

# Marketplace Model Status Report

Arkansas QHP Advisory Committee  
July 13, 2012



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# Additional Certification Criteria

- Requirements for plan offerings in underserved parts of the State
  - ACA minimum requirement only for county-wide network planning
  - Carriers may choose to bypass offering plans in rural areas because of perception of too much effort for too little business
  - Conversely, carriers may be motivated to expand to rural areas without being required to do so because premium subsidies create opportunities for significant rural membership uptake

***Status: Pending new information provided by the University of Central Arkansas Carrier Survey and the CCIO Marketplace Presentation.***

# Additional Certification Criteria

- Enhancement standards for Network Adequacy
  - ACA minimum standards require QHPs to:
    - Include essential community providers;
    - Maintain a network sufficient in number and types of providers to assure access to all services without “unreasonable delay;” and
    - Meet the network adequacy provisions in the Patient Health Safety Act
  - Impact of requiring plans to be offered statewide
  - Cost considerations
  - Ideas for carrots rather than sticks in attracting statewide participation

***Status: Draft Network Adequacy rules currently being developed by Insurance Department.***

# Additional Certification Criteria

- Mandatory participation in SHOP (small group) Exchange if participating in Individual Exchange
  - Requiring issuers entering the Individual Exchange to also make offerings in the SHOP exchange can create more options and coverage for SHOP users
  - Downside risk of driving carriers from the Exchange program altogether or increasing the costs of individual plans

***Status: Pending carrier/marketplace information from University of Central Arkansas and CClO***

# Additional Certification Criteria

- Adoption of Arkansas bundles payment methodology for Exchange plans (Payment/Delivery System Reform Support)
  - “Bundled payment” system pays providers for episodes of care, creating incentives to eliminate unnecessary tests and procedures while improving care coordination
  - If required of plans inside the Exchange, this payment methodology may lower overall healthcare costs and promote Medicaid/Exchange integration.

***Status: PCG will study feasibility of this option in coordination with state subject matter experts.***

# Selective Contracting and Price Negotiation

- State Exchanges with multiple willing participants have the power limit the number of plans and to negotiate price and terms of the coverage offered
- Arkansas price negotiations may be difficult because of the concentration of the market and small number of plans
- Active purchasing habits may drive plans from the market, and the Exchange may then not have enough partners to warrant a selective contracting approach

***Status: Pending additional carrier/marketplace information and guidance from CClO***

# Streamlining Plan and Benefit Offerings

- Avoid overwhelming consumers with choices in the Exchange that, in reality, offer the same coverage
- Limiting the amount of plans sold at each metallic level and setting up standards of cost sharing, especially by the same carrier
- Put rules in place to set percentage differences between copays and deductibles between each plan
- Limiting the number of plans offered can be difficult in the highly concentrated Arkansas market

***Status: Will preview this issue today and take up fully in August.***

# Aligning with Other State Purchasers

- Develop strategies to address churn between Medicaid and QHPs.
- One possibility discussed at length was Basic Health Plan.

***Status: Given the SCOTUS decision, there is too much uncertainty to move forward on this decision in July.***

# Use Web-Based Tools to Drive Value-Oriented Decisions

- Web-based decision tools are useful in leveraging consumer actions and choices
- Effective web-based tools help customers take into account more than just price and availability
- These tools will assist the Exchange in highlighting programs that perform exceptionally well in other areas:
  - Cost-sharing arrangements
  - Quality rankings
  - Key ratios
  - Customer service surveys

***Status: Will be considered as part of QHP “marketing standards” review in August.***

# Recruiting New Entrants to the Marketplace

- Should Arkansas actively try to recruit new plans to the market?
- What strategies can Arkansas use to do so?

***Status: Pending additional insurance marketplace information.***

# Enhanced Requirements for Quality

- States have the option of requiring quality improvement standards that are above and beyond those standards required by Federal regulation
- Examples of enhanced requirements were presented to the Advisory Committee in June

***Status: Pending additional carrier and marketplace information from University of Central Arkansas and CClO***

# Enhanced Requirements for Metallic Tiers

- Federal regulations require that each QHP issuer must offer at least one QHP in the silver and gold levels of coverage (as well as offering a child-only plan in the same level of coverage).
- Some states are considering a requirement that QHP issuers must offer plans in all metallic tiers (Bronze, Silver, Gold, and Platinum).
- Considerations:
  - Plans offered at the Platinum level of cost sharing will attract a more risk-averse and likely sicker population than other plan levels.
    - If the Exchange doesn't require that this level be offered, will any issuer put this plan level on the market?
    - Is that necessarily a "bad thing" when considering risk selection between the Exchange and the outside market?
  - Will there be sufficient consumer choice and plan variation within the Exchange if silver and gold are the only requirements?

***Status: Issue will be reviewed with Advisory Committee in August***

# Limitations on Exchange Plan Offerings

- Partially as a result of past Medicare Advantage experience, some states are considering restricting the number of plans that an issuer may offer on the Exchange.
  - These states are attempting to strike a balance between consumer choice and ease of comparison for the Exchange user.
- For example, Tennessee has proposed what they are calling the “rule of 12”.
  - Under this rule, the Exchange will not accept more than 12 plan options in each metallic level.
  - Thus in total, a maximum of 48 plans may be made available on the Exchange.
  - The State has proposed that this rule will be reviewed annually during the initial Exchange operational period and may be relaxed or expanded thereafter.

***Status: Issue will be reviewed with Advisory Committee in August***



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