

# **Understanding the California Health Benefit Exchange: Laying the Groundwork for 2014**

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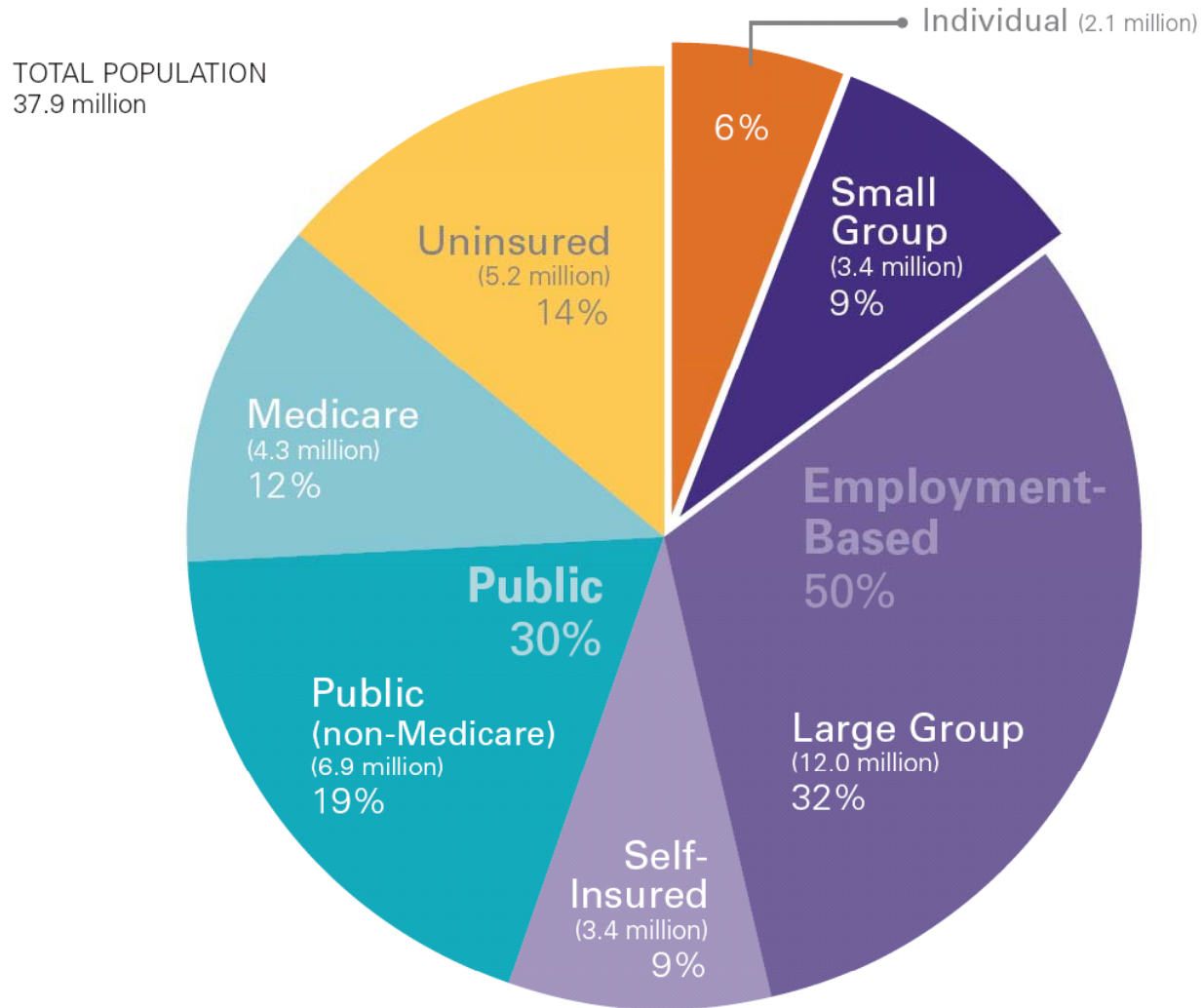
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California Partnership for Access to Treatment

