

The Utah Health Exchange



Ten Lessons Learned from the Utah Experience

*Presented by
Speaker David Clark
Utah House of Representatives*

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

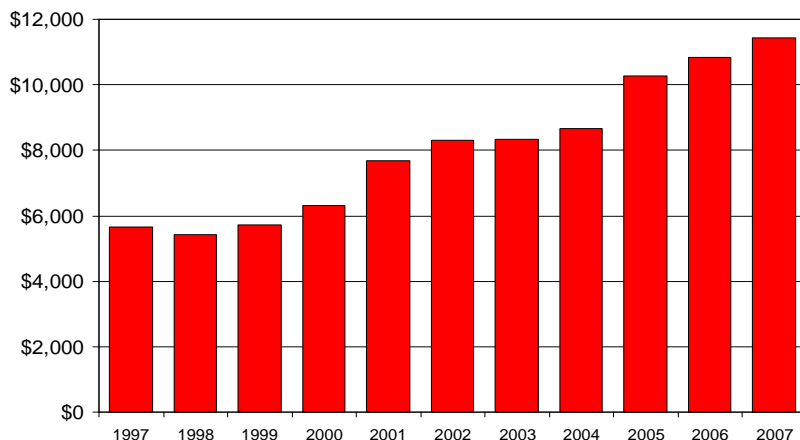
1-3-6-10 Plan

- During the **1**st 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

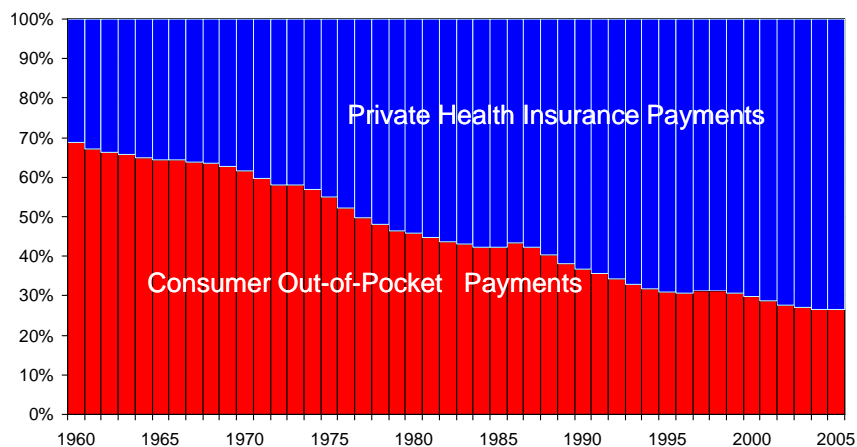
- Too Many Uninsured
- Employers Dropping Insurance
- Escalating Premium Costs
- Consumers Increasingly Detached from the Market
- Misaligned Incentives

Identify Problems: Escalating Premium Costs



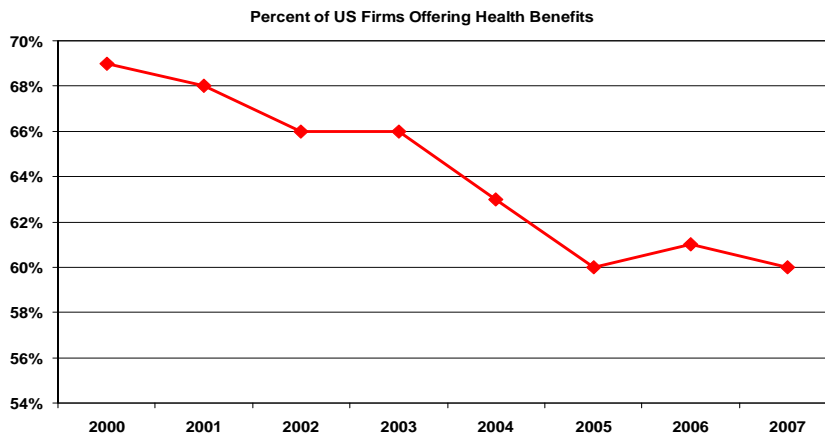
Source: GOPB analysis of data from the Agency for Healthcare Research and Quality Medical Expenditure Survey and Kaiser Family Foundation Annual Employer Benefits Survey

