Minnesota
Health Care Financing Task Force
Update to MNsure Consumer Advisory Committee

JANUARY 21, 2016

STACIE WEEKS, DHS

The presentation will be posted when accessibility standards are completed. In the meantime, if you desire a copy of the presentation, please contact smanasse@manatt.com.

MINNESOTA HEALTH CARE FINANCING TASK FORCE

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Background

- The 2015 legislature and governor created a task force on health care financing to advise them on strategies to increase access and improve the quality of health care for Minnesotans. (Minn. Session Law 71, Article 11, Section 62.)
- These strategies include options for sustainable health care financing, coverage, purchasing and delivery for all insurance affordability programs.

Statutory Goals

1. Encouraging seamless consumer experience across all benefit programs
2. Reducing barriers to accessibility and affordability of coverage
3. Improving sustainable financing of health programs, including impact on the state budget
4. Assessing the impact of options for innovation on their potential to reduce health disparities
5. Expanding innovative health care purchasing and delivery systems strategies that reduce cost and improve health
6. Promoting effective and efficient aligning program resources and operations
7. Increasing transparency and accountability of program operations.

Task Force Vision

Vision: Sustainable, quality health care for all Minnesotans

Guiding Principles

Realistic: The task force will make recommendations that can realistically be implemented.

High Value Impact: The task force will seek recommendations that have high value and are meaningful to Minnesota's health care reform efforts.

Holistic Perspective: The task force understands that health care finance and our recommendations do not exist in a vacuum, and are components of the health care and population health systems.

Focus: The task force recognizes that health care financing and system reform is extremely complex and it will contribute to the broader policy debates by focusing its time and attention on the issues it is charged with addressing.

Innovation: The task force is encouraged to identify opportunities for innovation in Minnesota's health care financing and delivery systems which show promise for lowering costs, improving population health and improving the patient experience.

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Health Care Financing Task Force
Information: www.mn.gov/dhs/hcftf
Contact: dhs.hcfinancingtaskforce@state.mn.us

Membership

The task force shall consist of:

(1) **seven members appointed by the senate**, four members appointed by the majority leader of the senate, one of whom must be a legislator; and three members appointed by the minority leader of the senate, one of whom must be a legislator;

(2) **seven members of the house of representatives**, four members appointed by the speaker of the house, one of whom must be a legislator; and three members appointed by the minority leader of the house of representatives, one of whom must be a legislator;

(3) **11 members appointed by the governor**, including public and private health care experts and consumer representatives. The consumer representatives must include one member from a nonprofit organization with legal expertise representing low-income consumers, at least one member from a broad-based nonprofit consumer advocacy organization, and at least one member from an organization representing consumers of color; and

(4) the **commissioners** of human services, commerce, and health, and the executive director of MNsure, or their designees.

Review of Task Force Process

- **Timeline:** August 2015 - January 2016
  - Task Force met 9 times; workgroups met approximately 30 times each.
- **Chairs:**
  1. Sahra Nohr, People's Center Health Services
  2. DHS Commissioner
- **Workgroups:**
  1. Delivery Design and Sustainability
  2. Seamless Coverage & Market Stability
  3. Barriers to Access

Workgroup 1: Delivery Design & Sustainability

Charge: The workgroup will identify innovative health care delivery system strategies to reduce costs and improve health outcomes.

Lead: Dr. Penny Wheeler, Allina Health

Workgroup 2: Seamless Coverage

Charge: The workgroup will examine opportunities for providing and financing a seamless, affordable and financially stable coverage continuum in Minnesota.

Lead: Dr. Lynn Blewett, Univ. of MN

Workgroup 3: Barriers to Access

Charge: The workgroup will identify opportunities to reduce barriers to accessing quality care that will improve health outcomes in Minnesota. This includes options that address existing financial or structural barriers to care for special or harder to reach populations.

Lead: Dr. Marilyn Peitso, CentraCare Health

Health Disparities & Triple Aim

Consider how recommendations impact health disparities in Minnesota—including disparities related to one's geographical location, socioeconomic status, race/ethnicity, and/or disability—as well their impact on Minnesota's efforts to meet the goals of the Triple Aim (improving patient experience and health outcomes, along with lowering health care costs).

MNsure-Related Recommendations

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Federal v. State Model

Recommendations

1. Task Force does not recommend transitioning to either Federally Facilitated Marketplace (FFM) or Supported State-Based Marketplace (SSBM) at this time.

