The Utah Health Exchange

Ten Lessons Learned from the Utah Experience

Presented by
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Ten Lessons Learned

1. Support and Cooperation Within and Across State Government is Key
2. Begin with the End in Mind
3. Develop a General Timeline
4. Identify Specific Problems to be Addressed
5. Demography is Destiny
Ten Lessons Learned

6. Engage Stakeholders Early and Often and in a Cooperative Dynamic
7. Deadlines Can Be Your Friends
8. Consider A Phased Approach
9. Leverage Existing Resources
10. Commit to Systemic Change

Begin With The End In Mind

Develop a consumer driven health care and insurance market that provides:

- Greater Choice
- Expanded Access
- Individual Responsibility
- Increased Affordability
- Higher Quality
- Improved Health
Develop a General Timeline

1-3-6-10 Plan

- During the 1st year, take specific actions to establish a foundation for future success
- Understand it may take as many as 3 years to fully develop a plan of action
- Focus on 6 critical areas of need
- Further understand it may take as long as 10 years to fully implement reforms

Identify Specific Problems

- Too Many Uninsured
- Employers Dropping Insurance
- Escalating Premium Costs
- Consumers Increasingly Detached from the Market
- Misaligned Incentives
Identify Problems: Escalating Premium Costs

Source: GOPB analysis of data from the Agency for Healthcare Research and Quality Medical Expenditure Survey and Kaiser Family Foundation Annual Employer Benefits Survey

Identify Problems: Consumer Detachment

Source: GOPB Analysis of Centers for Medicare & Medicaid Services, National Health Expenditure Accounts
Identify Problems: Fewer Firms Offering Coverage

Percent of US Firms Offering Health Benefits

Source: Kaiser Family Foundation

Identify Problems: Fewer Firms Offering Coverage

Percent of Utah Firms Offering Health Benefits

Source: Agency for Healthcare Research and Quality Medical Expenditure Survey
Demography Is Destiny

Utah’s Uninsured Population in 2007
- 10.6% rate of uninsured in the state
  - Roughly 300,000 individuals
- Majority were employed
- Many were part-time workers
  - Workforce has a large percentage of part-time workers
  - Many had multiple part-time jobs
- Most worked for small firms
  - Less than 50% of small firms offering health insurance as a benefit
- Many were young immortals
  - Age 18-34

Engage the Stakeholders

2007 Formed Coalitions
- Executive Branch
- Legislative Branch
- Salt Lake Chamber of Commerce
- United Way of Salt Lake

2008 Formed Perspective-Oriented Work Groups
- Community Group
- Business Group
- Hospital Group
- Non-hospital Provider Group
- Insurance Group (carriers and producers)

2009 Formed Task-Oriented Work Groups
- Affordability and Access Group
- Transparency and Quality Group
- Oversight and Implementation Group
Utah Health Exchange Timeline

**March 2008** HB 133 establishes the Utah Health Exchange
- On-line mechanism that allows consumers to compare, shop for, and enroll in a health plan
- Will incorporate All Payer Database so patients may access info about providers
- Includes a multiple source premium aggregator

**March 2009** HB 188 establishes the Utah Defined Contribution Market
- Employer offers a pre-determined level of funding, rather than a pre-determined benefit
- Utah Defined Contribution Risk Adjuster Board established
- Three carriers announce participation in the Exchange (Select Health, Regence BlueCross Blue Shield, Humana)

**August 2009** Utah Health Exchange Limited Launch
- Exchange is open to limited number of small employers (2-50 employees)
- Purpose is to test dynamics of the new defined contribution market as well as the processes of the Exchange technology

**March 2010** HB294 includes provisions intended to correct and enhance the defined contribution market and the Exchange
- Pricing parity between traditional small group market and defined contribution market
- Two additional carriers (Altius, United Healthcare) announce participation in the Exchange (total of 5 carriers)

**April 2010** Large Group Pilot Project launches
- Full year earlier than anticipated, per requests from large employers (50 or more employees)
- Approximately 50,000 covered lives

**August 2010** Full scale launch to all Utah small employers
Leverage Existing Resources

Technology
• Private-sector vendors
  - Enrollment and Plan Selection—bswift, Inc.
  - Financial/Banking Function—HealthEquity, Inc.