Identify Problems: Consumer Detachment



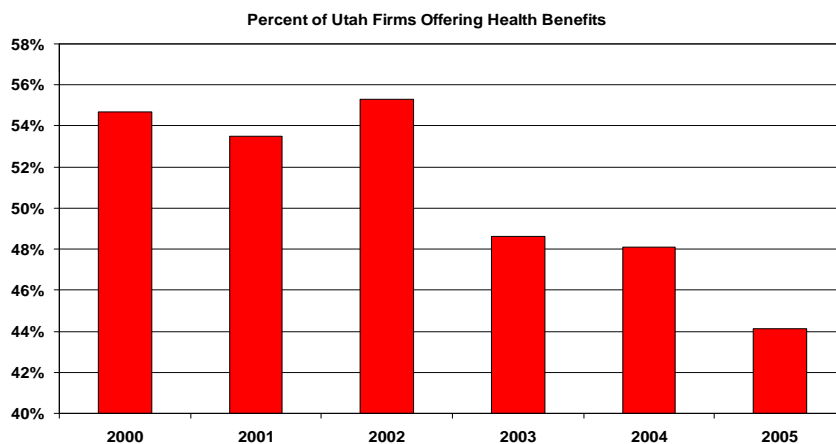
Source: GOPB Analysis of Centers for Medicare & Medicaid Services, National Health Expenditure Accounts

Identify Problems: Fewer Firms Offering Coverage



Source: Kaiser Family Foundation

Identify Problems: Fewer Firms Offering Coverage



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

Utah Health Exchange Timeline

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



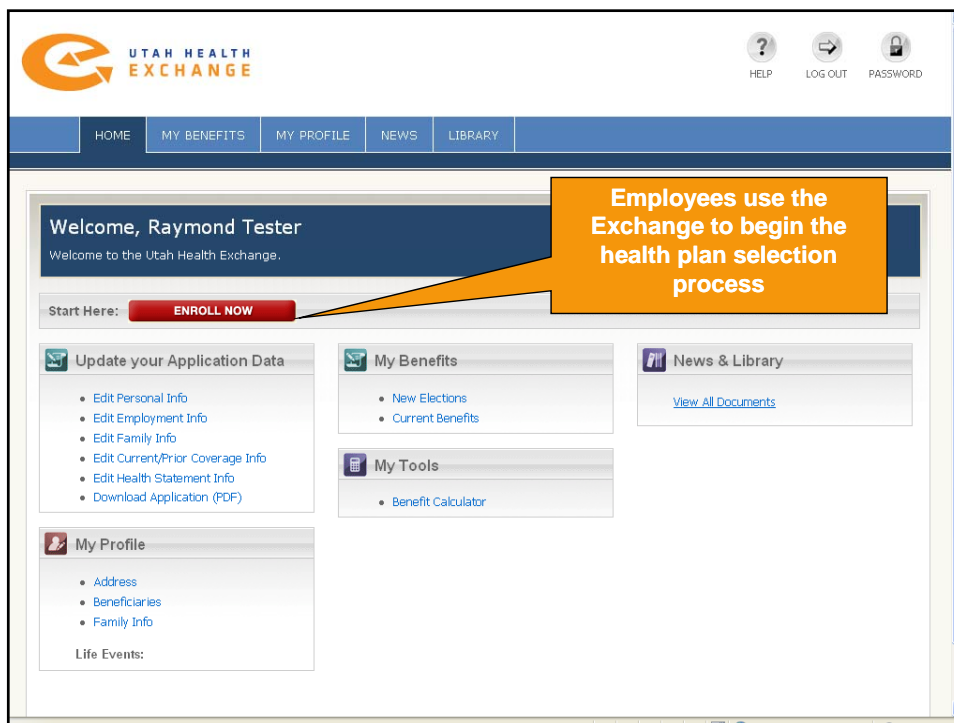
The Utah Health Exchange is the State's official hub for all of your health insurance needs.

