



Wisconsin's Perspective: Health Benefit Exchange Implementation

Jim Jones, Wisconsin Deputy Medicaid Director
Division of Health Care Access and Accountability
Department of Health Services

BadgerCare Plus Ensures that 98% of Wisconsin Residents Have Access to Affordable Health Insurance

Traditional Medicaid Expansion More Limited Coverage Low Cost Self-Pay Plan

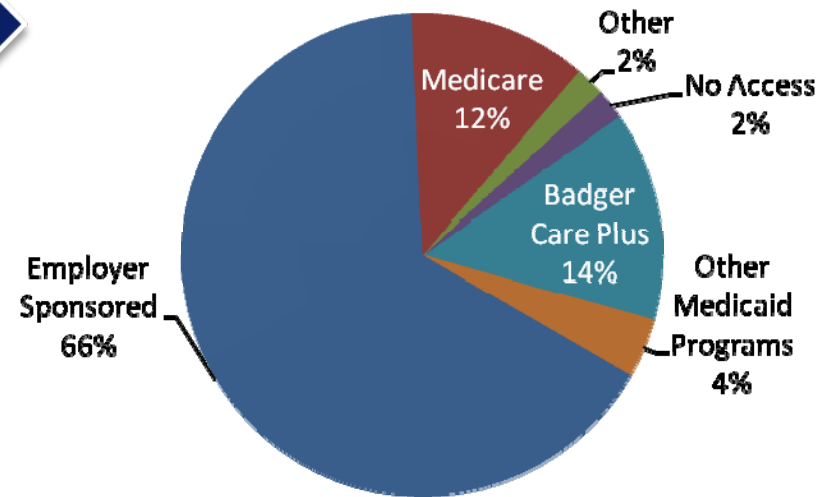


- Merger of Medicaid, SCHIP and Healthy Start
- Coverage for all children
- Sliding scale premiums for those above 200% FPL
- Parents and caretaker relatives up to 200% FPL; pregnant women up to 300% FPL; youth aging out of foster care regardless of income
- In just under two years, approximately 200,000 individuals enrolled (39% adult/61% children)

- Coverage expanded to adults with no dependent children up to 200% FPL
- In three months, received 72,000 applications from childless adults.
- 65,000 individuals are currently enrolled