Marketing and Outreach
• Chambers of Commerce
• Professional and Trade Associations
• Earned Media

Education and Adoption
• Brokers and Consultants
• Human Resource Managers

Commit to Systemic Change

Six Areas of Emphasis
• Health Insurance Reform
• Personal Responsibility
• Transparency and Value
• Maximize Tax Advantages
• Optimize Public Programs
• Modernize Governance
Advantages of the Utah Health Exchange

**EMPLOYERS**
- Simplified Benefits Management
- Predictable costs
- Expanded Coverage Choices
- Preserve Tax Benefits

**EMPLOYEES**
- Individual Control and Choice
- Pay with Pre-tax dollars
- Plan Portability
- Premium Aggregation

How does the Exchange work?

- **Step 1** - Employer signs up
- **Step 2** - Employee enters information
- **Step 3** - Premiums are generated
- **Step 4** - Employee comparison shopping and open enrollment period
- **Step 5** - Finalize enrollment
- **Step 6** - Plans go into effect on designated date
Employees use the Exchange to begin the health plan selection process.

The Utah Health Exchange is the State’s official hub for all of your health insurance needs.

Use the Exchange to find the individual or family plan that fits your needs. Compare features, prices, and apply for coverage all in one place. Shop now.

If you work for a participating employer, you can use the Exchange to choose from a variety of plan options to get coverage tailored to you and then enroll online. Learn More.

The Exchange can offer comprehensive plan choices to your clients and their employees. Use defined contribution plans to expand your clients' benefits options and your business. Learn More.
The Exchange includes a Premium Aggregator; here, employees may combine contributions from additional sources.

The Exchange provides a tool that helps employees compare health plan options.
1) Employees can narrow down choices or see all available plans. At this stage, employees may:
- filter plans by preference for doctor, hospital, or insurance carrier
- select applicable family status
- opt to display only HSA-qualified health plans
- waive coverage

2) Employees may sort plans according to priorities or preference

3) The employee may choose up to four plans for a more detailed side-by-side comparison

Those plans selected by the employee are displayed in a side-by-side matrix for summary-level or detailed comparison purposes.
Employees may estimate total cost for health care expenditures (premium, deductible, co-pays, etc.) based on each family member’s health status.

Employee chooses a plan
The Exchange provides a tool to help employees track their monthly payroll deduction as they go along in the process.

If the employee selects a qualified HDHP, an HSA option is presented.
Employees are provided with detailed plan cost information, including the total monthly premium, the employer’s monthly contribution, and the employee’s monthly cost.

The employee confirms covered individuals and saves selected plan.

The final step is to simply enroll.

**Similarities: Massachusetts and Utah**

**Massachusetts**
- State-based solution designed to be responsive to state-specific issues, customs, business practices, etc.
- Consumer-centered approach
- Achieved broad, bipartisan consensus supporting the basic reform elements

**Utah**
- State-based solution designed to be responsive to state-specific issues, customs, business practices, etc.
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### Differences: Massachusetts and Utah

#### Massachusetts
- Individual mandate
- Employer mandate
- Government role is contracting agent
- Established Massachusetts Connector Authority with broad regulatory responsibilities
- Acted first on public sector reforms; now rolling out private insurance market reforms

#### Utah
- No individual mandate
- No employer mandate
- Government role is market facilitator
- Regulatory authority strictly limited to establishment of electronic data standards
- Began by implementing private market reforms first; public sector reforms to follow

### Differences: Massachusetts and Utah

#### Massachusetts
- No risk adjustment mechanism included
- Upfront appropriation of $25 million; ongoing funding through retention of a portion of premium
- Staff of approximately 45 employees

#### Utah
- Risk adjustment mechanism established to deal with adverse selection issues
- Upfront appropriation of $600,000; ongoing funding through annual appropriation and technology fees
- Staff of 2 employees
For more information:

Utah Health Exchange
exchange.utah.gov