Affordable Insurance Exchanges: Plan Management Partnership Guidance

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS for MEDICARE and MEDICAID SERVICES
Center for Consumer Information and Insurance Oversight

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Overview

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  - State Partnership Exchange activities
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Plan Management Partnership Goals

Goals of the State Plan Management Partnership Exchange include:

- Build on the traditional state role in regulating its insurance market.
- Allow the state to tailor qualified health plan choices for the Exchange in that state.
- Allow states planning to transition to a State-based Exchange (SBE) in later years to take on Plan Management functions as soon as they are ready.
- Ensure market parity inside and outside the Exchange and guard against adverse risk selection within the Exchange.

Plan Management Partnership Definition

- Partnerships are Exchanges where HHS leverages state expertise and local market knowledge to efficiently operate functions of the Exchange.
  - States with State Partnership Exchanges may use Exchange grant funding for state activities to establish the Partnership Exchange functionality.
  - Under the framework established by Affordable Care Act, HHS is responsible and accountable for ensuring the Exchange meets all applicable standards.
- In the Plan Management Partnership, the state recommends QHPs and collects a standardized set of data from the QHPs to plug into the Federally-facilitated Exchange's eligibility and enrollment functions.
- Note that states with State Partnership Exchanges may also elect to perform certain consumer assistance Exchange functions, which HHS will describe in a separate presentation.

Plan Management Partnership Definition Continued

- The state performs Plan Management functions including:
  - Recommendation of plans for QHP certification, recertification, and decertification, and data transmission to HHS for display
  - Collection and analysis of issuer and plan rate and benefit package data for development of recommendations to HHS
  - QHP issuer account management, monitoring, and oversight activities
- The minimum state responsibilities in a State Partnership Exchange associated with these Plan Management functions are presented in slides 7-8. Note that HHS will provide tools and standards to assist states with these topics.

Plan Management Partnership Definition Continued

HHS:

- Receives and reviews state recommendations regarding QHP certification, recertification, and decertification, as well as certain other activities
- Establishes and maintains Exchange Internet website
- Conducts eligibility and enrollment activities
- Oversees consumer assistance functions (if not selected by the state in a State Consumer Partnership Exchange)
- Coordinates with the state regarding QHP oversight, including consumer complaints and enrollment reconciliation
- Operates the risk adjustment program

Plan Management Partnership: Activities related to QHP Certification

QHP Certification Standard	State Partner Activity during QHP Certification Process
Licensure and Solvency	Verify licensure, solvency, and good standing with state DOI or collect documentation from issuer.
Service Area	Verify that each service area meets geographic standards set forth in Exchange final rule and is non-discriminatory (for example, service areas of at least an entire county).
Network Adequacy	Develop a process for evaluating network adequacy consistent with Exchange final rule that includes one of the following: current or proposed state network adequacy review, accepting attestation from an accredited issuer, or requiring issuer to submit a network adequacy plan.
Essential Community Providers	• Collect issuer data on essential community providers (ECPs) included in network. • Verify whether the issuer's network meets the regulatory standard consistent with FFE policies and a reasonable interpretation of the regulation.
Marketing Oversight	Accept issuer attestation of compliance with regulation (note that Exchange final rule defers to existing state marketing laws) and conduct post certification monitoring.
Accreditation	• Ensure compliance with proposed accreditation timeline (see slide 12). • Collect and verify information on issuers' existing accreditation during issuer application period for use in determining if QHP meets accreditation requirement.

Plan Management Partnership: State Partner Activities related to QHP Certification - continued

QHP Certification Standard	State Partner Activity during QHP Certification Process
Meaningful Difference	Ensure QHP applications are "substantially different" from issuer's other applications so that consumers are not likely to have difficulty distinguishing among the issuer's offerings.
Essential Health Benefits Standards	Confirm that the QHP complies with standards for the provision of essential health benefits consistent with federal rulemaking.
Actuarial Value and Cost Sharing Reductions	• Verify that the QHP meets applicable actuarial value standards and cost-sharing reduction requirements, consistent with federal rulemaking. • Verify QHP issuer will provide cost-sharing reductions to eligible individuals consistent with federal rulemaking.
Discriminatory Benefit Design	Conduct plan-level analyses targeting areas where discrimination would most likely occur, consistent with applicable regulations, to ensure that issuers do not employ benefit designs that discourage enrollment of individuals with significant health needs.
Rate Increases	Consider all rate increases.