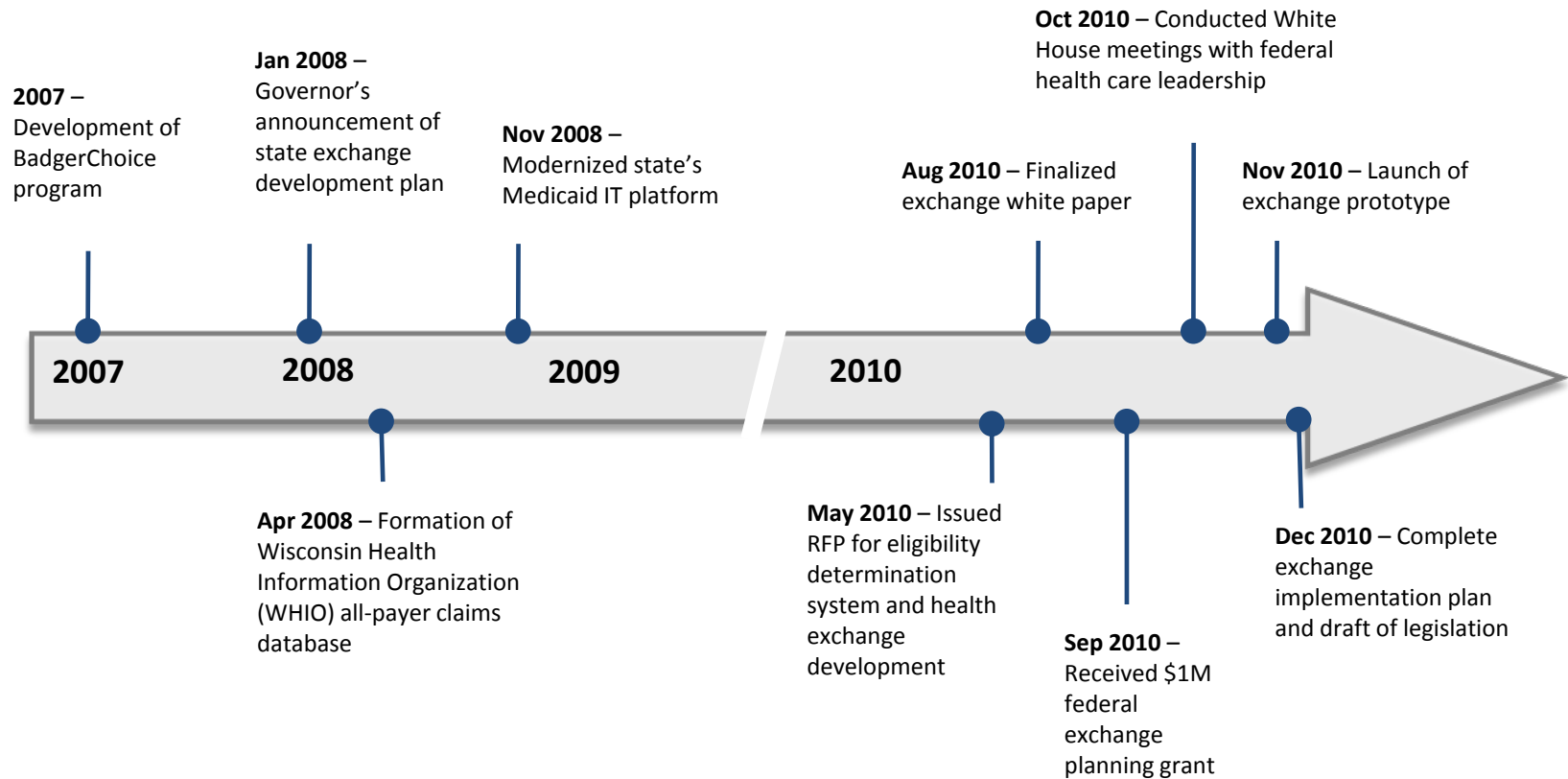
- Temporary option for adults on the BadgerCare Plus Core waitlist
- Approximately 42,000 adults will have the opportunity to buy into this plan, with 4,000 enrollees to date

Insurance Access, Wisconsin Residents (2009)



Across all programs, Wisconsin Medicaid provides health care services for 20% of Wisconsin residents (1.1 million)

Timeline of Wisconsin Exchange-Related Efforts to Date



Wisconsin's Guiding Principles

Serve as a door to health care that is easy and effective to use

- Create an easy to use, consumer-friendly web site
- Establish a call center and a toll-free telephone number
- Make health care selection and enrollment process simple and streamlined
- Fully integrate with the Medicaid program
- Leverage existing modern IT infrastructure to achieve low administrative costs, maximize affordability and ensure long-term sustainability

Be Transformative: Realize greater value by improving quality and reducing cost

- Move beyond minimum requirements
- Create environment of managed competition that rewards value over volume
- Build on existing WHIO payment reform initiatives
- Coordinate with payers and providers
- Use collective purchasing power to secure competitive premiums from qualified health plans
- Use the exchange to align quality improvement efforts statewide

Keep it simple: Provide customers with useful information but don't overwhelm

- Provide customers with useful info but don't overwhelm
- Use brokers, community partners and other "navigators" to help consumers make informed decisions
- Educate and provide help around eligibility for programs and subsidies (to reduce confusion)
- Full integration will allow us to leverage previous investments in IT systems to implement the exchange in a cost-effective manner

Build off regional strengths

- Health care in Wisconsin is local and/or regional
- Exchanges should recognize regional providers/insurers and allow them to effectively compete against statewide insurers
- Wisconsin is well positioned to implement health care reform because we have a number of strong, integrated partners

Focus on customer service

- Consumers should be the number one priority
- The web site application tool must be easy to use
- The call center must be adequately staffed
- Community based partners must be engaged to help
- Brokers must also be part of the solution
- Philosophy – No wrong door to health care in Wisconsin

[INDIVIDUALS](#)[BROKERS](#)[NAVIGATORS](#)[EMPLOYERS](#)[INSURANCE COMPANIES](#)

Get Health Insurance

Your one stop shop for health insurance



1

Get Started

2

Help Me Choose

3

Enroll

BEGIN!