2. A partially-privatized State-Based Marketplace (SBM) model could be considered following the evaluation of MNsure's 2016 open enrollment period.

3. Task Force recommends continuing a SBM at this time.

Analysis of Other Marketplace Models

	Partially Privatized SBM	Supported SBM	FFM
Flexibility to administer MinnesotaCare	✓	✗	✗
Flexibility to administer additional subsidies	✓	✗	✗
Flexibility to administer portable subsidies	✓	✗	✗
State cost for completing QHP-related systems development	?	$$	$$
State cost for completing QHP- and public program-related systems development	?	$$$	$$
Flexibility to invest in Navigator program	✓	✗	✗

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Evaluation of MNsure 2016 OEP

Recommendation: Develop framework to evaluate MNsure's 2016 open enrollment period (OEP) performance.

Framework criteria:

1. Assessment of how MNsure's QHP experience fits into the health coverage landscape in Minnesota, including QHP enrollment trends, percentage of enrollees accessing tax credits, effectiveness of consumer outreach/education strategies, and adequacy of MNsure financing
2. Assessment of consumer QHP enrollment experience, including comparisons to Healthcare.gov and selected SBMs, potentially with the assistance of an independent expert
3. A progress report on meeting benchmarks in IT development and modernization plan, including timeline and cost for completing remaining functionality to support QHP enrollment

Key Priorities for Future Decisions

Ranked in Order of Priority

1. Enable a **streamlined process** for eligibility determinations, plan selection, and enrollment
2. Provide **readily available, culturally-competent consumer assistance** to support informed plan selection and enrollment
3. Offer a **consumer-facing portal** that is user-friendly and supports efficient navigation
4. The IT and governance of the Marketplace be **cost-efficient** and supported by a **sustainable funding** source
5. The Marketplace allows for **easy integration** with health plans
6. Provide **a single access point** for determining one's eligibility to public benefits
7. Have the ability to support a **Minnesota-specific affordability scale**.
8. Promote continuous enrollment in health coverage for better health outcomes and cost containment; **reduce "churn."**

IT Governance & MNsure

Recommendation: Codify the current IT executive steering committee structure for overseeing the IT modernization plan, including MNsure's IT system.

MNsure Financing

Recommendation: Expand the MNsure user fee to on- and off-Marketplace products, provided that the Legislature statutorily reduces the user fee/premium withhold level.

Recommendations impacting MNsure Consumers

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Navigators

Recommendation: Improve and enhance community based consumer assistance resources, including Navigators, consumer assisters and agents/brokers:

- Develop **expanded community based, consumer assistance capacity** to support consumers in accessing health coverage, understanding how to use their health coverage, and addressing social determinants of health (e.g., food and nutrition, housing);
- Provide **adequate and timely payment** to, and appropriate training for, community based consumer assisters;
- Utilize currently available **race/ethnicity/data** to identify type and level of consumer needs and target deployment of consumer assistance resources; and
- Ensure State's selection of Navigators prioritizes entities able to provide **linguistically and culturally appropriate assistance** and new state-developed consumer assistance tools are culturally and linguistically appropriate.

The Uninsured

Recommendation: Provide access to coverage for uninsured, low-income individuals ineligible for Medical Assistance, MinnesotaCare and QHPs through MNsure due to immigration status by using State funding to provide MinnesotaCare benefits to children and adults with incomes up to 200% of FPL.

Qualified Health Plans

Recommendation: Require standard Qualified Health Plan offerings in the Marketplace to improve consumer choice and experience and ensure availability of no- or low-deductible options. Look to federal standardized designs as a potential model.

1. Create standard cost-sharing designs and require carriers to offer low and no deductible plan options, in addition to other products they choose to offer.
2. Require carriers to offer standard plan designs that exempt certain services from deductibles to incentivize utilization of primary care and other high value preventive services.
3. Study option of 1332 waiver to allow for 60 to 100% Actuarial Value and how this will improve consumer choice.

