Exchanges: How do we Get There by 2014?

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Agenda

- **Exchange Vision: Transformation of Insurance Market**

- **Getting to 2014: Extensive Work Required**

- **Getting from Here to There**

Exchanges will Transform the Insurance Market

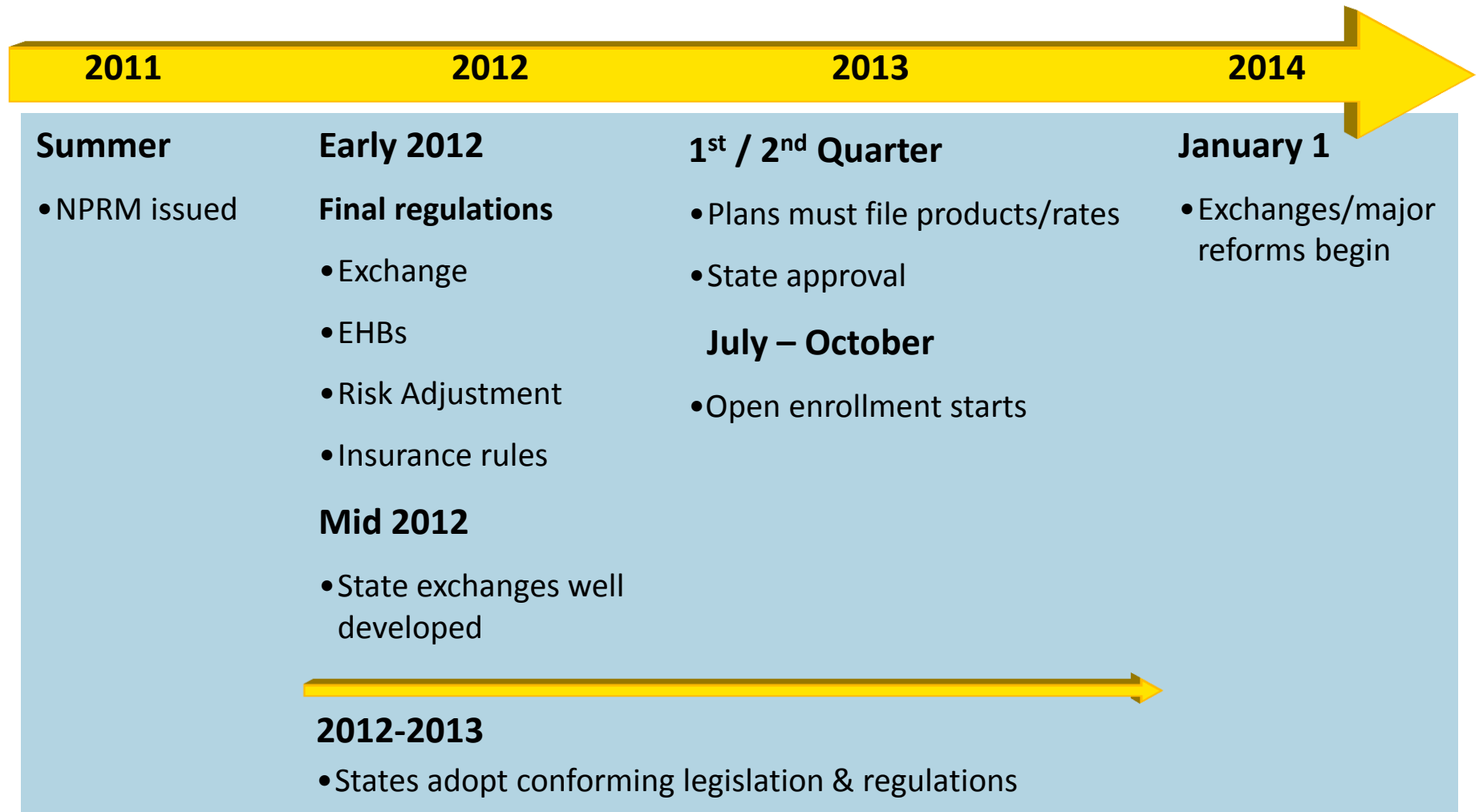**Exchanges make it easier to shop, compare, and enroll**

- Cost and quality comparisons available at the click of a mouse

Exchanges empower consumers to "vote with their feet"

- Consumers will be able to search by cost, coverage level, plan ratings, etc., both for initial coverage and at renewal

