Funding Matrix Document

- Updated with comments from December 9, technical corrections – considered final.

Principles for Financing Options

- Discussion on market impacts.
  - Is the exchange more than channel for market distribution? What should it be?
  - Should costs for items optional to the Exchange be funded differently than required elements?
  - Is the comparison information a component that should be elsewhere/funded differently? What are the federal requirements? Cost & quality of plans within HIX. MN has wanted to put that info out there for a while. MN already made huge investment in MN community measurements so should build on that.
  - Agree that cost shifts are an issue – applies to both public and private programs

- Discussion on other principles
  - Flexible and adjustable over time
  - Put on individual if efficient cost model. If not efficient, shouldn’t put on individual
  - Use or benefit to be proportionate to group bearing burden, not disproportionate
  - How does that impact uninsured?
  - Leverage federal matching funds
  - Relationship between who is benefitting and who is paying

- Discuss with what a benefit is
  - Discussion on “Is benefit from the HIX or from health care reform?” – Divergent opinions

- Discussion of proposed Principle of Public Accountability
  - Regardless, of where money comes from, there will be oversight – whether on state of fed level – major legislative issue
  - 3 levels: payers (those who are paying the funding), people intended to serve; next level is to state because of public programs (governor, legislature; next level is public

- Discussion of Proposed Principle of Stability/Simplicity
  - Law says must be self-sustaining.
  - Can you re-purpose current revenues? Assumes current tax is fair. However, may fall disproportionately on small employer.
  - More principle about how to raise revenue w/o disrupting markets
  - Discussion on bad debt impacts. HIX can help limit high deductible plans which can lead to high debt at hospitals.
  - May be multiple funding sources so change to if/then statement
Who Benefits From the X?

- **Discussion on who receives benefit from HIX**
  - How big do we want the X to be? Will be conversation once merge w Governance. Tension between self-interest (representing a specific group) and public interest

- **Discussion of Brokers/Navigators**
  - Decision to add Navigators only to list. Change word to “impact”. Cost/quality info would benefit NAV
  - Are NAV a fixed cost? <explanation from Bob Paulson– Navigator Workgroup>

- Each of us may define HIX in slightly different manners. Who benefits will vary over time.

- Add Medicaid/public programs