Family Glitch Fix

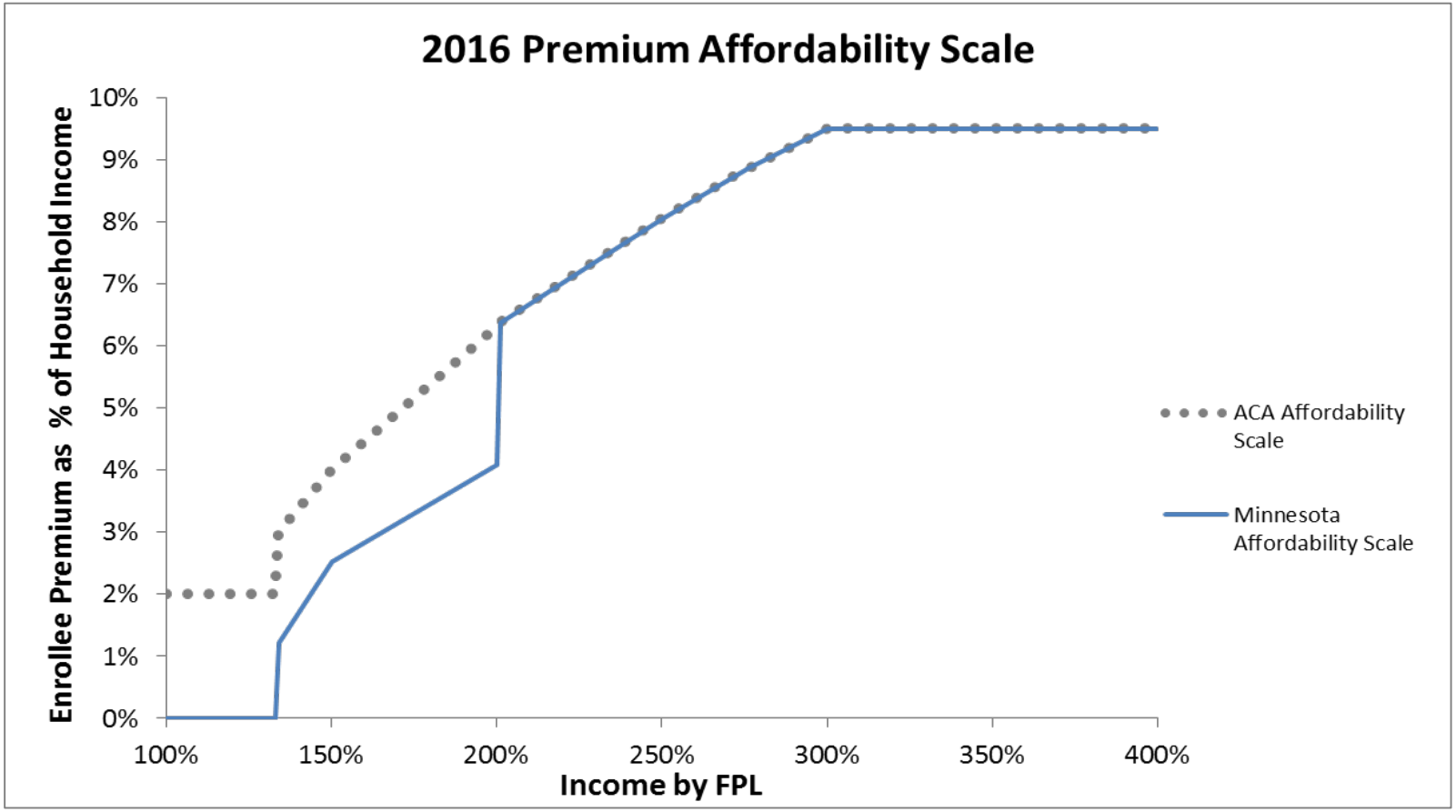
Recommendation: Rationalize affordability definition for families with access to employer sponsored insurance (ESI) (i.e., fix the “family glitch”), provided, however, that there is no impact on employer tax penalty related to affordability of coverage for dependents.

Affordability Cliff at 200% FPL

Recommendations:

1. Improve affordability and reduce the cliff in premiums, cost-sharing and deductibles for health coverage at 200% FPL in Minnesota's coverage continuum by establishing a Minnesota-tailored health coverage affordability scale and provide enhanced subsidies to consumers with incomes 200 to 275% FPL (pre-ACA MinnesotaCare eligibility levels).
2. Expand/Restore MinnesotaCare up to 275% FPL, using the recommended affordability scale under Recommendation 9 for those between 200 and 275% FPL, and maintain Marketplace coverage for consumers >275% FPL.