Individuals & Families
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](#)

Employees
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](#)

Employers
Use the Exchange to set up a **defined contribution plan**. Your employees get multiple plan choices. You get cost predictability and greatly simplified benefits management. [Learn More](#)

Producers
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](#)



Welcome, Raymond Tester
Welcome to the Utah Health Exchange.

Start Here: **ENROLL NOW**

Employees use the Exchange to begin the health plan selection process

Update your Application Data

- Edit Personal Info
- Edit Employment Info
- Edit Family Info
- Edit Current/Prior Coverage Info
- Edit Health Statement Info
- Download Application (PDF)

My Benefits

- New Elections
- Current Benefits

News & Library

[View All Documents](#)

My Tools

- Benefit Calculator

My Profile

- Address
- Beneficiaries
- Family Info

Life Events:

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Current Benefits **New Elections** Benefit Calculator

Enrollment

1 Employee 2 Family 3 **Enroll** 4 Confirm

To Do:

Health Credits

Secondary Employer Credit:
I confirm that the amount entered here is the amount that my secondary employer has given me as a health insurance credit for taking insurance through my primary employer also participating in the Utah Health Exchange.:

Secondary Employer Name:

Secondary Employer Company Code:

Credit from Secondary Employer:

Spousal Employer Credit:
I confirm that the amount I entered here is the amount my spouse's employer is giving for my spouse being covered under my employer's health plan also participating in the Utah Health Exchange.:

Name of Spouse's Employer:

Spouse's Employer Company Code:

Credit from Spouse's Employer:

[Continue](#)

The Exchange includes a Premium Aggregator; here, employees may combine contributions from additional sources.

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Current Benefits **New Elections** Benefit Calculator

Enrollment

1 Employee 2 Family 3 **Enroll** 4 Confirm

Your Payroll Deduction:
Per Month
\$0.00

Getting Started with Your Enrollment is Easy
Simply click the "Get Started" button below. Perhaps make this client-definable text with a logical character limit to keep from writing a book.

[Get Started](#)

To Do:

- Credits

Plan Selection

Complete	Benefit & Plan	Coverage Tier	Total Premium Per Month	Company Contribution Per Month	Employee Credit Per Month	Your Cost Per Month (Pre-Tax)
<input type="checkbox"/>	Health Incomplete: Please Review					
<input type="checkbox"/>	Health Savings Acc Incomplete: Ple					

The Exchange provides a tool that helps employees compare health plan options.

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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

Plan Name	Insurance Carrier	Monthly Employee Payroll Deduction	Monthly Estimated Out of Pocket Medical Costs	Monthly Estimated Total Out of Pocket Costs	Type	In-network Coinsurance	In-network Deductible
60/50HDHP 1200ded 3600 OOP	Humana	\$320	\$480	\$368	High Deductible	60%	\$1,200
80/60 HDHP 1500 ded, 5000 OOP	Humana	\$260	\$480	\$308	High Deductible	80%	\$1,500
80/60Cov1 20/40 1000ded3000OOP 10/30/50Rx	Humana	\$540	\$220	\$582	HSA Qualified HDHP	80%	\$1,000
80/60Cov1 20/40 1500ded3000OOP 10/30/50Rx	Humana	\$470	\$220	\$502	PPO	80%	\$1,500

Those plans selected by the employee are displayed in a side-by-side matrix for summary-level or detailed comparison purposes.