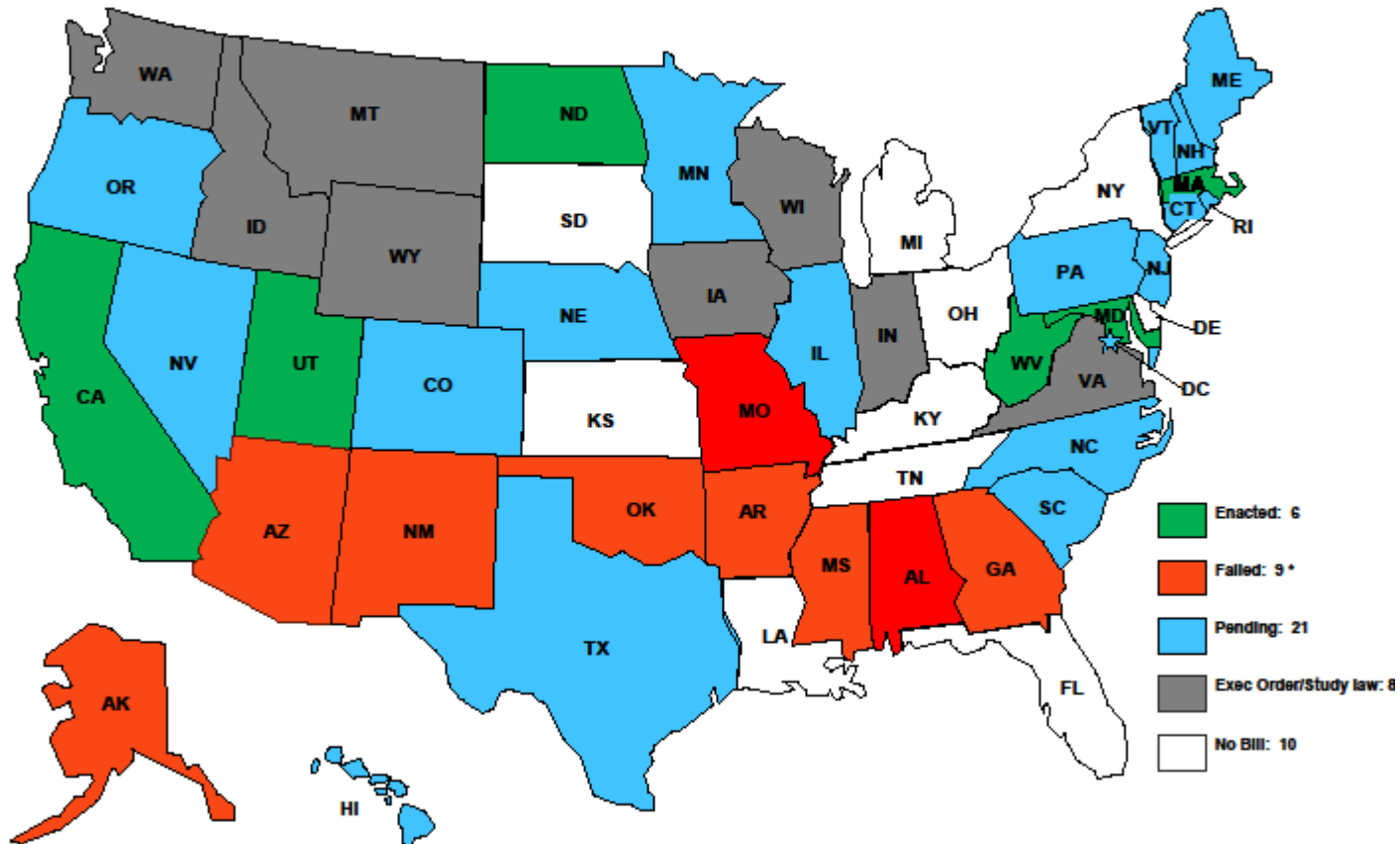**Completely new business model for health plans**

Major Challenge: Timing

2011	2012	2013	2014

Summer

- NPRM issued

Early 2012

Final regulations

- Exchange
- EHBs
- Risk Adjustment
- Insurance rules

Mid 2012

- State exchanges well developed

1st / 2nd Quarter

- Plans must file products/rates
- State approval

July – October

- Open enrollment starts

January 1

- Exchanges/major reforms begin

2012-2013

- States adopt conforming legislation & regulations

Bold = Crosses over multiple years

Getting to 2014: States Are moving forward to Implement exchanges; 2012 will be critical

State Exchange Legislation

Enacted: 6
Failed: 9 *
Pending: 21
Exec Order/Study law: 8
No Bill: 10

* Governors support planning for market Exchange to preserve state control.

