

Kentucky Health Benefit Exchange

“Doing Care Differently in Rural Kentucky”

**Foundation for a Healthy Kentucky/Kentucky Rural Health
Association Conference**

Louisville, Kentucky

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Office of the Kentucky Health Benefit Exchange

Patient Protection and Affordable Care Act (ACA)

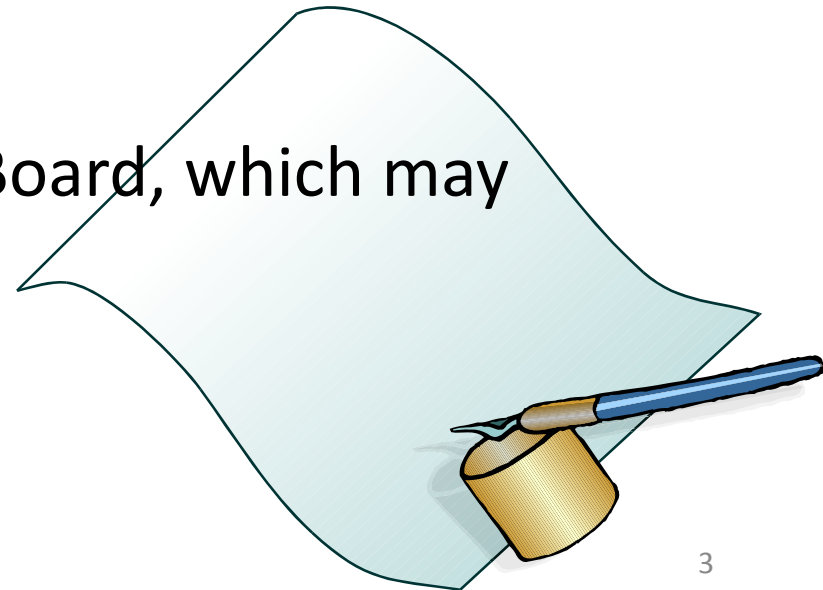
- March 23, 2010
- SEC. 1311 - AFFORDABLE CHOICES OF HEALTH BENEFIT EXCHANGES –
 - Requires each State to establish an American Health Benefit Exchange for the State which:
 - Facilitates the purchase of qualified health plans (QHPs);
 - Provides for the establishment of a Small Business Health Options Program (SHOP); and
 - Meets other requirements as specified in the Affordable Care Act (ACA).



The Kentucky Health Benefit Exchange (KHBE)

Executive Order 2012-587 signed by Governor Beshear on July 17, 2012:

- Created the Exchange and administrative structure.
- Organized under Cabinet for Health and Family Services, Office of KHBE - which includes four divisions.
- Established a KHBE Advisory Board, which may create sub-committees.



Kentucky Health Benefit Exchange Advisory Board

- 19 members; Board meets monthly
- Six subcommittees formed:
 - Behavioral Health
 - Dental and Vision
 - Education and Outreach
 - Navigator/Agent
 - Qualified Health Plans
 - SHOP
- Meeting schedules/materials posted on KHBE website (healthbenefitexchange.ky.gov).





What is an Exchange?

An organized marketplace for individuals and employees of small businesses to shop for health insurance offered by insurers (insurance companies, CO-OPs and OPM) based on price and quality. Individuals may also apply for Medicaid/Children Health Insurance Program (CHIP) coverage through the Exchange.

Like





When must the Exchange be operational?

Fully Operational: **January 1, 2014**

Initial Open Enrollment: **Begins October 1, 2013**



Exchange Options for States



Federal Exchanges include both a state partnership and federally-facilitated exchanges. To date, 18 States have been conditionally approved by HHS to operate state-based exchanges and approximately seven States have been conditionally approved to operate partnership exchanges.

Why is Kentucky pursuing a State-based Exchange versus a Federally Facilitated Exchange?



