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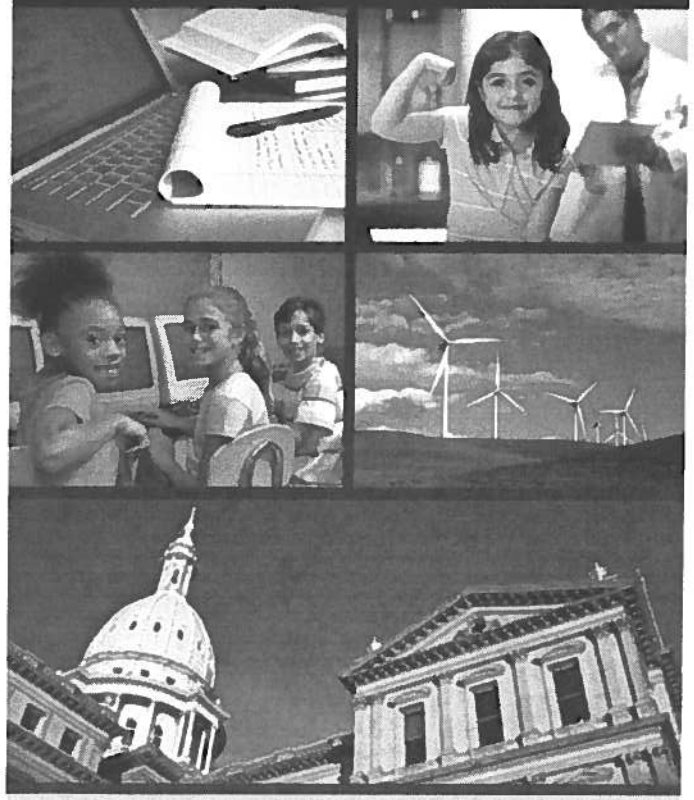

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# Health Exchange Planning

*Stakeholder Engagement*

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House Health
Policy Committee
September 8, 2011

# Purpose

- To engage a wide range of stakeholders on key questions related to exchanges in Michigan
- To hear diverse perspectives on the exchange
- To forge consensus—where possible—on recommendations across stakeholders
- How can we design the best exchange for Michigan?
- IMPORTANT NOTE: This was an advisory process

# Recruitment and Selection

- Work group members were recruited and selected through an online process
  - Kick-off meeting attended by 146 people
  - More than 220 people indicated interest
  - Participants gave work group preferences
- Final membership—selected in consultation with state staff—included a diverse set of stakeholders
  - Five work groups with 30 members each
  - Legislative staffers invited as non-voting members
  - Observers attended all WG meetings

# Recruitment and Selection--Stakeholders

- Business/employers
- Consumer advocates
- Health plans
- Health professionals
- Hospitals/health systems
- Information technology firms
- Insurance brokers/agents
- Labor
- Local government
- Long-term care
- Mental health
- Non-hospital safety net providers (FQHCs, et al)
- Pharmaceutical manufacturers
- Public health
- Research/university

# The Process

- Work group guidelines were developed to provide sense of common purpose
- Charters described expected outcomes and tasks
- Targeted questions guided all work group discussions
- State subject matter experts provided relevant background information and input during meetings

# Work Group Responsibilities

- Governance
  - Recommend the basic structure of the Exchange
  - Recommend the composition of the governing body
  - Recommend policies related to procurement, transparency, and hiring
- Finance, Reporting, and Evaluation
  - Recommend strategies for evaluating the effectiveness of the Exchange
  - Recommend how to handle reporting to the feds and the public
  - Recommend strategies for financing the Exchange

# Work Group Responsibilities (cont.)

- Technology
  - Recommend approaches for consumer education
  - Recommend strategies for filling IT gaps
- Business Operations
  - Make recommendations regarding the overall design and operation of the Exchange
- Regulatory and Policy Action
  - Draft legislation to establish the Exchange