Premium Cliff in Minnesota



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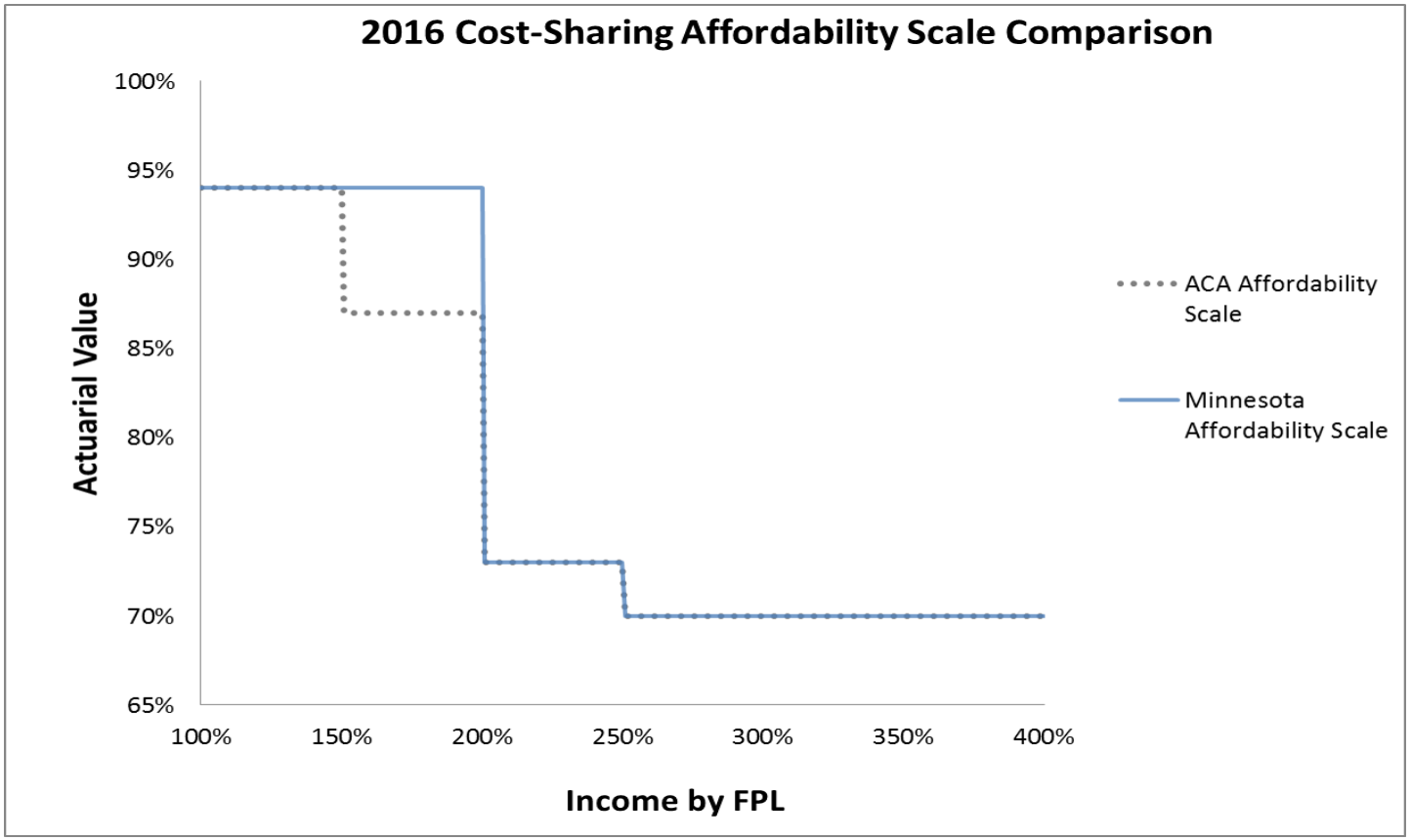
Cost-Sharing Cliff in Minnesota