- Allow Kentucky to have flexibility, including determinations of Medicaid eligibility;
- Consider Kentucky's unique economic, health, and regional needs;
- Determine benefits provided in Kentucky's Exchange;
- Prevent dual regulation of the health insurance market; and
- Support from interested stakeholders.



Will Qualified Health Plans (QHPs) in the Exchange be different compared to the insurance plans you have now?

- A New Way to Shop
- Consumer Protections
- Essential Health Benefits
- Health Care Quality Ratings
- Levels of Coverage
- Navigator Program



Essential Health Benefits

- ACA requires health insurance plans sold to individuals and small employers to provide a minimum package of services in 10 categories called “Essential Health Benefits” (EHBs).
- EHBs are the minimum standards to be applied both inside and outside the Exchange. They include items and services within the following categories:

Ambulatory Patient Services;

Emergency Services;

Hospitalization;

Maternity and Newborn Care;

Mental Health and Substance Abuse Disorder Services;

Prescription Drugs;

Rehabilitative and Habilitative Services and Devices;

Laboratory Services;

Preventive/Wellness Services/Chronic Disease

Management; and

Pediatric Services, including Oral and Vision Care.



Essential Health Benefits

- Kentucky submitted its EHB recommendation to HHS in late October 2012.
- Anthem PPO and pediatric dental/vision benefits of the Kentucky Children's Health Insurance Program (KCHIP) selected as Kentucky's EHB benchmark plan.
- Each state's recommendation published in a proposed rule on November 26, 2012, and Kentucky submitted comments during public comment period which ended on December 26, 2012.
- Final EHB Rule and Kentucky's Benchmark plan were released on February 20, 2013.



Essential Community Providers

- ACA requires inclusion of essential community providers (ECPs) in QHP provider networks (*45 CFR 156.235*).
- ECPs are those who serve predominantly low-income, medically underserved individuals:
 - Federally Qualified Health Centers (FQHCs)
 - Ryan White Providers
 - Family Planning Providers
 - American Indian Providers
 - Specified Hospitals
 - Others, such as Black Lung Clinics, TB Clinics, STD Clinics
- HHS released database of available ECPs for each state.
 - List is non-exhaustive
 - May be accessed at <http://cciio.cms.gov/programs/exchanges/qhp.html>



Navigator Program

Navigators - Individuals or Entities that:

- May include: Community/consumer-focused nonprofit groups, Chambers of Commerce, resource partners of Small Business Administration, Health Care Providers, etc.
- Maintain expertise in eligibility, enrollment, and programs;
- Provide information/services in fair, accurate, impartial way;
- Facilitate selection of Qualified Health Plans (QHPs); and
- Provide referrals to any applicable office, health insurance consumer assistance or ombudsman, or State agency for grievances, complaints, or questions about health plan.
- Cannot be paid with funds from the federal government or health insurers



In-Person Assisters and Certified Application Counselors

- **In-Person Assisters (IPAs)**
 - Educate and help consumers complete an application for coverage
 - Must meet same training and certification standards as Navigators
 - May be compensated by the Exchange
- **Certified Application Counselors (CACs)**
 - Will supplement the efforts of IPAs by providing support to users that may require enrollment services
 - Designated by Exchange or Medicaid designated organization
 - May include staff at community health centers, hospitals, or consumer non-profit organizations
 - Must meet same training and certification standards as Navigators and IPAs
 - Are not compensated by the Exchange



Small Business Health Options Program (SHOP)

- Through Exchanges, States must have a Small Business Health Options Program (SHOP) to provide health insurance options to Small Businesses (2-50 employees in Kentucky).
- SHOP will ease administrative burden on employers that now administer group health plans (e.g., assist in enrollment, collect employee premium payments).
- Each State has the option of operating a stand-alone SHOP Exchange or merging the SHOP with the Individual Market Exchange.
- Kentucky's SHOP Exchange will be merged with the Individual Market Exchange for administrative and financial simplification.



