



## Health Reform Bulletin

### Week of October 1, 2012

*A new poll released last week shows that while voters remain split on their opinion of the Affordable Care Act (ACA) a clear majority believe it is here to stay. The [Associated Press-GfK Group poll](#) found that seven in 10 Americans believe the health reform law will remain in effect, with some changes possible. Only 12 percent expect the ACA to be repealed. But that does not mean it will be smooth sailing from here on in for the ACA. Many states appear likely to continue to refuse to form state-based health insurance exchanges and expand Medicaid eligibility as encouraged by the ACA. Also, new data released by the [Health Care Cost Institute](#) last week show that medical prices are again accelerating, and the number of uninsured is rising. The trends will challenge the Obama administration's efforts to expand coverage to 30 million more Americans, one of the goals of the ACA.*

### States

**Health and Human Services (HHS) announced last week that five states plus Washington, D.C., are receiving almost a combined \$225 million in new health insurance exchange grants.** Arkansas, Colorado, Kentucky, Massachusetts, Minnesota and Washington, D.C., all previous recipients of multimillion dollar exchange grants, will receive additional federal support to continue building their new marketplaces.

The biggest award went to the District of Columbia, which received a \$73 million multi-year award. Massachusetts, which has had an operating exchange since 2007, received \$41.7 million to help its marketplace adjust to the ACA. The other awards include: Arkansas, \$18.6 million; Minnesota, \$42.5 million; Colorado, \$43.5 million; and Kentucky, \$4.4 million.

**ARIZONA: The Grand Canyon Institute, a bipartisan think tank, [released a report](#) supporting Medicaid expansion to 133 percent of the federal poverty level as a viable option for Arizona.** The study compared three options: maintaining the status quo with its freeze on coverage for childless adults; a return to the state's pre-ACA coverage of childless adults to 100 percent of FPL; and full expansion to 133 percent of FPL. Full expansion would generate a federal match of about \$8 billion against a state expenditure of \$1.5 billion through 2017. In addition, the report estimates that 21,000 jobs would be created. Continuing its opposition to all aspects of the ACA, the conservative think tank The Goldwater Institute issued a policy brief arguing against any Medicaid expansion. Governor Jan Brewer continues to seek input from stakeholders prior to making a decision, but House Speaker Andy Tobin has already voiced his opposition to an expansion.

**CALIFORNIA: The California Health Benefit Exchange is requesting comments by week's end on its draft of the Qualified Health Plan solicitation issued last year.** A large



portion of the draft solicitation consists of questions from the eValue8 Health Plan Request for Information (RFI). However, in an attempt to reduce the reporting burden, the California Exchange solicitation does not include all questions from the full RFI. The draft solicitation also includes general information on the solicitation process, letters of intent and the evaluation process. It outlines the technical requirements including regulatory compliance, technical specifications, and exchange requirements for plan network design and the quality improvement strategy.

**CONNECTICUT: The Connecticut Health Insurance Exchange board last week voted to approve its Essential Health Benefits (EHB) package. The state's EHB will consist of the ConnectiCare HMO including the pharmacy rider, supplemented by the pediatric dental benefits of the Husky CHIP program and the pediatric vision benefits of the federal employee program FEDVIP.** There was a lengthy discussion by the board about whether these benefits will result in increased premiums, with some members of the board suggesting that the EHB package be revisited in future years. The board also approved a \$70 million fiscal year 2013 budget for the exchange, which includes nearly \$50 million for its systems integration vendor.

**DISTRICT of COLUMBIA: Having just reconvened for its Fall session, the District Council is expected to debate numerous bills that include consumer protections, telemedicine and prior authorization legislation.** The council is expected to debate exchange implementation legislation as the exchange board moves forward with critical decisions on the market structure. Notably, a decision is pending on whether the exchange should be the sole

marketplace for individual and small group health insurance plans for the district.

**KANSAS: The Department of Insurance issued a letter to Governor Sam Brownback last week presenting its analysis for the Kansas Essential Health Benefits (EHB) benchmark plan. The DOI is recommending that the governor choose the largest small group plan, by enrollment – the Blue Cross Blue Shield of Kansas Comprehensive Plan.** The DOI cited the plan's good balance of cost and benefits, Blue Cross' large presence in Kansas and expectations that the selection would cause the least disruption in the marketplace. If the state fails to make a proactive choice, this plan would also be the federal default choice. The plan does not include the required pediatric oral and vision benefits, so the DOI recommends that it be supplemented by adopting those benefits currently provided in the Kansas CHIP rather than relying on the HHS default. The letter also noted that the habilitative benefits required by the ACA are missing in all Kansas plans. The DOI is still awaiting further guidance from HHS on how to resolve the issue. Beginning in 2014, all health plans sold through the exchange and in the market outside the exchange must contain the benefits included in the benchmark plan established for the state.

**MAINE: With the state not yet committing to development of an exchange, consumer groups and health care advocates met last week with the insurance superintendent and Governor Paul LePage's top health adviser to discuss a federal exchange default scenario.** Mitchell Stein, policy director of Consumers for Affordable Health Care in Maine, said he was not concerned about which benchmark the state winds up with because the benefits don't vary much across the ten possible plans. The bigger concern, he said, is how much



flexibility the federal rules are likely to allow in the development of plans. Specifically, concerns are focused on the final regulations with respect to equivalence and insurance companies' ability to change the final benchmark.

**NEBRASKA: Though the state lacks exchange implementation legislation, the Department of Insurance recently updated the state's providers and brokers that it has been planning for a state-based exchange. Under current plans, an exchange would operate as a division of the state Department of Insurance.** The state plans to develop a single exchange that services the individual and small employer markets. However, the risk pools would remain separate. Also of note, the exchange does not plan to limit the number of qualified health plans. Finally, brokers will get their own web portal with a separate telephone number for contacting the call center. Currently, the department is preparing an RFP to procure the exchange's IT system, and an RFP was issued last week to operate the exchange web portal. Interested parties have until October 10 to notify the department of their intent to bid on the project.

**NEW HAMPSHIRE: The Legislative Joint Healthcare Reform Oversight Committee has selected the Matthew Thornton Blue plan as the essential health benefits package for coverage offered through the health insurance exchange.** Committee Chairman Rep. John Hunt noted concerns over the process and is reviewing the committee's work. Under the ACA pediatric dental care must be covered as part of health insurance benefits. Hunt expressed concern that this new federal mandate will undermine local businesses that provide dental coverage and could cost the granite state many jobs.

**NEW YORK: The exchange leadership team recently convened the five Regional Advisory Committees in separate meetings across the state to seek stakeholder input and insight into the broad array of policy options under consideration.** Consumer groups continued to voice support for choosing a benchmark plan with expansive coverage options, while business groups continued to voice concern about policy choices that could increase the cost of coverage. The meetings were widely attended and covered topics ranging from various insurance reforms to whether the state should mandate a standard plan design in each metal tier. The exchange team advised that the state will be meeting with HHS in mid-October for a readiness review. While they were not prepared to announce a decision on a benchmark plan, they did announce their intentions to meet the October 1 deadline.

**VERMONT: The Department of Vermont Health Access (DVHA) continues to educate Vermonters through a series of public forums about the state's new health benefits exchange, scheduled to launch in late 2013.** Concluding in October, the four recent sessions covered topics that included the essential health benefits required of all health plans participating in the exchange, subsidies that will be available to Vermonters, and the exchange website. Vermont has identified its standard health and cost sharing plan design as well as limited choice options that will be available in addition to the standard plans.

*Courtesy of Aetna Health Reform Weekly*