Manage My Account

If you want to renew your health insurance, check your benefits, or report changes, click the Sign In button.

SIGN IN



Request An Exemption

If you would like to request an exemption, please click the Continue button.

CONTINUE



Learn More

Wisconsin's Health Benefit Exchange allows individuals to get health insurance. Click the Continue button to learn more.

CONTINUE



Potential Risks and Mitigating Strategies

	Adverse Selection	Carrier Disinterest	Relationships with Brokers	Customer Service	Eligibility Determination
Potential Risk	<ul style="list-style-type: none"> Exchange-based plans are flooded with high-risk enrollees Insurers avoid the exchange or exit market altogether, creating a vicious spiral down in plan participation 	<ul style="list-style-type: none"> Carriers are confident they can deliver high-quality low cost plans outside the exchange Carriers exit the market due to perception of too much admin cost, medical loss risk, and/or conflict with other plans and distribution channels 	<ul style="list-style-type: none"> Exchanges compete with brokers, general agents and other intermediaries Powerful market influencers drive the small business market away from the exchange 	<ul style="list-style-type: none"> Government fails to effectively organize complex choices for consumers and provides poor consumer experience Employers and consumers are underwhelmed by service and fail to engage 	<ul style="list-style-type: none"> States will not be ready to determine eligibility for tax credits by 2014 due to lack of resources to design, build and test verification processes Potential undue burden on consumers creates obstacle to participation
Mitigating Strategy	<ul style="list-style-type: none"> Provide subsidies for low-income individuals and families Implement the individual mandate and apply effective risk adjustment methodology 	<ul style="list-style-type: none"> Provide robust, low-cost marketing distribution channel for carriers Ensure benefit design and customer service will attract members' participation 	<ul style="list-style-type: none"> Establish positive, productive and efficient arrangements with agents and intermediaries early on to achieve market success 	<ul style="list-style-type: none"> Ensure proactive, early attention to quality of consumer interfaces (web site design, call center quality) Manage trade-off between complexity of data needs and front-end user experience 	<ul style="list-style-type: none"> Ensure close cooperation between states and federal administrators to share early lessons learned on systems design and build

All risks are exacerbated by political, budgetary and timeline considerations

Key Federal Government Challenges

Creating the Federal Option

- The federal government will likely need to operate exchanges in many “opt-out” states across the country
- Every state has different Medicaid coverage levels, eligibility systems and eligibility determination processes
- The federal exchange option must be nimble enough to integrate with these varied systems