Eligibility Standards for SHOP

- A Small Business Employer may purchase coverage through the SHOP, if the employer:
 - Is a Small Group Employer (2-50 employees);
 - Elects to offer coverage to all full-time employees in a QHP purchased through the SHOP; and
 - If principal business address of the Employer is in the SHOP service area or the Employer offers coverage to employees through the SHOP serving employees' primary worksite.
- Employees are eligible to enroll in SHOP if they receive an offer of coverage from the Employer.



Who will qualify for premium assistance and tax credits?

- Individuals may qualify for premium assistance if their household income for the taxable year is between 100% and up to 400% of the federal poverty level (FPL).
- A Small business may qualify for a tax credit if:
 - It has fewer than 25 full-time equivalent employees for the taxable year;
 - The average annual wage of the group is less than \$50,000;
 - It pays at least 50% of the premium of each employee.



Examples of Premium Assistance Amounts for Family of Four at Different Income Levels

Percent of FPL	Annual Income	Annual Premium Before Premium Assistance	Annual Premium Assistance Amount	Annual Premium After Premium Assistance	Monthly Premium Before Premium Assistance	Monthly Premium Assistance Amount	Monthly Premium After Premium Assistance
133%	\$30,657	\$12,000	\$11,080	\$920	\$1,000	\$923	\$77
150%	\$34,575	\$12,000	\$10,617	\$1,383	\$1,000	\$885	\$115
200%	\$46,100	\$12,000	\$9,096	\$2,904	\$1,000	\$758	\$242
300%	\$69,150	\$12,000	\$6,122	\$5,878	\$1,000	\$510	\$490
Up to 400%	\$92,200	\$12,000	\$3,241	\$8,759	\$1,000	\$270	\$730



Medicaid Expansion

- States have the option to expand the Medicaid Program to include certain individuals who are under age 65 with incomes up to 133 % of the FPL (\$34,038 for family of 3 in 2012), beginning in 2014.
- Kentucky is considering this option.
- HHS has not issued a timeline for States to make decisions relating to Medicaid expansion.

