Group

- Development of integration plan
- Development of administration simplification strategy

Contractor #3: GMMB

- Design of navigator program
- Development of strategic plan for outreach and education
- Stakeholder engagement

GMMB is a Washington DC-based firm that will assist the state with the navigator program, outreach and education, and stakeholder engagement. The link to their website is: <http://www.gmb.com/>

Contractor #4: University of Massachusetts

- Design for a quality rating system for QHPs
- Recommendations for wellness programs

Contractor #5: Bailit Health Purchasing

- Design and implementation of payment reform pilot projects

Lindsey asked people to fill out a form called *Vermont's Level 1 Exchange Establishment Grant: Exchange Design and Development, 2012 Exchange Advisory Board Engagement*.

Meeting participants indicated on the forms whether they wanted to be involved in the 2012 areas of work involving contractors:

Pre-Work conversation

Draft Review

Final Review

Or none of the above (don't know or don't care)

Marissa will tabulate the results and people will be contacted about future meetings and subgroup meetings.

V. Public Comment

A comment was made that we should recognize that the merger of the two boards is important, but also be mindful of the low-income focus of programs that serve vulnerable Vermonters now and in the future.

VI. Next Steps

Next meeting is April 30, 2012, from 1-3.