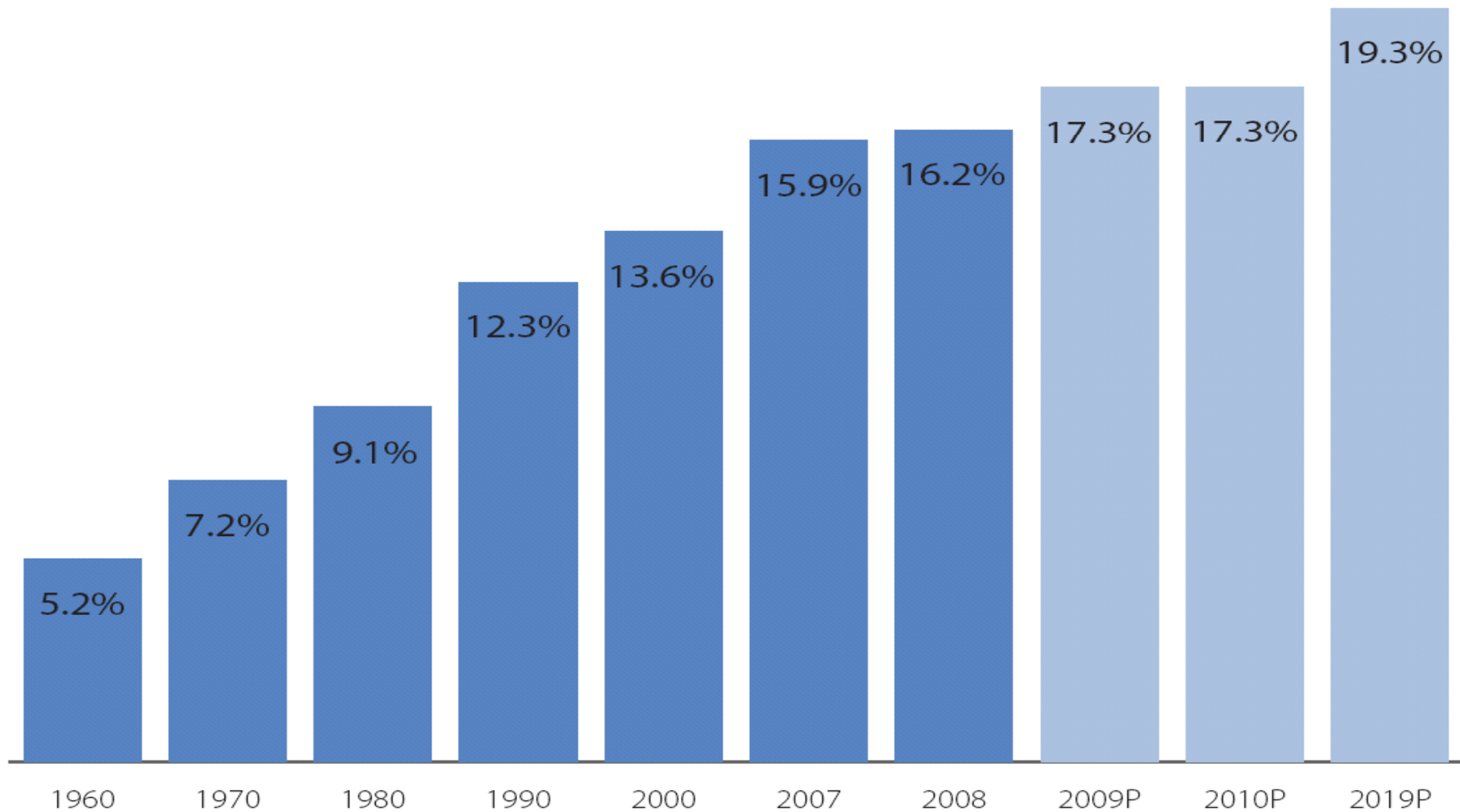
Webinar

# Sources of Health Insurance Coverage in California



Source: California HealthCare Foundation. SNAPSHOT California's Individual and Small Group Markets on the Eve of Reform, 2011.

# Rising Spending: National Health Spending as a Share of Gross Domestic Product (GDP)



Source: California HealthCare Foundation. California Health Care Almanac: Health Care Costs 101, April 2010.

# California Health Benefit Exchange: First in Nation Exchange Legislation

## The Exchange: A tool policymakers can use to

- Expand access to affordable coverage for millions of individuals as well as small businesses.
- Provide a new purchasing option for individuals and small employers that offers them the advantages of large employer groups.
- Reshape the insurance marketplace by focusing competition among health plans/insurers on price, quality and service.
  - Standardize benefits
  - Selective contracting

# Visions for California's Health Benefit Exchange

## Price Leader

The Exchange drives lower premiums; it is a cost-focused store and offers the most competitively priced health plans.

## Service Center

The Exchange is a consumer destination; it is a consumer-friendly, one-stop shop with broad choices on plan design, accessible information, and strong customer service.

## Change Agent

The Exchange is catalyst of finance and delivery reform; establishing incentives to encourage innovation and improvement in the cost, quality, and efficiency in health care delivery.

## Public Partner

The Exchange is closely aligned with Medi-Cal and Healthy Families partnering to adopt an array of policies that align to improve the health status and health care outcomes of low-income, high-need individuals.

Source: "California's Health Benefit Exchange: The Future Envisioned," California Healthcare Foundation, August 2011.