# Recommendations and Voting

- Facilitators had a shared process for facilitating discussion and recommendation development
- Votes on recommendations were made using green (in favor), yellow (unsure), and red (opposed) cards
- Two-thirds of present members in favor or opposed was considered consensus—this was done purposely so that diverse stakeholders would have to agree before a super majority was reached
- Meeting summaries captured the rationale for recommendations and minority perspectives

# Outcomes

- More than 50 consensus-based recommendations made by work groups
- Many were unanimous or nearly unanimous
- Process evaluated very positively by work group members

# WORK GROUP RECOMMENDATIONS

# Governance

- Michigan should establish a single, state-specific Exchange mindful of regional needs
- The Exchange should be an independent public authority with the option to seek non-profit status at a later date
- There should be one Exchange for individuals and small businesses
- Small employer should be defined as having between 1 and 100 employees

# Governance (cont.)

- Governing board with 13 voting (3 ex-officio) and one ex-officio non-voting (OFIR Commissioner) members
  - Non-ex-officio members appointed by Governor
  - All conflicts of interest must be declared; when direct conflict exists, board members must recuse themselves from voting
  - Board has responsibility for hiring E.D.
- Exchange subject to the Open Meetings Act and FOIA

# Business Operations

- Consensus-based recommendations:
  - The Exchange should *not* be the exclusive distributor in either the individual or group market
  - The Exchange should serve as a market organizer/distribution channel with some flexibility to impose limits on the number of plans offered
- Agreement was reached on principles for organizational structure and a functional org chart was proposed

# Business Operations (cont.)

- No consensus reached on:
  - Adverse selection mitigation strategies
  - Whether state employees should join the Exchange if large groups are able to join in 2017

- Finance Recommendations:
  - Funding should be sought from multiple sources to support the Exchange at startup, including the federal gov't, foundations, and Medicaid (if included in the Exchange)
  - Carriers should be charged a fee for participation in the Exchange at startup and to fund ongoing operations
  - The State should maximize federal Medicaid matching funds for Medicaid costs associated with ongoing operation of the Exchange

# Finance, Reporting, and Evaluation (cont.)

- Reporting recommendations:
  - The Exchange should have an annual audit; information on the overall financial dealings of the Exchange should be publicly available
  - Robust internal control and reporting policies and procedures should be developed
  - Health plans participating in the Exchange should be required to comply with all accounting and auditing requirements established by the ACA or the state; the Exchange should not call for additional requirements.

- Evaluation recommendations:
  - The Exchange should seek expert advice in the design of an overall evaluation; Michigan should collaborate with other states on the development and implementation of the evaluation
    - Assessment of enrollee satisfaction must take into consideration consumer satisfaction with both the Exchange and the plans operating within the Exchange.
  - Health plans participating in the Exchange should be required to provide additional information to consumers related to exclusions from coverage, out-of-area care, provider availability, and restrictions on enrollment and disenrollment

- There should be a single entity with direct responsibility for outreach, education, and enrollment
  - Messages should be developed and tested for general and target audiences
  - Existing groups and organizations should be used to assist in disseminating messages and info
- Several current state systems can assist with determination of Medicaid eligibility

# Technology (cont.)

- Several sources of data relevant to the work of the Exchange were identified
- A list of principles for how the data would be used and verified were also developed

- Draft legislation was developed using the NASI model, which is based on the NAIC model, as the starting point for discussion
- Key recommendations:
  - Navigators should provide information and tools to Exchange participants for the assessment of plans and procedures for transitioning among Medicaid, CHIP, and Exchange plans
  - The Exchange should work with Medicaid and MIChild to develop transition procedures for individuals who are likely to move between Medicaid plans and plans in the Exchange

# Regulatory and Policy Action (cont.)

- Key recommendations:
  - The Exchange should not be *required* to work with Medicaid and MIChild to develop policies that encourage the development and participation of plans that can serve Medicaid, MIChild, and Exchange enrollees
  - The Exchange should certify *all* plans that meet the specified criteria
  - The Exchange should be subject to oversight by OFIR
  - The Exchange should publish its audited financial statements on its website