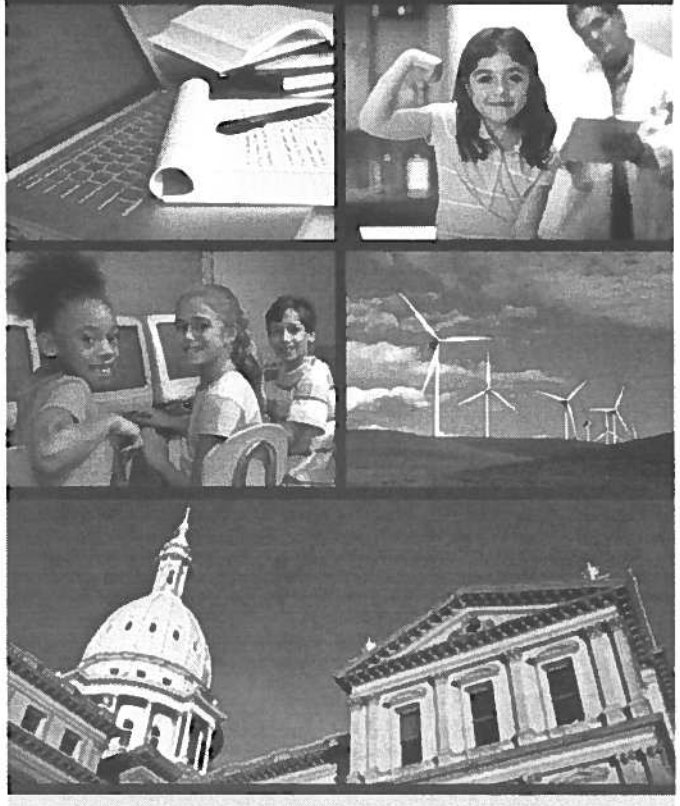
PSC
PUBLIC SECTOR CONSULTANTS



www.pscinc.com

Health Exchange Planning

Stakeholder Engagement

Peter Pratt
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, Reporting, and Evaluation

- 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.

Finance, Reporting, and Evaluation (cont.)

- 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

Technology

- 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

Regulatory and Policy Action

- 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