



Active Purchaser Overview

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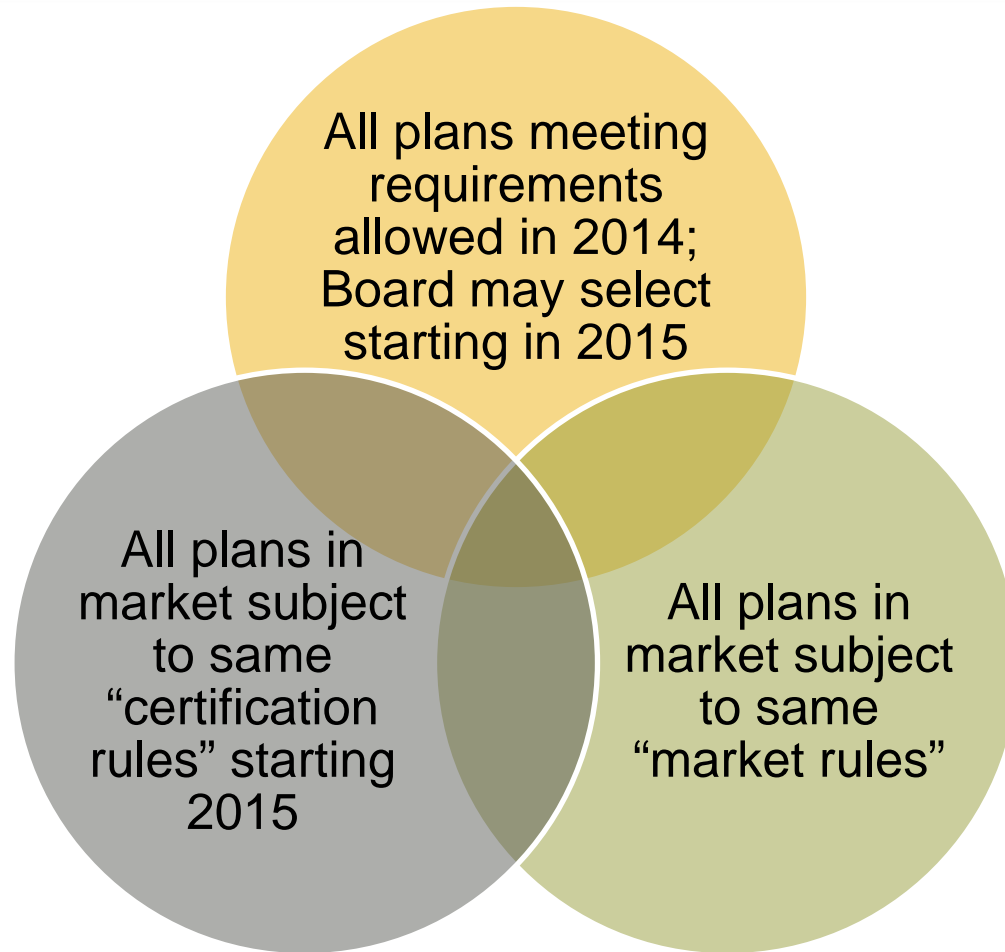
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What does active purchaser mean?

- Can mean many things, but generally the goal is to secure more affordable and higher quality coverage options by not just allowing all carriers/plans that meet a minimum level of requirements to offer their plans in an Exchange/MNsure
- Multiple mechanisms can be used including a competitive process, establishing additional standards/criteria for participation, specifying/standardizing details of plans that may be offered, etc.
- Need to consider/balance multiple issues including affordability, quality, competition, choice, adverse selection, enrollment impact, financial impact, and market impact

Plan Offering



Market Rules



- **Benefit, Rating, and Issue Rules:** Apply to all individual and small group plans inside and outside of MNsure that are not “grandfathered”
 - **Benefit Rules:** Must provide essential health benefits and fit an actuarial level (Bronze, Silver, Gold, Platinum, or “Catastrophic”); small group deductible limits \$2,000/\$4000
 - **Rating and Issue Rules:** Premium variation based on health status prohibited. Rating variation limited to tobacco use (1.5:1), age (3:1), geography, and family composition. Guarantee issue. No pre-existing condition limitations
- **Premiums:** For the “same plans” inside and outside MNsure must be the same
- **Open Enrollment Period:** Same for plans inside and outside MNsure

Certification Rules

- Under the Minnesota Market Rules bill passed in 2013, MNsure certification requirements apply marketwide for the individual and small group markets starting in 2015 and are enforced by the Departments of Commerce and Health:
 - Metal level offerings
 - Marketing
 - Information disclosure
 - Accreditation
 - Network adequacy requirements
 - Quality assurance/improvement plan
 - Service area

Plan Selection

- MNsure legislation allows for selection of plans to participate in MNsure starting in 2015
- To be selected, insurers must:
 - Comply with all market and certification rules
 - Apply to offer plans in all metal levels and markets the insurer offers coverage outside MNsure
 - Not operate under a separate license of the parent company than they operate outside MNsure
 - Be determined to be in the best interest of consumers as determined by eight categories that may, but are not required, to be considered

Plan Selection

- Plans may be selected based on eight categories:
 - Affordability
 - Quality and value
 - Promotion of prevention/wellness
 - Promotion of initiatives to reduce health disparities
 - Market stability and adverse selection
 - Meaningful choices and access
 - Alignment with state/private sector purchasing/payment reforms
 - Other criteria deemed appropriate

Plan Selection

- Policies and procedures for plan selection must be specified by February 1 for plans effective the following year
- Rulemaking is not required, but if any of the policies, procedures, standards, or criteria for selection are defined as a rule, the rulemaking provisions of the MNsure statute must be followed and completed prior to February 1.

Plan Selection

- There are multiple ways to implement plan selection:
 - Set specific standards/criteria for participation
 - Would require rulemaking
 - Adverse selection/enrollment impact issues to consider
 - Utilize a competitive or RFP process
 - Generally would not require rulemaking
 - Use both a competitive/RFP process and set some specific standards/criteria
 - Other?

Questions?
