



Florida Health Insurance Advisory Board

Status of Federal Reform

Presented by: Michelle Robleto

July 19, 2012



Federal Healthcare Reform

Basic Elements

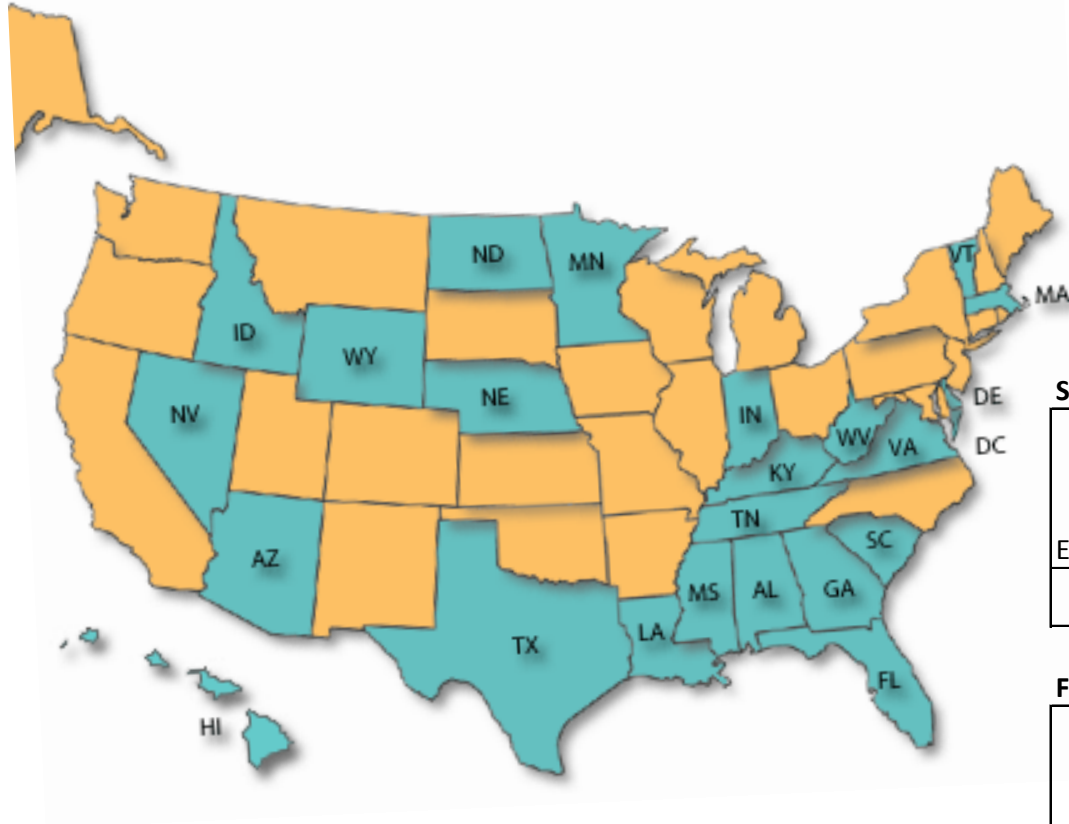
- High-Risk Pools (Transitional)
- Reforms Effective September 23, 2010
- Medical Loss Ratio (MLR) Requirements & Rebates



- Establishment of Health Exchanges in 2014
- (Potential) Expansion of Medicaid in 2014
- Individual Mandate / Employer Penalties in 2014
- Other Market Reforms Effective 2014



Transitional High-Risk Pools



State Run PCIP Expenditures - As of March 31, 2012

	Claims Paid per Enrollee	Administrative Expenses per Enrollee	Net Expenditure per Enrollee
Enrollment			
37,823	\$17,030	\$1,326	\$14,451

Federally Run PCIP Expenditures - As of March 31, 2012*

	Claims Paid per Enrollee	Administrative Expenses per Enrollee+	Net Expenditure per Enrollee
Enrollment			
23,796	\$17,766	\$2,465	\$17,484

* Data not available at the state level

+Does not include CCIIO administrative costs



ACA Important Six-Month Reforms

September 23, 2010

- No Lifetime Limits
- Annual Limits Restrictions
- First-dollar Coverage for Preventive Care
- No Rescissions
- Appeals Process (Includes External Review)
- Dependent Coverage up to 26 Years of Age
- No Pre-existing Condition Exclusions Under 19
- Ob/Gyn Access --- No Preauthorization Required
- If PCP Designation is Required – Must Allow Pediatrician
- Additional Federal Reporting Requirements



