

Health Exchanges: Lessons from Utah

PHAN Policy Call Series
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Utah's Health Exchange

<http://www.exchange.utah.gov/>



The Utah Health Policy Project

“Working to create quality, affordable, comprehensive, and financially sustainable health care coverage for all Utahns through research, advocacy, and consumer engagement.”

www.healthpolicyproject.org



Utah's Health Exchange

AHBE: American Health Benefit Exchange

- Individual Market
- Advance Premium Tax Credit (subsidy)
- Affordability standards

Utah has a “farmers’ market” approach to the individual market on the exchange.

<http://www.exchange.utah.gov/find-insurance/individuals-and-families>



Utah's Health Exchange

SHOP: Small Business Health Option Program

- ~~Businesses with 2-100 employees~~
- States can choose to limit this to 2-50 employees initially—Utah does this
- ~~No premium subsidy~~—Utah has a (very limited) premium subsidy program for employer sponsored insurance available both in and out of the exchange

Utah Premium Partnership, or UPP

<http://www.health.utah.gov/upp/>



Utah's Health Exchange

Small business: 2-50 employees

Operating since 9/2009 (pre-ACA)

Could be a SHOP with some changes

- QHP (*qualified health plan*) certification
- Benefit tiers (*bronze, silver...*)
- Network sufficiency
- Navigators

“Open Market” model

- Any willing insurer/plan



Utah's Health Exchange

How it works:

- Employer chooses a defined contribution (not percent)
- Employer chooses a default plan
- Employees apply defined contribution from employer to (just about) any plan in the exchange.
- Plans to aggregate premiums from multiple sources (but doesn't yet).



Utah's Health Exchange

5091 people get insurance through the Utah Health Exchange (as of Dec. 1, 2011)

- 1770 covered employees
- 3321 covered dependents
- 205 employer groups

...out of 67,000 Utah small businesses

That's 0.3% of Utah's small businesses.



The Pillars of Health Reform

Lower COST

Increase ACCESS

Ensure/Improve QUALITY



Utah's Health Exchange

Lower COST

Pool purchasing power

Pool risk

Community Rating

Regulation of insurance industry



Utah's Health Exchange

Lower COST

~~Pool purchasing power~~

~~Pool risk~~

~~Community Rating~~

Regulation of insurance industry ✓



Utah's Health Exchange

~~Lower COST~~

50% of employers that begin the UHE enrollment process choose not to buy health insurance in the exchange

Price remains the “deal breaker”



Utah's Health Exchange

Lower COST
...for the State of Utah

The Utah Health Exchange is a “bare-bones” low budget affair, with 3 employees.

....but that doesn't mean it's cheap.

The Utah Health Exchange is heavily subsidized by its IT partners.



Utah's Health Exchange

Increase ACCESS

Affordable health insurance

Network sufficiency

Navigators (consumer assistance)



Utah's Health Exchange

Increase ACCESS

~~Affordable health insurance~~

Network sufficiency ?

Navigators (consumer assistance) 99% use a broker



Utah's Health Exchange

~~Increase ACCESS~~

1,120 individuals who did not previously have employer sponsored insurance now do through the UHE.

(this doesn't mean they didn't have prior coverage through a spouse or in the individual market)



Utah's Health Exchange

~~Increase ACCESS~~

1,120 individuals who did not previously have employer sponsored insurance now do through the UHE.

...no impact on the rate of uninsured in Utah (0.28%)



Utah's Health Exchange

Ensure/Improve QUALITY

Qualified Health Plan certification

Minimum/essential benefits

Active purchasing

“Apples-to-Apples” comparison

Seamless coverage



Utah's Health Exchange

Ensure/Improve QUALITY

~~Qualified Health Plan certification~~

~~Minimum/essential benefits~~ ✓

~~Active purchasing~~

~~"Apples-to-Apples" comparison~~ ✓

~~Seamless coverage~~



Utah's Health Exchange

Ensure/Improve QUALITY

- There are over 140 plans to choose from on the Utah Health Exchange (from 4 –soon to be 3-- insurers).
- About 1/3 of employees choose the default plan.
- Most enrollees choose a rich benefit plan, not a high deductible plan.
- **Utahns want quality health insurance, not deferred cost.**



Utah's Health Exchange

~~Lower COST~~

~~Increase ACCESS~~

~~Ensure/Improve QUALITY~~



Exchange 2.0

Code is in place to implement an individual exchange (AHBE)
...albeit scattered in statute

