
New York Health Benefit Exchange

Update on SHOP: Presentation to Professional Insurance Agents of New York State Inc.

Joseph Muldoon, Director – Broker Relations
Small Business Health Options Program

July 25, 2013

Agenda

- Current Market State
- Key Accomplishments
- What is an Exchange?
 - Functions of an Exchange
 - Health Plan Participation
- Small Businesses & the SHOP Exchange:
 - Goals for SHOP Enrollment
 - Value for Small Business
- Broker Engagement:
 - Training and Certification
 - SHOP End-to-End Flow
- Timeline

New York's Uninsured

- Today nearly 2.7 million New Yorkers under age 65, about 16 percent, do not have health insurance coverage
- Primarily workers and their families
- Uninsured people forego necessary care due to costs
- Taxpayers and the insured shoulder the burden of paying for the care of the uninsured

Key Accomplishments to Date

- ✓ Awarded nearly \$370 million in federal funds for Exchange establishment activities
- ✓ Established and convened five Regional Advisory Committees
- ✓ Conducted background research on key policy decisions
- ✓ Contracted with a System Integrator to build IT system
- ✓ Contracted with customer services organization
- ✓ Invited Health Plans to Participate in the Exchange
- ✓ Invited organizations to apply to be In-Person Assistors/Navigators
- ✓ Received conditional certification from HHS in December 2012

What is an Exchange?

- Organized marketplace
 - One stop shopping for health insurance coverage
 - Easily compare health plan options
 - Makes available tax credits and cost-sharing subsidies
 - Easily enroll in qualified health plans
- Two programs
 - Individual Exchange
 - Employer Exchange, which is called the Small Business Health Options Program, or “SHOP”

Functions of the Exchange

Eligibility and Enrollment

- Toll-free telephone hotline
- Web portal for eligibility determination and enrollment
- Ability to calculate the actual cost of coverage after individual tax credits and cost sharing reductions
- Certify individuals as exempt from individual responsibility

Certify Qualified Health Plans (QHPs)

- Make available qualified health and dental plans to eligible individuals and employers
- Assign a quality rating and actuarial value to each QHP offered through the Exchange
- Require QHPs to offer Essential Health Benefits
- Ensure adequacy of plan networks

Key Policy Decisions Related to the SHOP Exchange

- **Small Group Market Size**
 - 50 or fewer eligible employees in 2014, must raise to 100 full time equivalent employees by 2016
- **Market Merger**
 - NY will leave the individual and small group markets separate
- **Standard Plan Selection**
 - All carriers have to offer a standard product in each metal level
 - Premium rates will be the same both inside and outside of the exchange for the same product
- **No Minimum Participation or Minimum Contribution**
 - NYS will not require a minimum number of employees be enrolled in a QHP nor require an employer to contribute an amount towards premium

Health Plan Invitation

Goals

- Offer comprehensive affordable, coverage in all areas of the State
- Balance innovation with reasonable choice
- Make it easy for consumers to compare options
- Ensure health plans have adequate networks
- Monitor health plan quality, utilization of services, and consumer satisfaction
- Preserve consumer protections, as defined in federal and state law and regulation
- Ensure consistency with the outside market

Insurer Requirements

- Invitation open to all licensed and certified insurers in the State in good standing and meeting State solvency requirements
- Insurer may choose to participate in the Individual Exchange, the SHOP Exchange, or both
- Must offer one Standard Plan at every metal level, in every county of their service area
 - Must cover Essential Health Benefits package
 - Cost sharing for Standard Plans