Costs & Credits	ABC Example Health Plan Name One	ABC Example Health Plan Name Two	ABC Example Health Plan Name Three	ABC Example Health Plan Name Four
Monthly Premium:	\$250.00	\$250.00	\$250.00	\$250.00
Monthly Employer Contribution:	\$100.00	\$100.00	\$100.00	\$100.00
Monthly Premium Wellness Credit:	\$50.00	\$50.00	\$50.00	\$50.00
Monthly Estimated Out of Pocket Medical Costs	\$100.00	\$100.00	\$100.00	\$100.00
Monthly Estimated Total Out of Pocket Costs	\$100.00	\$100.00	\$100.00	\$100.00
Overview				
Group Number:	P81893	P81893	P81893	P81893
Coverage Type:	PPO	PPO	PPO	PPO
Plan Description:	High Deductible Health Plan	High Deductible Health Plan	High Deductible Health Plan	High Deductible Health Plan

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Current Benefits **New Elections** Benefit Calculator

Company-Wide Enrollment

1 Employee 2 Family

Your Payroll Deduction: Per Month
\$0.00

To Do:
Credits
Plan Selection

Family Health Profile

Family Member	Relationship	Health Status	Pregnancy?	Type of Prescription Usually Purchased	Coverage?
Mike S bswift	(Employee)	Healthy	-	Generic	<input checked="" type="checkbox"/> Covered
Debi Springer	(Spouse)	Healthy	<input checked="" type="checkbox"/> Pregnant	Generic	<input checked="" type="checkbox"/> Covered
Lilly Springer	(Child)	Minor Health Needs	-	Name Brand	<input checked="" type="checkbox"/> Covered
Parker Springer	(Child)	Healthy	<input type="checkbox"/> Pregnant	Generic	<input checked="" type="checkbox"/> Covered

Recalculate Return to Application

Costs & Credits

Monthly Premium:	\$250.00	\$250.00	\$250.00	\$250.00
	\$100.00	\$100.00	\$100.00	\$100.00
	\$50.00	\$50.00	\$50.00	\$50.00
	\$100.00	\$100.00	\$100.00	\$100.00

Personalize Health Costs

Monthly Estimated Total Out of Pocket Costs	\$100.00	\$100.00	\$100.00	\$100.00
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Overview

Group Number:	P81893	P81893	P81893	P81893
Coverage Type:	PPO	PPO	PPO	PPO
Plan Description:	High Deductible Health Plan	High Deductible Health Plan	High Deductible Health Plan	High Deductible Health Plan

Employees may estimate total cost for health care expenditures (premium, deductible, co-pays, etc.) based on each family member's health status.

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Current Benefits **New Elections** Benefit Calculator

Company-Wide Enrollment

1 Employee 2 Family 3 **Enroll** 4 Confirm

Your Payroll Deduction: Per Month
\$0.00

To Do:
Credits
Plan Selection

Health
Blue Cross / Blue Shield Enroll Optional - HMO II

Available Plans

Plan Name:	ABC Example Health Plan Name One	ABC Example Health Plan Name Two	ABC Example Health Plan Name Three	ABC Example Health Plan Name Four
	View Plan Detail	View Plan Detail	View Plan Detail	View Plan Detail
	Pick this Plan	Pick this Plan	Pick this Plan	Pick this Plan

Costs & Credits

Monthly Premium:	\$250.00	\$250.00	\$250.00	\$250.00
Monthly Employer Contribution:	\$100.00	\$100.00	\$100.00	\$100.00
Monthly Premium Wellness Credit:	\$50.00	\$50.00	\$50.00	\$50.00
Monthly Estimated Out of Pocket Medical Costs	\$100.00	\$100.00	\$100.00	\$100.00

Personalize Health Costs

Monthly Estimated Total Out of Pocket Costs	\$100.00	\$100.00	\$100.00	\$100.00
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Overview

Group Number:	P81893	P81893	P81893	P81893
Coverage Type:	PPO	PPO	PPO	PPO
Plan Description:	High Deductible Health Plan	High Deductible Health Plan	High Deductible Health Plan	High Deductible Health Plan

Employee chooses a plan

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Current Benefits **New Elections** Benefit Calculator

Company-Wide Enrollment

1 Employee 2 Family 3 Enroll 4 Confirm

Your Payroll Deduction: Per Month
\$192.30

To Do: [Credits](#)

Getting Started with Your Enrollment is Easy
Simply click the "Get Started" button below. Perhaps make this client-definable text with a logical character limit to keep from writing a book.