Proposed Timeline for Accreditation in an FFE and State Partnership Exchange

Certification/ Re-certification Year *	QHP Issuers Without Existing Accreditation	QHP Issuers With Existing Commercial/Medicaid Accreditation in the State
Year 1 (2013)	Schedule or plan to schedule accreditation review	Existing accreditation accepted
Years 2 and 3 (2014 & 2015)	QHP policies and procedures must be accredited	Existing accreditation accepted if accredited policies and procedures comparable to QHP
Year 4 (2016)	QHP issuer must be accredited in accordance with 45 CFR 156.275	

* Timeline subject to final rulemaking on 45 CFR 155.1045

Plan Management Partnership: Issuer and Plan Data Collection

- HHS is working with the National Association of Insurance Commissioners to:
  - Enable states to use the System for Electronic Rate and Form Filing (SERFF) as part of the QHP submission and certification process in a Plan Management Partnership, and
  - Ensure SERFF collects the full list of data elements necessary for QHP certification, and supports data transmissions between SERFF and HHS.
- States with a State Partnership Exchange will:
  - Complete data collection and QHP certification recommendations, and
  - Remit the specified plan data and recommendations via SERFF or HIOS to HHS by July 31, 2013.
- States will work with HHS to provide necessary issuer information to the FFE, including support for an issuer data verification process.

Plan Management Partnership Timeline

2012-2013	Plan Management State Partner Activity
Aug. 2012-Feb. 2013	Participate in design reviews under § 1311(a) cooperative agreements, as applicable
Late 2012-Early 2013	• Identify entity performing Plan Management Partnership functions and governance structure • Submit evidence of legal authority to perform plan management functions • Develop: o Procedures for oversight and monitoring of QHPs o Plan for supporting issuers and providing technical assistance o Approach for QHP issuer recertification, decertification, and appeal of decertification determinations
Feb. 15, 2013*	• Last date to submit declaration letter indicating that the state plans to pursue a Partnership Exchange (same for State Consumer Partnership Exchange). • Last date for state to submit a request to amend its § 1311(a) cooperative agreement to address state responsibilities and performance in connection with the Exchange Establishment Cooperative Agreement, if necessary (same for State Consumer Partnership Exchange).

*Projected date

Plan Management Partnership Timeline - continued

2013	Plan Management State Partner Activity
Late March/ April 2013	Suggested start to the QHP certification submission process.
May-June 2013	Participate in consultations with HHS to ensure successful operation of the QHP certification process.
July 31, 2013*	Complete the QHP certification process and send final recommendations and QHP data to HHS.
August 2013	Plan preview period on HHS web portal to address any issuer data errors.

*Projected date

HHS Review of QHP Recommendations in a State Partnership Exchange

- HHS will discuss with each state in a State Partnership Exchange how the state plans to review potential QHPs against each certification standard.
- HHS will negotiate a state-specific MOU based on the state's approved Blueprint for a State Partnership Exchange. The MOU will include some discussion of how the state will review QHPs for certification.
- HHS will create a framework to increase the likelihood that HHS will approve the recommendations.
- States and HHS will coordinate regarding plan oversight based on established responsibilities.

Alternatives to State Partnership Exchange in an FFE

In states not in a State Plan Management Partnership Exchange –

- HHS intends to:
  - Build on the role of state DOIs in regulating health insurance
  - Minimize duplication of effort
  - Clearly delineate roles and responsibilities
- Consistent with state and federal law, the state may elect to:
  - Conduct reviews of issuer compliance with federal market reforms such as rate increase reviews, rating reforms, essential health benefits and actuarial value standards, etc. as part of the state's form and rate filing requirements or through other state enforcement activities.
  - Make recommendations to HHS about certain QHP certification standards (e.g. network adequacy) that are closely related to state market-wide standards for individual and small group insurance.

States and HHS: Process for Working Together outside of a State Partnership Exchange

- HHS will define the FFE standard for reviewing plans against each QHP certification standard.
- If HHS has determined that a state has employed a reasonable interpretation of the FFE standard, the state reviews will be used by HHS during QHP certification.
- Similar to Partnership, HHS will also consider alternate approaches to state reviews on a case-by-case basis.
- HHS will consult with states to identify areas in which a state's planned review can be considered a reasonable interpretation of the federal standard.
- States using this review process will need to submit review results into HIOS by July 31, 2013 for use in the FFE QHP certification process.

Federal Resources to Support States

- HHS will publish analytic tools to help states apply a reasonable interpretation for each QHP certification standard.
- For example, HHS intends to develop a drug list count service that states could use to evaluate compliance with EHB standards.
- HHS will provide technical assistance to states, issuers, and other stakeholders on these tools and resources.

Next Steps

- HHS will work closely with states to identify the state path (e.g., formal State Partnership Exchange; specific reviews that the state will conduct outside of a Partnership Exchange).
- HHS will continue to reach out to states and other stakeholders to receive input on Partnership Exchanges.
- HHS encourages states to reach out to their HHS state officer with specific questions.