



maryland  health
connection

Maryland Health Benefit
Exchange

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A service of the Maryland Health Benefit Exchange

Today's Agenda 

- ✕ Background on Maryland Health Benefit Exchange
- ✕ Individual Impacts
- ✕ Small Business Health Options Program (SHOP)
- ✕ Implementation Update

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What is a Health Insurance Exchange?



- ✘ The *Patient Protection and Affordable Care Act* requires each state to establish a “**health insurance exchange**” by 2014
- ✘ A marketplace where individuals and small businesses explore, compare and enroll in health insurance and public assistance programs as well as access federal tax credits and cost-sharing subsidies
- ✘ States had a choice to establish a state-based exchange, join a partnership or the federally-facilitated exchange; Maryland opted to establish a state-based health insurance exchange
- ✘ **Maryland’s exchange is called Maryland Health Connection**

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Why It’s Important to Maryland



- ✘ **Expands access** to health insurance for 730,000 Marylanders (13% of Maryland) currently without health insurance
 - Gives individuals access to primary care physicians, preventive services
- ✘ **Provides federal subsidies** for individuals up to 400% of FPL to pay for health insurance premiums
 - Infuses **\$600 million** in federal subsidies into the State of Maryland by 2015 → NEW funds in health care system
- ✘ **Lowers uncompensated care** costs in the healthcare system
 - lower insurance premiums across the state

Maryland Health Benefit Exchange Act of 2011



- ✘ Established Maryland's state-based exchange as a **public corporation and independent unit of state government**

- ✘ Established **Nine-member Board** of Trustees
 - Ex-officio:
 - Secretary of Health
 - Insurance Commissioner
 - Executive Director, MHCC
 - 6 Appointed:
 - 3 with experience in insurance
 - 3 representing consumer interests

- ✘ Created **Executive Director** position
 - first Executive Director appointment in the U.S.

Health Benefit Exchange Act of 2012



- ✘ Options laid out in the stakeholder advisory committee process provided recommendations from the Exchange Board to the General Assembly

- ✘ “Recommendations for a Successful Maryland Health Benefit Exchange” Legislation Report (December 23, 2011) provided recommendations for SB238/HB443

- ✘ Maryland Health Benefit Exchange Act of 2012 signed by Governor O’Malley (May 2, 2012) outlines the implementation policies for operating the state-based exchange

- ✘ 2012 Legislation lays out (among other things):
 - Navigator program
 - Carrier requirements to participate

Tenet of the Exchange

- ✘ Open, transparent process to create an exchange that represents all Marylanders and meets the needs of all individuals and small businesses in the state

- ✘ **2011 Advisory Committee Meetings**
 - 66 Marylanders
 - Stakeholder representation included: health insurance industry, providers and associations, community members, advocates, community-based organizations, academia, business owners and leaders, local government officials, consumers, consultants

- ✘ **2012 Advisory Committees**
 - Required as part of 2012 legislation to have 2 committees



- ✘ Upcoming meetings
- ✘ RFP's and job postings



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**Maryland Health Connection --
Individuals**



- ✘ **One single entry point** for commercial insurance or Medicaid
 - No wrong door approach defined by CMS

- ✘ **Offers tax subsidies and cost sharing reductions** to individuals and families
 - Only place individuals can access subsidies
 - Federal government will pay a portion of costs for health insurance for people who earn up to 400% of FPL
 - Cost sharing reductions are available to individuals under 250% of FPL

- ✘ Open Enrollment Period Begins: Oct. 2013

- ✘ Coverage Effective: Jan. 2014

Individuals & Families Subsidies



Single Person FPL %	Annual Income	Maximum Premium (as % of Income)	Enrollee Monthly Share
133% FPL	\$14,483.70	3.0%	\$36.21
150% FPL	\$16,335.00	4.0%	\$54.45
200% FPL	\$21,780.00	6.3%	\$114.35
250% FPL	\$27,225.00	8.05%	\$182.63
300% FPL	\$32,670.00	9.5%	\$258.64
350% FPL	\$38,115.00	9.5%	\$301.74
400%	\$43,560.00	9.5%	\$344.85

Access to Coverage



✕ Online at www.MarylandHealthConnection.gov

✕ Assistance:
– Navigators
– Brokers
– Call Center

✕ Outreach and Education
– Advertising
– Events and Business Outreach

Producers and Navigators



The ACA creates a new entity in the market: Navigator

✕ Navigators will:

- Conduct public education and outreach as required by the Affordable Care Act
- Distribute fair and impartial information
- Facilitate enrollment in health plans
- Provide referrals for grievances, complaints and questions
- Provide information in a culturally and linguistically appropriate manner
- Maintain expertise in eligibility, enrollment and program specifications
- **Refer insured small groups and individuals back to producers**