[Get Started](#)

Complete	Benefit & Plan	Coverage Tier	Total Premium Per Month	Company Contribution Per Month	Employee Credit Per Month	Your Cost Per Month (Pre-Tax)
<input checked="" type="checkbox"/>	Health (edit) High Deductible Health Plan	Employee + Family	\$191.53	\$76.15		\$115.38

Please review your plan choices below by reading the cost and details of each plan. Click "Choose this Plan" above the plan that you are enrolling in.

HMO Members - If you need to change your PCP, please call the HMO Hotline; PPO Members there is no need to select a PCP.

Plan Selection: [Compare Plans](#)

High Deductible Health Plan
 Waive All Health Plans

Dependents:

Relationship	Name	Coverage
(Employee)	Mike S bswift	
(Spouse)	Debi Springer	<input checked="" type="radio"/> Cover <input type="radio"/> Waive
(Child)	Lily Springer	<input checked="" type="radio"/> Cover <input type="radio"/> Waive
(Child)	Parker Springer	<input checked="" type="radio"/> Cover <input type="radio"/> Waive

[Save](#)

Health Savings Account
Incomplete: Please Review

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Technology powered by [bswift](#)

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

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Current Benefits **New Elections** Benefit Calculator

Enrollment

1 Employee 2 Family 3 Enroll 4 Confirm

Your Payroll Deduction: Per Month
\$192.30

To Do:

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Simply click the "Get Started" button below. Perhaps make this client-definable text with a logical character limit to keep from writing a book.

[Get Started](#)

Complete	Benefit & Plan	Coverage	Total Premium Per Month	Company Contribution Per Month	Employee Credit Per Month	Your Cost Per Month (Pre-Tax)
<input checked="" type="checkbox"/>	Health (edit) High Deductible Health Plan	Employee + Family	\$191.53	\$76.15		\$115.38

Health Savings Account
Incomplete: Please Review

HSA Employee Contribution Amount:
\$ per pay period = **\$0.00** annually
Minimum Annual Contribution Amount: **\$0.00**, Maximum Annual Contribution Amount: **\$0.00**

[Save](#)

[Continue](#)

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If the employee selects a qualified HDHP, an HSA option is presented.

The screenshot shows the Utah Health Exchange enrollment interface. At the top, there's a navigation bar with 'HOME', 'MY BENEFITS', and 'MY PROFILE'. Below that, a progress bar indicates steps: 1. Employee, 2. Family, 3. Enroll, 4. Confirm. A callout box points to the 'Enroll' step, stating: '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 main content area shows 'Your Payroll Deduction: Per Month \$631.78'. Below this, a table lists 'All Offered Benefits' with columns for 'Complete', 'Benefit & Plan', 'Coverage', 'Total Premium Per Month', 'Company Contribution Per Month', 'Employee Credit Per Month', and 'Your Cost Per Month (Pre-Tax)'. The selected plan is 'Health (edit) High Deductible Health Plan' with 'Employee + Family' coverage. A table of dependents is shown below, listing 'Mike S bsswift' (Employee), 'Dabi Springer' (Spouse), 'Lily Springer' (Child), and 'Parker Sprmger' (Child), all with 'Cover' status. Another callout box points to the 'Enroll' step, stating: 'The employee confirms covered individuals and saves selected plan. The final step is to simply enroll.'

At the bottom, there's a section 'Once You've Reviewed All Your Selections: Participation' with a 'Complete My Enrollment!' button.

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.
- Consumer-centered approach
- Achieved broad, bipartisan consensus supporting the basic reform elements

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