Insurer Requirements

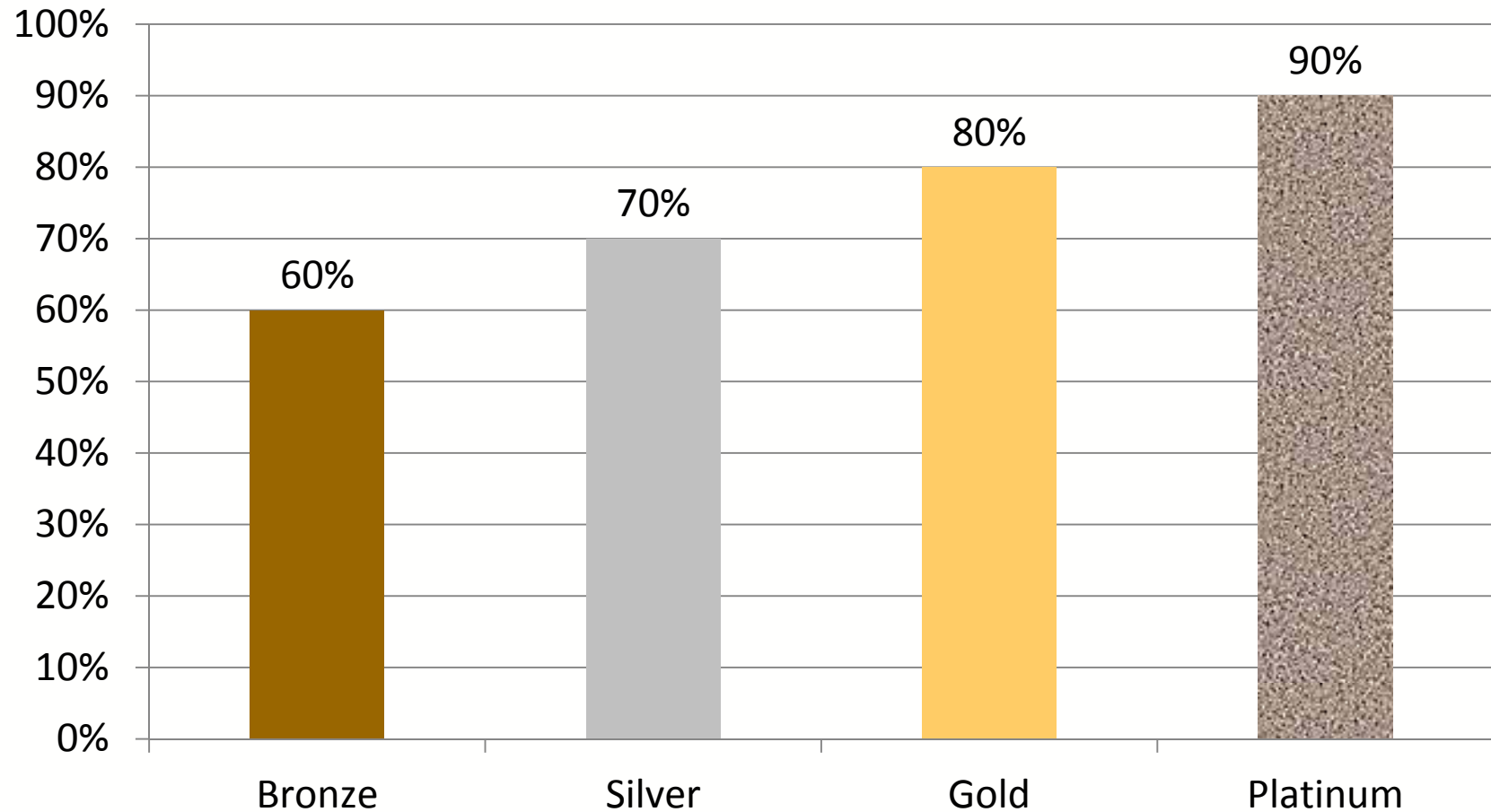
- May offer up to 3 Non-Standard Plans:
 - Cannot offer fewer benefits than Standard Plans
 - May offer additional benefits
 - Can use different networks and different cost sharing, but must be AV equivalent
 - Can make AV equivalent benefit substitutions for Preventative/Wellness/Chronic Disease Management or for Rehabilitation/Habilitation

