IMPLEMENTING A STATE-BASED SHOP:
The Utah Experience

Presented to
National Conference of State Legislatures'
Task Force on Federal Health Reform Implementation
by
Representative Jim Dunnigan
Co-chair of the Utah Legislature's Health Reform Task Force

August 19, 2014
Avenue H is *Home-grown*

- **The result of *state* health reform**
  - Created in 2009, prior to passage of the ACA
  - Pilot program in 2010
  - Full Launch in 2011
  - Upgraded annually

- **Goals**
  - Reduce ESI overhead for employers
  - Increase availability of affordable plans for employees
Features

- Pre-ACA
  - Transparency (plans, providers, and insurers)
  - Competition
  - Online shopping and enrollment tools
  - Defined contribution
  - Employee choice
  - Single, consolidated invoice
Features

- **Post-ACA**
  - Pre-ACA features retained
  - Certified as an ACA compliant SHOP exchange
    - Modified community rating
    - Qualified health plans (with essential health benefits)
    - Small employer tax credit
    - Transitional relief plan renewals through October 1, 2016
## Participation

- **3 medical insurers**
  - 74 plans
    - 9 bronze
    - 35 silver
    - 30 gold

- **3 health savings account options**

- **7 dental insurers**
  - 48 plans
Participation

Employer Groups

<table>
<thead>
<tr>
<th>Total</th>
<th>Size (Average)</th>
<th>Employer Contribution (Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>481</td>
<td>8.32</td>
<td>$435/month</td>
</tr>
</tbody>
</table>

Enrollees

<table>
<thead>
<tr>
<th></th>
<th>Medical</th>
<th>Dental</th>
<th>HSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>4,203</td>
<td>484</td>
<td>923</td>
</tr>
<tr>
<td>Dependents</td>
<td>7,194</td>
<td>760</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11,397</td>
<td>1,244</td>
<td></td>
</tr>
</tbody>
</table>

As of August 1, 2014
Participation

Employer Groups

- Dec-13: 364
- Jan-14: 420
- Feb-14: 427
- Mar-14: 439
- Apr-14: 457
- May-14: 473
- Jun-14: 478
- Jul-14: 476
- Aug-14: 481
Age Distribution

As of January 1, 2014

- Age 0 - 20: 41%
- Age 21 - 30: 16%
- Age 31 - 40: 18%
- Age 41 - 50: 12%
- Age 51 - 60: 10%
- Age 61 +: 3%
Employer Distribution

- Professional Services: 19%
- Construction: 14%
- Health Care: 11%
- Manufacturing: 10%
- Retail Trade: 9%
- Other Services: 9%
- Finance & Insurance: 6%
- Real Estate: 4%
- Transportation: 5%
- Information Technology: 4%
- Educational Services: 3%
- Admin & Support Services: 3%

As of January 1, 2014
# Budget

## FY 2015

### Operations and Maintenance

**Revenue**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$650,000</td>
</tr>
<tr>
<td>Admin Fees</td>
<td>$140,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$790,000</strong></td>
</tr>
</tbody>
</table>

**Expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$575,000</td>
</tr>
<tr>
<td>Contracts</td>
<td>$60,000</td>
</tr>
<tr>
<td>Marketing</td>
<td>$80,000</td>
</tr>
<tr>
<td>Education and outreach/navigator</td>
<td>$75,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$790,000</strong></td>
</tr>
</tbody>
</table>

### Development and Marketing

**Revenue**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level One Establishment Grants</td>
<td>$1,492,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,492,000</strong></td>
</tr>
</tbody>
</table>

**Expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 2 Technology Enhancements</td>
<td>$700,000</td>
</tr>
<tr>
<td>Marketing</td>
<td>$650,000</td>
</tr>
<tr>
<td>Education and outreach</td>
<td>$142,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,492,000</strong></td>
</tr>
</tbody>
</table>

**TOTAL**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$2,282,000</td>
</tr>
<tr>
<td>Expenses</td>
<td>$2,282,000</td>
</tr>
</tbody>
</table>
What's Next

- **Premium aggregation**
  - Multiple employers/employees contributing to a single plan

- **Upgraded Spanish Version**

- **Multiple enhancements for employers and employees, including automated renewal**
Issues Worth Watching

- **Employer eligibility**
  - 51 – 100 employees (optional in 2015; mandatory in 2016)
  - 100+ employees (optional in 2017)

- **Definition of essential health benefits**

- **Creating genuine value for employers and employees**
  - State-based vs. federally-facilitated
  - Public vs. private exchanges
  - Quality, choice, and rates
  - Minimizing administrative costs
Questions or Comments?

Contact Representative Jim Dunnigan
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