Modular Approach ... ready to implement “Utah’s individual exchange” and “and ACA compliant one if necessary”

Seamless integration with public programs

“No wrong door approach”

Cost and Quality tools



Exchange 2.0

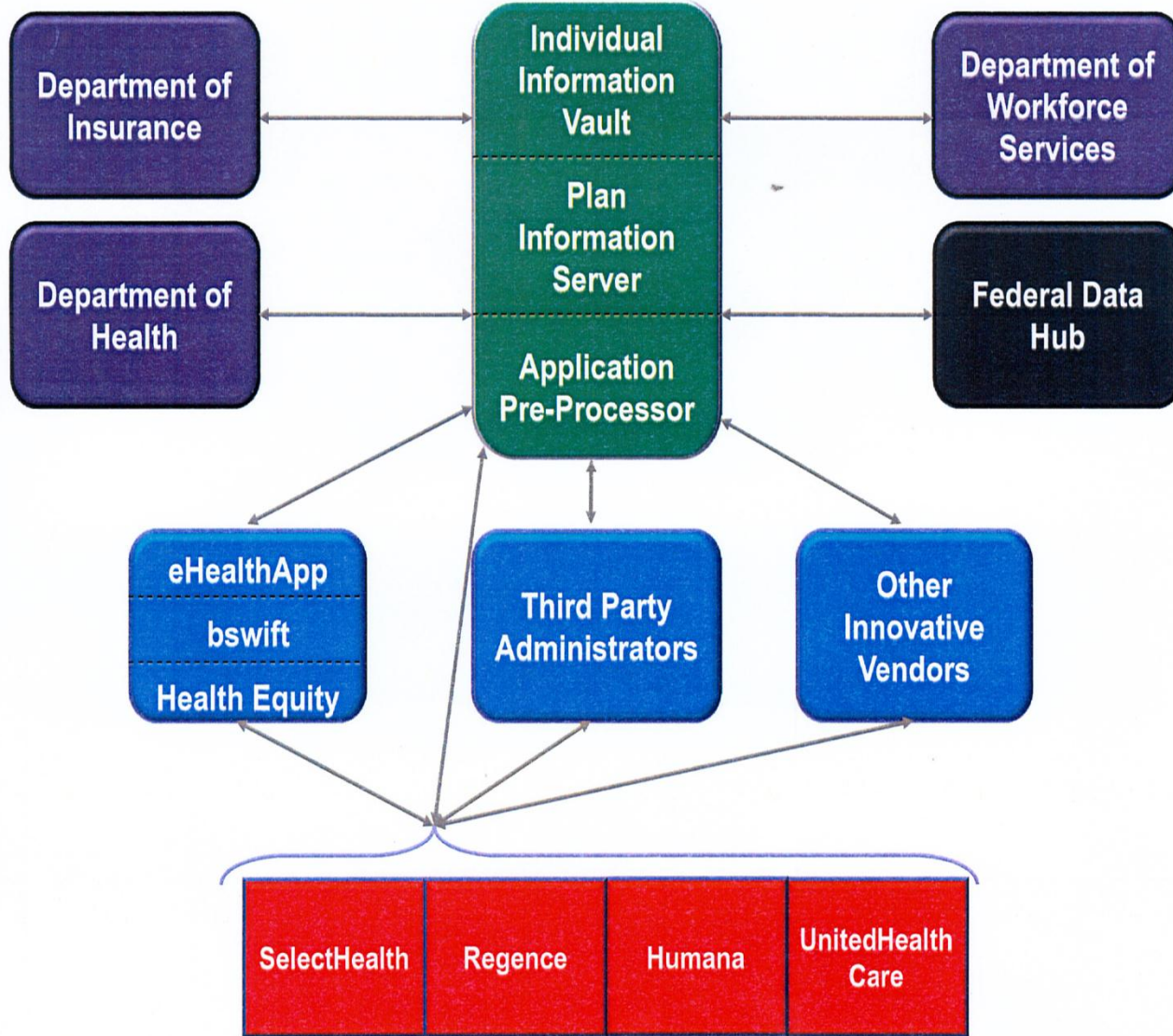
“the exchange is built on consumer feedback”