Federal Law Requires Coverage of Ten Essential Health Benefits

1. Ambulatory patient services
2. Emergency room services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance abuse disorders
6. Prescription drugs
7. Rehabilitation and habilitation services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including oral and vision

Qualified Health Plans

Actuarial Values for Levels of Coverage



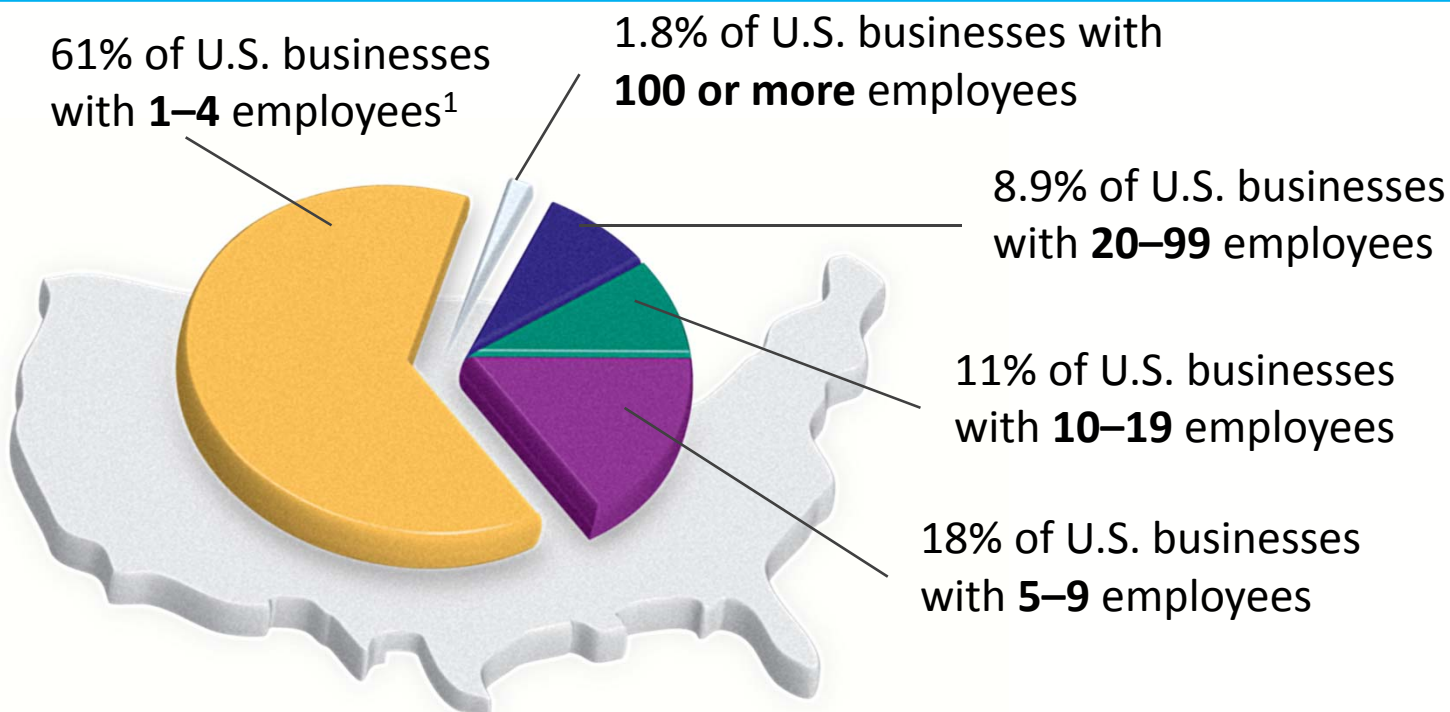
Qualified Health Plans

- Department of Financial Services announces approved rates for Exchange plans on July 17, 2013

<http://www.healthbenefitexchange.ny.gov/news/press-release-governor-cuomo-announces-approval-2014-health-insurance-plan-rates-new-york>

- Exchange announcement of certified Qualified Health Plans is forthcoming

Small Businesses: An Important Market Segment



Producers sold 88% of small group business in New York.²

1. Source: U.S. Census Bureau, Statistics of U.S. Businesses

2. Source: Wakely Consulting Group, "The Role of Producers and Other Third Party Assistors in New York's Individual and SHOP Exchanges," June, 2012, p. 11.