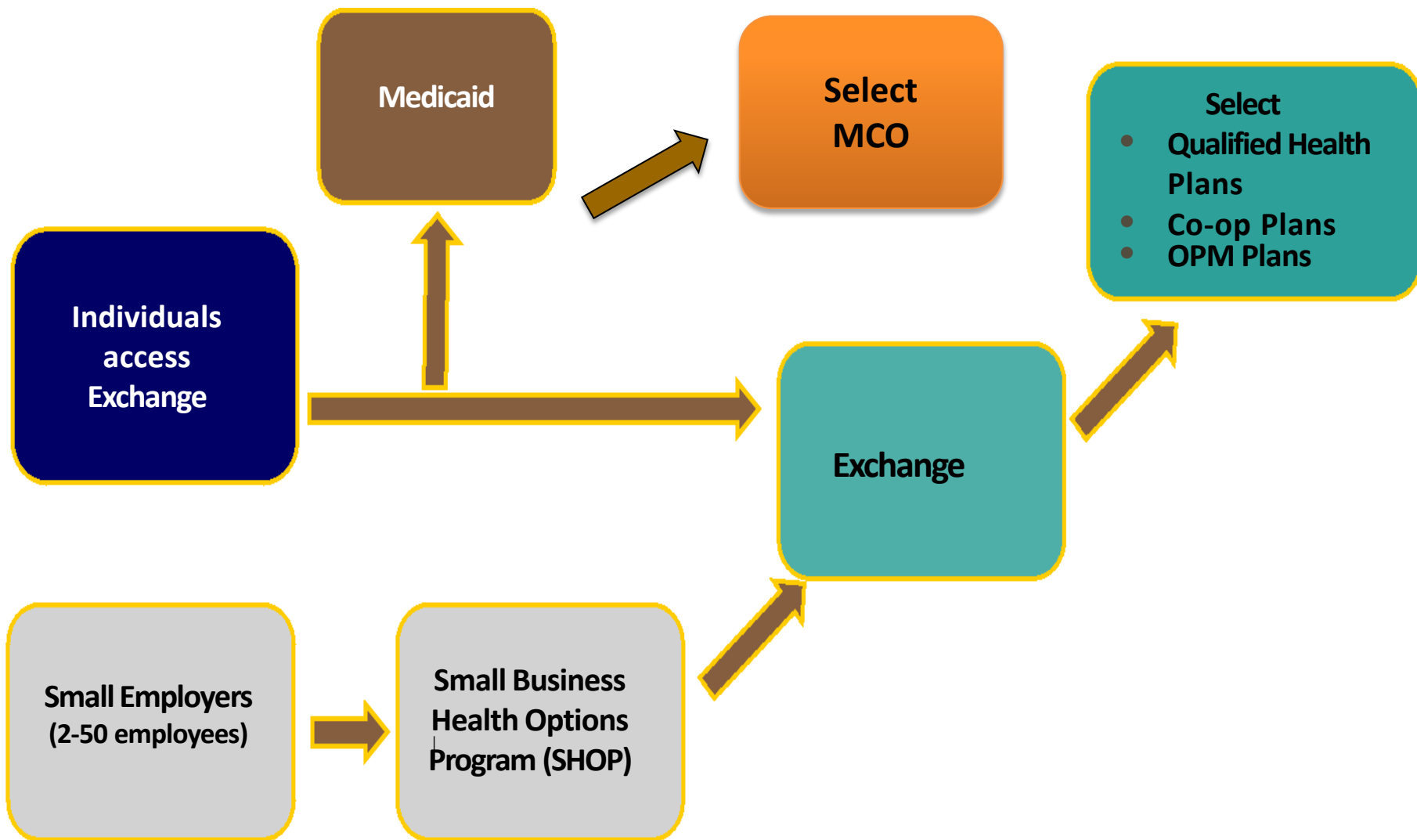


Enrollment

- “No Wrong Door” - individuals may apply:
 - On-line, through the Self-Service Portal
 - By telephone, through the Contact Center
 - By paper, either postal mail or fax
 - In-person, with Navigator, In-Person Assister, Certified Application Counselor, agent
- Single, streamlined application
 - Simple, easy to use
 - Single intake to serve the health care needs of individuals
 - Enroll in QHP or Medicaid Managed Care Plan



EXCHANGE APPLICATION PROCESS



What's Next ?

- December 14, 2012 – HHS gave conditional approval for Kentucky to establish a State-based Exchange
- January 17, 2013 – Kentucky awarded \$182.7 million grant to complete the build of Exchange IT system
- Spring 2013 – Launch Navigator Program and In-Person Assisters
- Summer 2013 – Education and Outreach intensified
- October 1, 2013 – Initial Open Enrollment begins



Kentucky Health Benefit Exchange

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Advisory Board

Navigators

Interactive Calculator

More Information

Background

On March 23, 2010, the Patient Protection and Affordable Care Act (ACA) was signed into law. The new health care law is designed to ensure that all Americans have access to affordable, quality health care.

[Patient Protection and Affordable Care Act](#)

[HealthCare.gov](#)

Kentucky Health Benefit Exchange

What is an Exchange?

The Health Benefit Exchange will operate. Kentuckians and employees of small business insurance based on cost, benefits and quality. Businesses to apply for premium subsidies an individual can also apply and have eligible. Kentucky Children's Health Insurance Program.

Comments

Comments from consumers, advocates, etc. are encouraged. All comments should be relevant to Kentucky. [E-mail Your Comments](#)

KHBE Office - 12 Mill Creek Park, Frankfort, KY 40601
502-573-2090

Meeting Notices

Advisory Board Meeting - 1:30 p.m. - 3 p.m. on Nov. 15, 2012 at

News Updates

HBE Contract Award





THANK YOU!