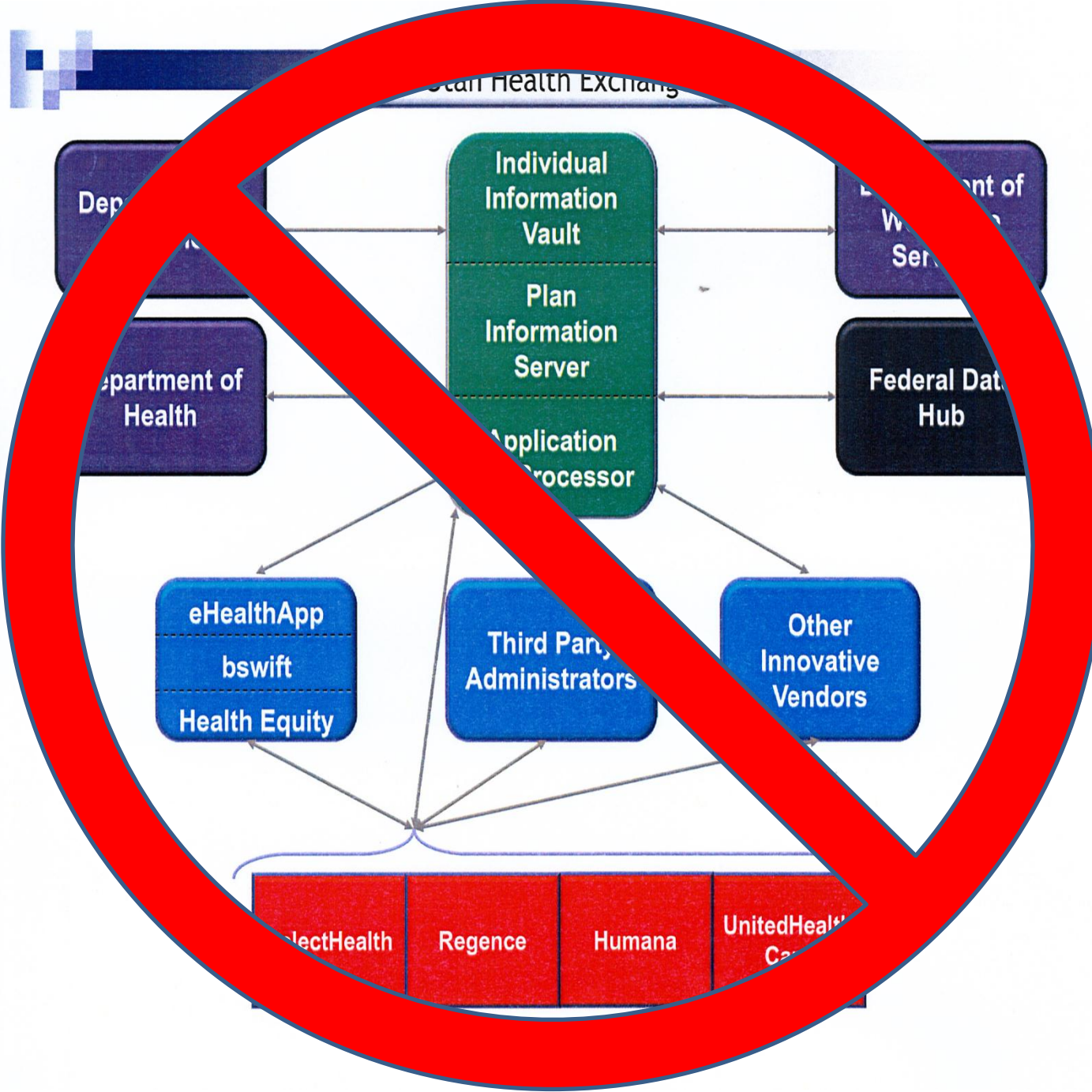
-Patty Conner, UHE director

but...where is the consumer?



The Utah Health Exchange 2.0





Policy Issues

➤ Governance

- Where is it housed?
- Who gets “real” input? (board)

➤ Attracting (and keeping) insurers

➤ Value added?

- Affordability
- What is the draw compared to the external market?
- Purchasing power (pooling) v. “open market”

➤ Funding

- Marketing and outreach
- Market disruptions (such as HIP moving into the individual exchange)



Utah's Health Exchange

...is a mixed bag

Employers may like the predictability of the defined contribution
...but this may shift costs to employees over time.

Employees may like the freedom to choose their plan
...but if costs continue to rise will they end up trading
rich benefits for lower premiums?

The Utah Health Exchange has yet to demonstrate
any efficacy as a tool of health reform



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