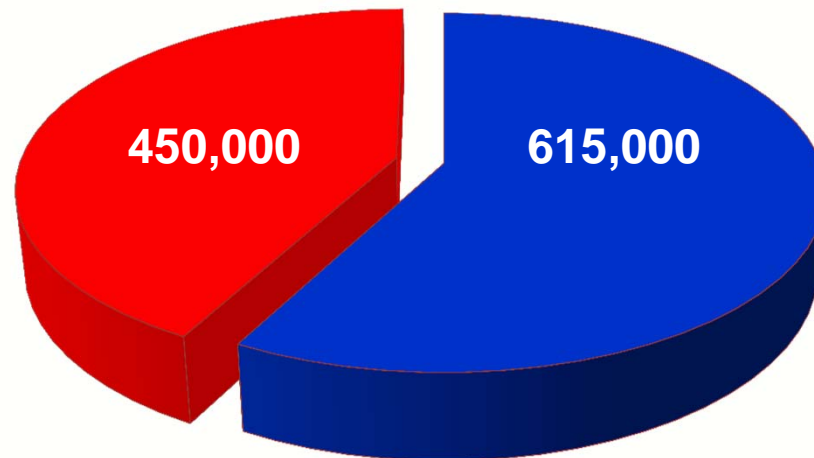
Slide Source: Manatt Health Solutions

Goals for SHOP Enrollment

Enroll 100,000 small businesses covering 450,000 members

■ Individual Exchange (58%)

■ SHOP Exchange (42%)



SHOP Exchange: Value for Small Employers

Choice

- Employers and employees regard expanded choice as a key advantage to using the Exchange.

Administrative Simplicity

- The Exchange provides monthly billing to employers along with other administrative simplifications.

Tax Credits

- The Exchange will be the exclusive place to access small business tax credits in 2014.

Contribution Options

- 76% of respondents believe this feature helps predict costs.

Employer Coverage and Contribution Options

Employer Coverage Options	Employer Contribution Options
<ol style="list-style-type: none">1) Select among QHPs offered by a specific carrier2) Select specific QHPs offered by multiple carriers3) Select a metal tier of coverage4) Allow employees to select any Exchange QHP	<ol style="list-style-type: none">1) Uncapped percentage <i>(e.g., employer pays 55% of premium)</i>2) Capped percentage <i>(e.g., employer pays 55% of premium, up to \$300)</i>3) Defined dollar amount <i>(e.g., employer pays \$300/month)</i>

Administrative Simplicity

- Exchange provides employers with a single monthly bill
 - Monthly bill will include breakdown of employer/employee contribution due to each QHP (employers remain responsible for collecting premiums from employees).
- Exchange collects monthly payment from the employer and remits payment to insurers
- Employers using the Exchange may be eligible for Small Business Health Care Tax Credit

Small Business Health Care Tax Credit

- Internal Revenue Code - 45R
- A tax credit of up to 35% (25% for tax-exempt) is available **now** to small businesses that offer insurance coverage to employees:
 - Must have fewer than 25 employees with an average annual salary of \$50k or less
 - Employer must contribute at least 50% of premium
- In 2014, the tax credit will increase:
 - **Up to** 50% of employer contribution (35% for tax-exempt)
 - The maximum tax credit of 50% may be claimed by businesses that have 10 or fewer employees with an average annual salary of \$25k or less
 - As the number of employees and average salary increases, the credit decreases
- Exchange will be the **only place** to access the tax credit after 2013
- Exchange will provide real-time estimate of credit at time of application for those who qualify
- Advised to work with tax advisor for tax information