MLR

Medical Loss Ratio

MLR Rebates In Florida

Type	Rebates	Enrollees	Avg. Rebate
Individual	\$47.3 million	308,944	\$240
Small Group	\$50.7 million	476,010	\$190
Large Group	\$25.7 million	466,444	\$94
Total	\$123.6 million	1,251,398	\$168

Source: U.S. Department of Health & Human Services: Healthcare.gov



MLR

Medical Loss Ratio

MLR Rebates by Company

Company	Individual Rebates	Small Group Rebates	Large Group Rebates
American General Life	\$54,742		
American Medical Security Life	\$1,887,393		
American Republic	\$580,083		
Blue Cross and Blue Shield		\$27,099,289	
Cigna Healthcare			\$242,216
Connecticut General Life	\$7,034,457		
Coventry Health Plan	\$1,042,123		
Golden Rule	\$21,866,430		
Health Options			\$9,335,500
Humana Health Ins.	\$6,403,672	\$436,291	
Humana Medical			\$551,749
Mid-West National Life	\$2,145,423		
Neighborhood Health			\$5,446,078
Preferred Medical Plan	\$1,146,734		
U.S. Life of NY	\$297,289		
Time Ins.	\$4,328,076		
United Healthcare		\$23,177,609	\$10,078,794
World Insurance	\$470,687		

Source: U.S. Department of Health & Human Services: Healthcare.gov





U.S. Supreme Court Decision

- The Federal Anti-Injunction Act is not Applicable (Jurisdiction)
Not a tax for purposes of jurisdiction
- The “Individual Mandate” is Unconstitutional / Constitutional
Unconstitutional based on the commerce clause
Constitutional based on Congress’ taxing authority
- The “Individual Mandate” is the Law’s Foundation (Severability)
Not applicable based on Mandate determination
- Medicaid Expansion is Unconstitutional Federal Coercion
Withholding current benefits is unconstitutional coercion
States have the option of accepting money to expand Medicaid





Creating a Health Insurance Exchange By January 1, 2014

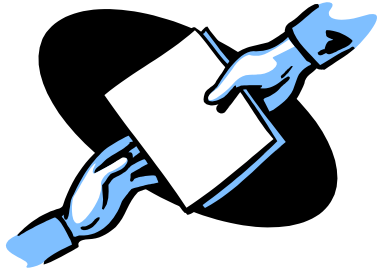
Overview:

- State Exchange, Partnership or Federal Fallback
- Two Exchanges: Individual and Small Group
- Exchanges Can Operate Together or Separately

Deadlines:

- November 2012 – State Notification of Intent
- January 2013 – HHS Secretary Verifies Exchange
- January 2014 – Exchange Becomes Operational

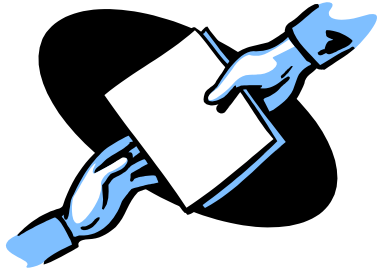




Exchange Requirements

- Sell Qualified Plans Only
- Standardized Enrollment Forms
- Standardized Comparative Information
- Certified Qualified Health Plans:
 - Essential Benefits... deadline 3rd quarter 2012?
 - Marketing Requirements
 - Network Adequacy
 - Contract with Essential Community Providers
 - Contract with Navigators
 - Require Quality Accreditation





More Exchange Requirements

- Maintain a Website
- Initial, Annual, and Special Enrollment Periods
- Toll-Free Number
- Determine Eligibility
- Calculator for Enrollee Premiums & Subsidies
- Develop a Rating System for:
 - Plan Performance
 - Patient Satisfaction





Key 2014 Reforms

January 1, 2014

- Individual Mandate
- Employer Responsibility (50+ Employees)
- Subsidies for Lower-Income People
- (Optional) Medicaid Expansion
- Guarantee Issue
- No Annual Limits
- Coverage Tiers based on Coverage Categories/Cost-Sharing
- Community Rating Limitations
 - Age (3:1), Geography, Tobacco Use (1.5:1), Family Composition
- New Fees and Taxes on Health Plans