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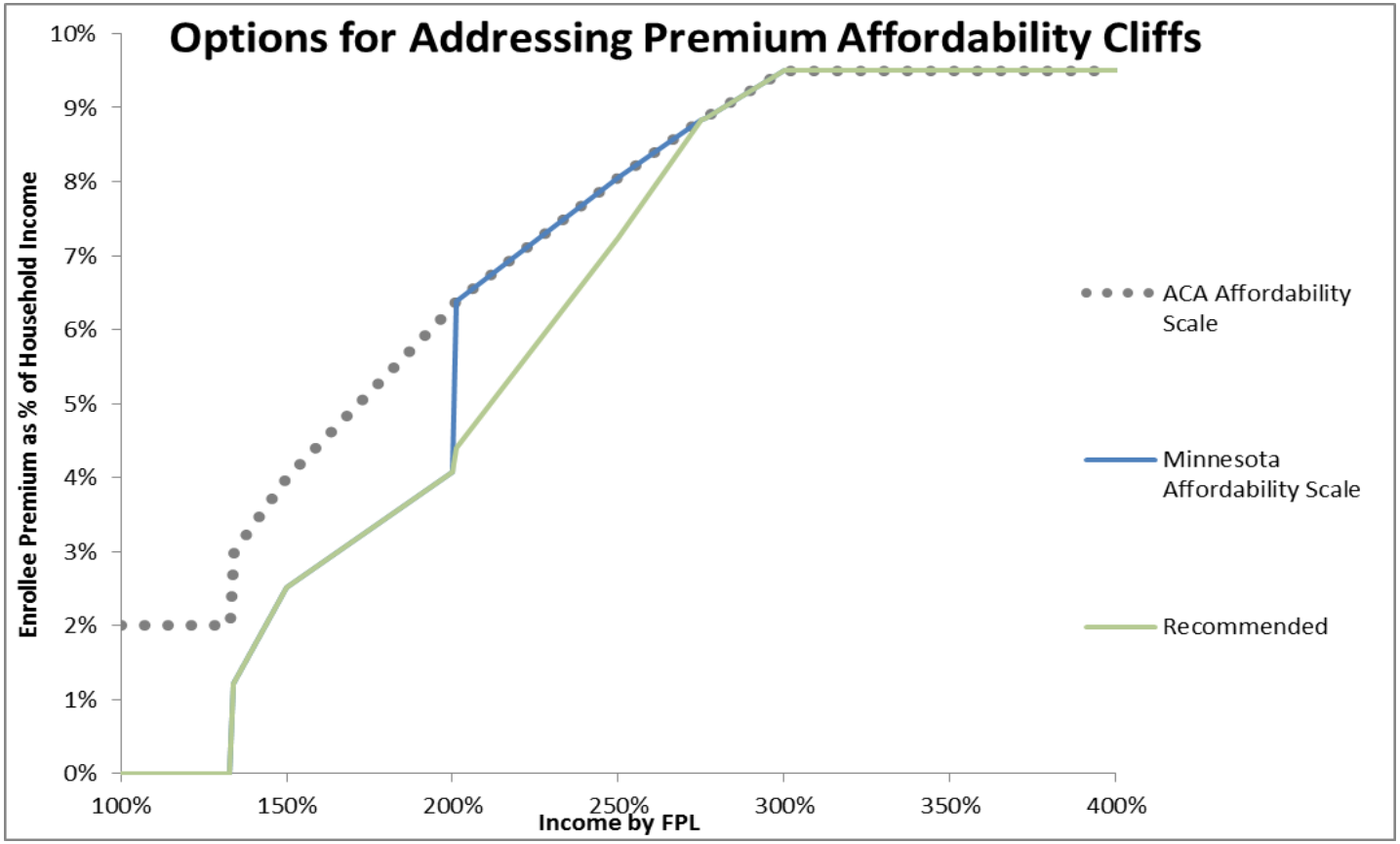
Smoothing the Cliff



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Benefit Alignment impacting QHPs

Dental Care

1. Require that QHP issuers make available dental benefits on par with coverage in Medical Assistance and MinnesotaCare.
2. Seek 1332 waiver to allow QHP enrollees to apply Advance Premium Tax Credits/ Cost Sharing Reductions to available dental coverage.
3. Raise Medical Assistance dental reimbursement rates.

Appendix

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Recommended premium scale 201-275% FPL

Income Level (FPL)	Recommended Scale (% of income)	Current Scale in Minnesota (% of income)	Reduction in Premiums under Recommended Scale as compared to Current Scale (% of income)
138% FPL	1.22%	1.22%	0%
150% FPL	2.51%	2.51%	0%
200% FPL	4.08%	4.08%	0%
201% FPL	4.40%	6.38%	1.98%
250% FPL	7.24%	8.05%	0.81%
275% FPL	8.83%	8.83%	0%

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Recommended AV scale 201-275% FPL

Income Level (FPL)	Current AV for Silver Product in Minnesota (% of income)	Recommended AV Scale (% of income)
138% - 200%	94%	94%
201% - 250%	73%	87%
251% - 275%	70%	73%