In-Person Assistors

IPA/Navigators

- Conduct community outreach/Complete Applications
- Compensation from DOH grant program
- Training and certification required
- Serve Individuals and SHOP

Insurance Brokers/Agents

- Complete Applications
- Commission-based compensation
- Training and certification required
- Choose to certify in SHOP, Individual, or both

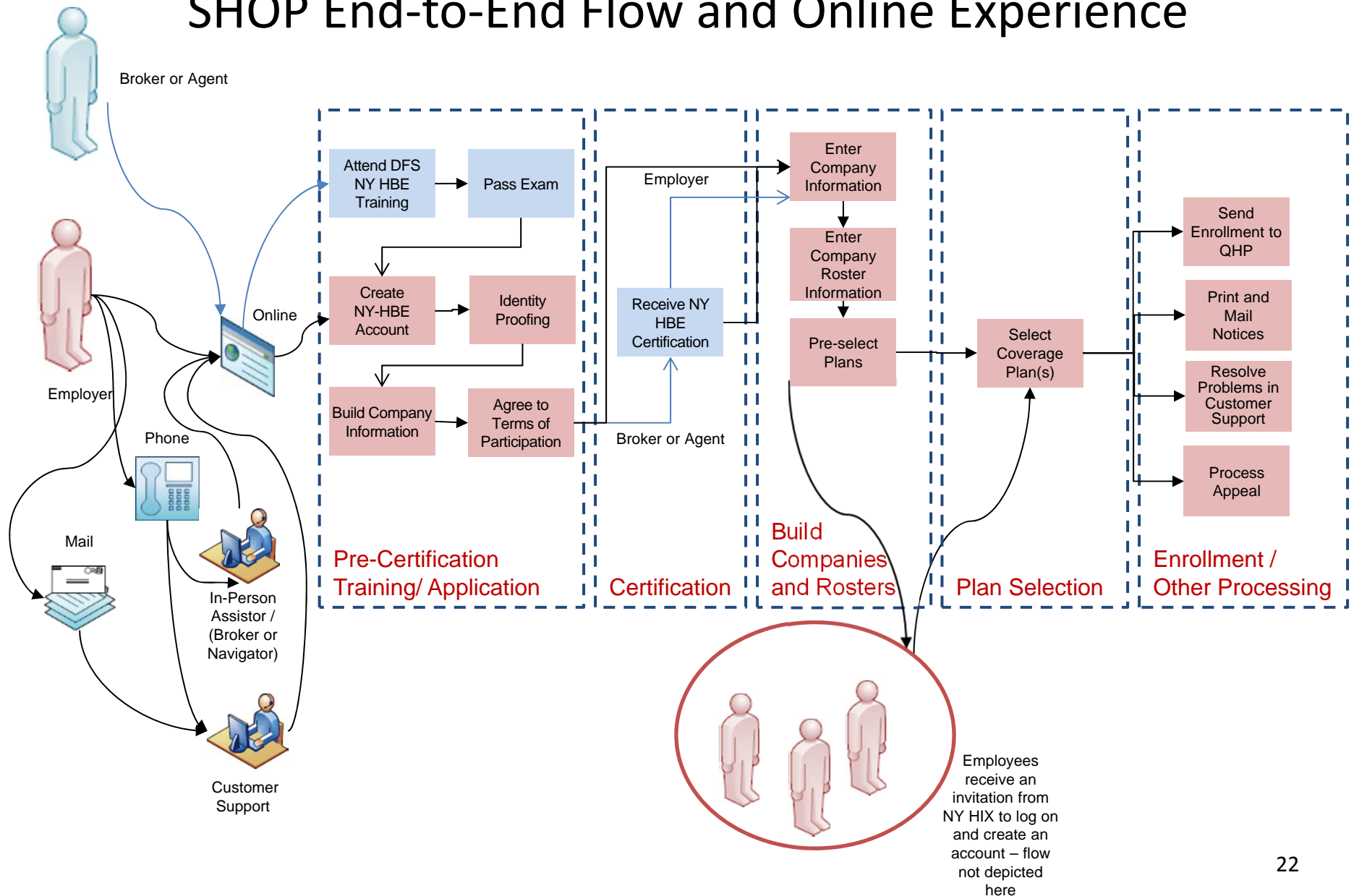
Certified Application Counselors

- Conduct community outreach/Complete Applications
- No compensation from Exchange
- Training and certification required

Broker Training and Certification

- Exchange training will be CE credit eligible
 - SHOP Training – 8 credits
 - Individual Exchange Training – Pending
- Timeline:
 - SHOP training classes begin in August and continue through 2014.
 - Individual Exchange training for brokers will be available to be announced but will be similar to SHOP Exchange training.
 - Certification testing immediately follows completion of training.
- Training format: Classroom, online, webinar
- Brokers will be notified of rollout via Exchange website, email, through state associations, and on future Exchange webinars

SHOP End-to-End Flow and Online Experience



Consumer Assistance

- **Online**
 - Through the Exchange portal for new applications and administrative renewals
 - Webchat for assistance
- **In Person**
 - In Person Assistors and Navigators
 - Agents and Brokers
 - Informal Assistors
 - Assistance available in many languages
- **Phone**
 - Leverage current public program call center
 - Assistance available in most languages

Exchange Timeline

- ✓ Executive Order Issued - April 2012
- ✓ NY completes HHS Design Review - October 2012
- ✓ NY submits Blueprint to HHS – November 2012
- ✓ NY receives conditional certification from HHS to operate a state-based Exchange - December 2012
- Grassroots Outreach activities - Ongoing
- IT Development - Ongoing
- Health Plans Selected for participation in 2014 - July 2013
- IPA/Navigator and Agent/Broker training and certification begins – August 2013
- In-Person Assistor/Navigator Program begins – September 2013
