

Preparing for Health Benefit Exchanges



NCSL Task Force on Federal Health Reform Implementation

Health Provider Panel

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Why are Exchanges Important to Hospitals?

- ❖ **Exchanges will affect health plan-provider contracts and relationships**
- ❖ **Exchanges are important to the longstanding work of hospitals to help uninsured patients gain access to health coverage**



Areas of Concern

- ❖ **Network Adequacy Standards**
- ❖ **Definition of Essential Community Providers**
- ❖ **Clarification of Essential Health Benefits**
- ❖ **Provider and Consumer Representation in Governance and Oversight**
- ❖ **Administrative Burden**



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Network Adequacy

- ❖ **Need strong network standards for Qualified Health Plans (QHP)**
- ❖ **Standards must be clear, with measurable parameters that reflect population and area served**
- ❖ **Should demonstrate sufficient capacity at certification and throughout**
- ❖ **Avoid “shadow” networks that promise access but providers cannot or will not accept new patients**



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Network Adequacy

Recommendations

- ❖ **Ensure sufficient numbers, mix and geographic distribution of providers**
- ❖ **Require plans to notify hospitals and consumers when provider panel changes**
- ❖ **Give enrollees list of participating providers prior to enrollment to enable more informed choices**



Essential Community Providers

- ❖ **States need flexibility to determine essential community providers to ensure access to health care services, especially for vulnerable populations**
- ❖ **Eligibility criteria should be based on population's health care needs**



Essential Benefits

Important that definition of “treatment” include broad range of services that adhere to accepted professional guidelines based on three-pronged approach:

- ❖ Are the benefits responsive to the individual’s needs?
- ❖ Do the benefits take affordability into account?
- ❖ Are the benefits easily understood and transparent?



Essential Benefits

Recommendations

- ❖ Consistent definition of “medical necessity” to ensure responsiveness to individual’s needs
- ❖ Standard baseline of benefits for all plans with affordability governed by cost sharing
- ❖ Clearly stated, transparent rules and decision processes for essential benefits, medical necessity and pre-authorization



Governance and Oversight

- ❖ **Stakeholder perspective important for critical operational decisions**
- ❖ **States should include providers as voting members of exchange's governing body**
- ❖ **Provider participation adds needed expertise for treatment and coverage options**



Administrative Burden

- ❖ **Reduce health care costs by eliminating duplicative and excessive administrative burdens**
- ❖ **Need transparent claims processes to ensure prompt and accurate payments for entire network of providers**
- ❖ **Clearly articulate out-of-network provider processes and monitor utilization by enrollees**



Other State Concerns

- ❖ How will Medicaid enrollment and subsidies be addressed?
- ❖ What are the financing and sustainability strategies?
- ❖ How will subsidies be calculated under federal or hybrid options?
- ❖ Will large insurers dominate new markets or impede competition?



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Thank You



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