Concerns about the ACA

- Does Little to Control Health Care Costs
- Medicaid Expansion Costs
- Expanded Benefits will Increase Costs
- Community Rating Penalizes Young People
- Standardization May Equal Less Innovation
- Reduced Consumer Choice
- Agent Role in Limbo





Medicaid Expansion: States That May Opt Out



Florida --- Governor Rick Scott



Louisiana --- Governor Bobbi Jindal



Mississippi --- Governor Phil Bryant



South Carolina --- Governor Nikki Haley

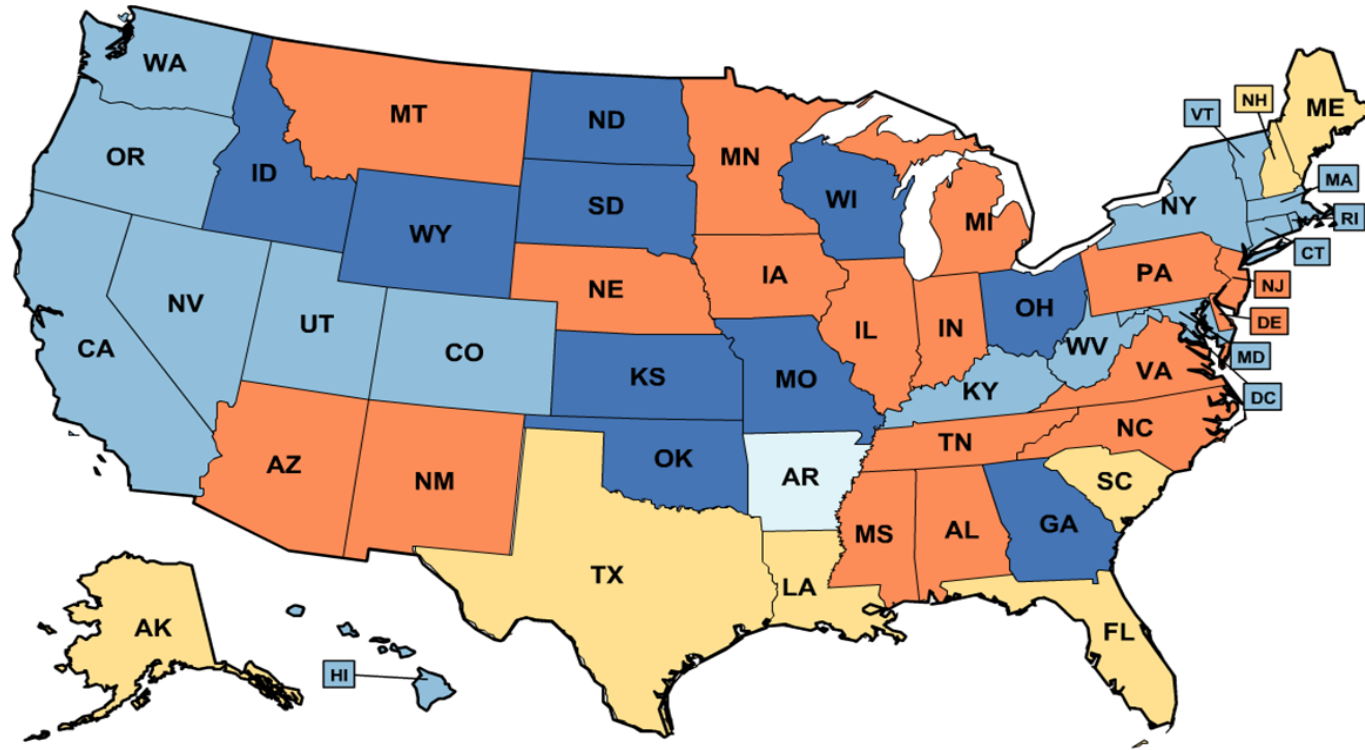


Texas --- Governor Rick Perry

Source: Politico / Urban Institute as of July 10, 2012



State Decisions to Create Exchanges



Source: Henry J. Kaiser Family Foundation: Health Reform Resource as of July 9, 2012