- Customer Service opens for business – September 2013
- Advertising Campaign launched – September 2013
- Applications accepted – October 2013
- Coverage starts – January 2014

New York Health Benefit Exchange | The Official Health Benefit Exchange for New York State - Windows Internet Explorer


http://www.healthbenefitexchange.ny.gov/

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The Smart Choice for Small Business

Beginning October 1, 2013, small businesses will have access to the insurance opportunities that larger employers already enjoy - greater choice of plans at lower costs.


[READ MORE»](#) SLIDE 1 OF 3



 **June 26, 2013**

New/Updated Exchange Materials:
Please print, copy, link to and share.

[Available here](#)

 **Latest News & Events**

JUN 26, 2013	Now available: 7 Things You Need to Know
MAY 21, 2013	New York Health Benefit Exchange Regional Advisory Committee Meetings: May 2013
MAY 20, 2013	Now available: Newsletter Brief

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Joseph Muldoon

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Joe Muldoon is Director of Broker Relations at the New York Health Benefit Exchange in the Small Business Health Options Program (SHOP). He works with brokers, agents and chambers of commerce to educate small business owners about the advantages of offering employees health insurance coverage through the Exchange

Joe has 30 years of experience in the health insurance industry. He served as Vice President of Sales for Jardine Group Services Corporation, one of the largest brokers in the world and as Vice President for Support Services Alliance, Inc., a leader in the association field. He also worked in sales leadership and client relationship roles for Group Health Inc. (GHI), United Health Care and MVP Health Care.

Joe attended Kingsborough Community College in Brooklyn, New York, where he earned an AAS in Business Management, and studied psychology at the State University of New York at Albany. He has served as a member of the Board of Directors for the Northeastern New York Safety Council since 1996.