Source: Blue Cross and Blue Shield Association, May 16, 2011

Recommended State Exchanges

Promote Competition/Choice

- All qualified plans

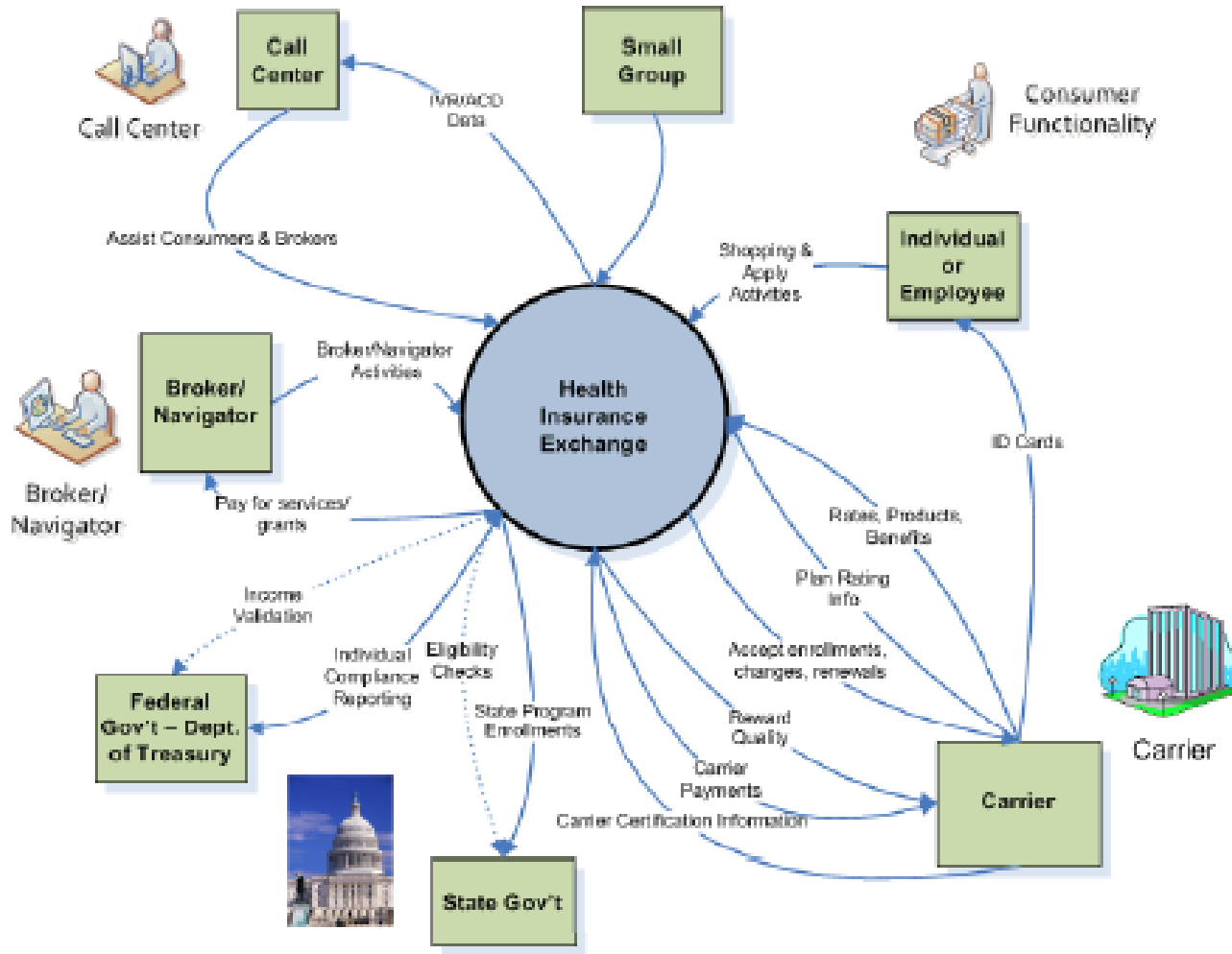- Assure consumers have same protections from all plans

Design for Success

- Don't add to already extensive requirements

- Permit employer choice in SHOP

Already Extensive Requirements in ACA

Coverage	EHBs Guarantee Issue	Uniform Product Descriptions
Premiums	Rating MLRs	Risk Adjustment Subsidies
Patient Protections	Appeals Network Adequacy	Access to specialists
Quality	Accreditation	New rating system
Other	Transparency	Health IT

Extensive System Development Required

Getting From Here to There

- **Federal rules and IT standards should be released ASAP**

  - Health Plans need this information by early 2012 to be able to do the planning necessary to be on Exchanges in 2013

- **Do not add to already extensive requirements**

- **Affordability is critical to Exchange success**

  - Keep "essential benefits" definition reasonable

- **Need to work together to get Exchanges up and running**