✕ Producers will:

- Serve an important role in the Exchange
- Continue to work directly with small group customers
- Register to become authorized to sell QHP inside the Exchange
- Be compensated directly by the carriers (as they currently are)
- Receive training from the Exchange

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Individuals – Next Steps



www.MarylandHealthConnection.gov



- ✕ Sign Up for Email Updates
- ✕ Sign Up for Text Updates: Text "Connected" to 69302
- ✕ Get information on resources available to help now
- ✕ Link to details on meetings and reports

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Small Business Health Options Program (SHOP)

Small Businesses



- ✕ **Maryland Health Connection** will have a Small Business Health Options Program (SHOP) dedicated portal for small businesses and their employees
- ✕ Small businesses (including non-profits) with up to 50 employees may participate
- ✕ In 2016, the ACA modifies the definition of small group to 100 employees

Why the SHOP?



- ✕ Tax Credits for health insurance will only be available through MarylandHealthConnection.gov beginning October 1, 2013
- ✕ The SHOP will provide employers:
 - Innovative plan options that are easy to administer
 - Access to tax credits to cover employee premiums
 - Employee choice model
- ✕ Streamlined application, and customer service through statewide Call Center

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Employer vs. Employee Choice



	Carrier A	Carrier B	Carrier C	Carrier D	Carrier E	Carrier F
Platinum						
Gold						
Silver		Employer Choice	Employee Choice			
Bronze						

Tax Credit Eligibility



- ✘ 2010-2013: Maximum tax credit for small employers is 35% of the qualified premium for health insurance for employees
 - Maximum tax credit for small tax-exempt employers (charities) is 25%
- ✘ January 1, 2014, rate increases to:
 - 50% tax credit for small employers
 - 35% for small tax-exempt employers (charities)
- ✘ Fewer than 25 full-time equivalents, with average wages of less than \$50,000 per year



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Small Businesses – Next Steps



Next Steps

- ✘ Visit www.MarylandHealthConnection.gov
- ✘ Speak with producer and/or CPA about Tax Credits
- ✘ Complete the worksheet to see if your business may qualify for a Small Business Health Care Tax Credit
- ✘ Visit www.smallbusinesstaxcredits.org for more information
- ✘ Speak with your insurance broker about the changes underway to find out what health insurance options will best meet the needs of your employees

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Implementation Update

Federal Funding to Date



MHBE has received \$157 million in federal funds to date.

No state funds have been spent on the development of MHBE-specific functions.

- ✘ Planning Grant (\$1 million):
- ✘ Early Innovator Grant (\$6 million)
- ✘ Level One Establishment Grant (\$27 million)
- ✘ Level Two Establishment Grant (\$123 million)
 - Carries through the end of 2014

New Enrollment & Eligibility System



✘ Through the MHBE, the state procured a new enrollment & eligibility system

- Single point of entry to Medicaid and exchange
- In concert with DHMH, DHR and MHBE

✘ High-Level Technology Milestones

- Phase 1A Vendor Award – March 2012
- Development -- May, 2012 through March, 2013
- First round of testing – November, 2012
- Integrated end-to-end Testing -- 2Q, 2013
 - Includes External Stakeholders
- Production Environment Live – 2Q, 2013
- Open enrollment – October, 2013

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Administration of MHBE



✘ MHBE Staff

- Executive Director
- Directors of Operations, IT, Communications & Plan Management
- Director of Policy, Fiscal Administrator
- 33 PINS from BPW in September
 - 8 positions currently posted
- PMO & Hilltop support

✘ Start-up organization

✘ Funding going to space, computers, etc.

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Self-Sustainability by 2015



MHBE must be self-sustainable by 2015

- ✘ 2011 Legislative Study
 - Stakeholder advisory committee found that MHBE benefits more than just those participating in exchange
 - Exchange board made recommendation to Governor and General Assembly in December, 2011 that funding should be both broad-based on transaction-based
- ✘ 2012 Legislative Action
 - Created joint executive/legislative committee to make recommendation to Governor and General Assembly in December, 2012
 - Legislative members: Senators Robey & Garagiola; Delegates Hubbard & Costa
 - Working with Wakely Consulting to finalize operating budget to create estimates for specific funding streams
 - Report out for public comment through October 22, 2012
 - Committee meeting in mid-November to make final recommendation

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What's Next?



- ✘ Continued development of IT system
- ✘ Continued policy development
 - Navigator, SHOP, Appeals & Grievances
 - Regulations through AELR
- ✘ Federal Certification: January 2013
- ✘ Outreach & Education: Q2 2013
- ✘ **Open Enrollment: October 2013**

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