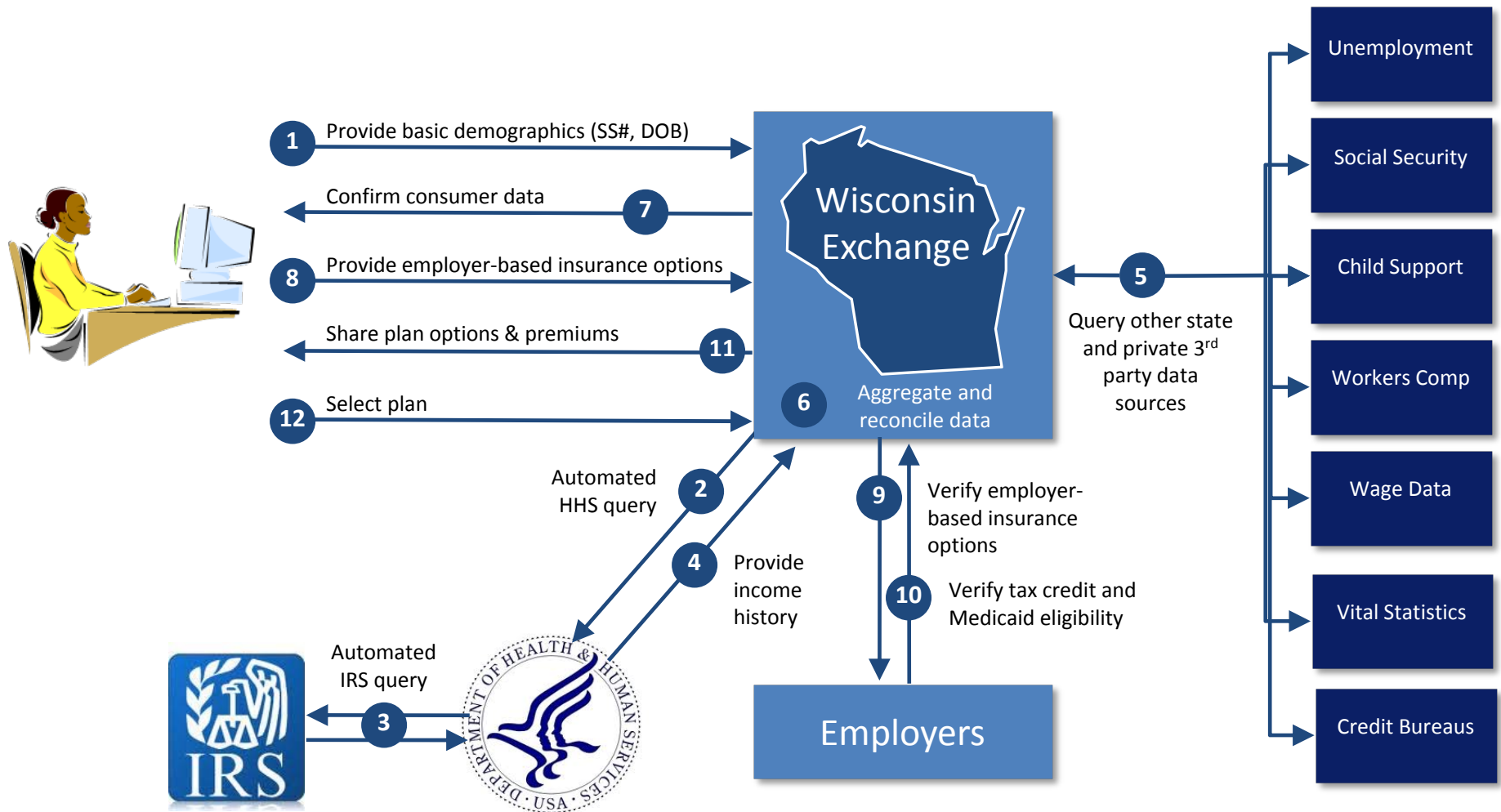
Potential “Tax Shock”

- Changes in household composition or income throughout the year may increase or decrease credits
- Reconciliation at tax time will occur and some families may have to pay back money to the federal government
- Means of minimizing the potential tax shock must be developed

Data Integration

- New methods of data integration between states and the federal government (as well as between federal agencies) must be developed and tested
- The federal government will need to determine how to integrate with outdated state legacy systems
- The federal government needs to establish these methods early to begin testing by March 2012

Implementers Must Integrate a Complex Data Environment



Wisconsin's Recommendations to the Federal Government

■ Learn Quickly from Early Adopters

- Some states have made more progress than others addressing key people, process, technology and infrastructure challenges -- for example, California on legislation, Utah on risk management methods, Wisconsin on web site prototype design
- States that are prepared to move quickly can provide the federal government with lessons learned from early activities – best practices for design and implementation, the means for addressing unforeseen challenges and methods for avoiding unintended consequences

■ Encourage an Early but Incremental Approach to Exchange Implementation

- Rather than a full launch on January 1, 2014, effective exchange roll-out requires a series of sequential releases, to ensure exchange designers minimize the risk of system failures and can course-correct over time
- Areas that could most benefit from staged roll-out: adoption of a MAGI income calculation methodology, launch of a web-portal and implementation of new data sharing arrangements
- A phased approach requires equivalent staging of federal funding, the ability for states to charge against pending future federal grants, and regulatory flexibility

■ Do Not Underestimate the Effort Required for Establishing New Relationships

- Federal – State: new or strengthened relationships between HHS, Treasury and the states
- Intra-state offices: coordination between departments of health and insurance commissioners
- New customers: service to higher-income individuals and small businesses

Questions

Contact Information:

James.Jones@dhs.wisconsin.gov

(608) 266-8922

Division of Health Care Access and Accountability
Department of Health Services