# California Health Benefit Exchange

## Vision and Mission

The vision of the California Health Benefit Exchange is to improve the health of all Californians by assuring their access to affordable, high quality care.

The mission of the California Health Benefit Exchange is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

# California Health Benefit Exchange Values

## Consumer-focused

At the center of the Exchange's efforts are the people it serves, including patients and their families, and small business owners and their employees. The Exchange will offer a consumer-friendly experience that is accessible to all Californians, recognizing the diverse cultural, language, economic, educational and health status needs of those we serve.

## Affordability

The Exchange will provide affordable health insurance while assuring quality and access.

## Catalyst

The Exchange will be a catalyst for change in California's health care system, using its market role to stimulate new strategies for providing high-quality, affordable health care, promoting prevention and wellness, and reducing health disparities.

## Integrity

The Exchange will earn the public's trust through its commitment to accountability, responsiveness, transparency, speed, agility, reliability, and cooperation.

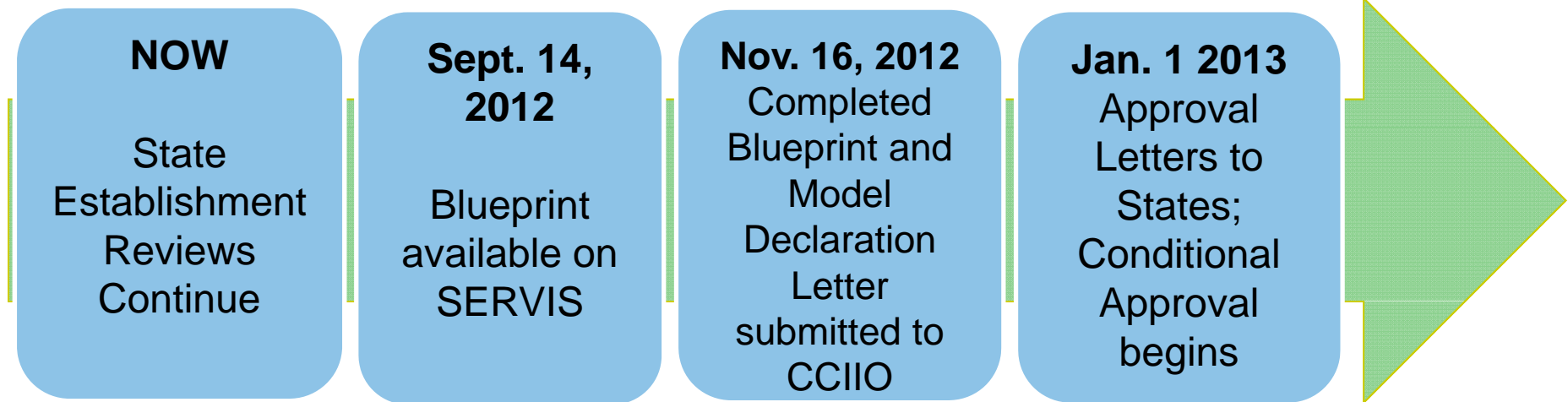
## Partnership

The Exchange welcomes partnerships, and its efforts will be guided by working with consumers, providers, health plans, employers and other purchasers, government partners, and other stakeholders.

## Results

The impact of the Exchange will be measured by its contributions to expanding coverage and access, improving health care quality, promoting better health and health equity, and lowering costs for all Californians.

# Exchange Blueprint Submission/Approval Timeline



As presented at HHS Exchange Grantees Conference 5/20/12



# Major Issues Before the California Health Benefit Exchange

## Major Issues:

- Business, Operations, and Financial Sustainability
- Enrollment & Information Technology
- Research and Analysis
- Communication Support; Research and Marketing, Outreach, and Education
- Assisters Strategy
- Health Plan Management and Delivery Reform
- Small Business Health Options Program (SHOP)
- Essential Health Benefits
- Basic Health Plan Option
- ...and many many more...

# Priority Tasks: Outreach, education, marketing

Overarching goal: maximize enrollment

Context:

- Uneven understanding, misinformation, myth
- Cultural, linguistically diverse populations

Approach/Decisions:

- Learn from others
- Build on our existing resources
- Utilize pre-enrollment strategies
- Engage people where they live, work, play
- Ongoing stakeholder engagement processes – culture of coverage

## Priority Tasks: Enrollment services and systems

Overarching goal: easy, simplified enrollment process - shopping on Amazon

### Context:

- “Old paradigm” of public programs
  - Labor- and paper-intensive processes
  - Multiple IT systems
- Complexity of health insurance purchase
- Diversity – cultural, linguistic, technological

### Approach/Decisions:

- Simplified application, automated verifications
- Real-time eligibility determinations
- Pathways to coverage – Customer Service Center, on-line, Assisters
- Culturally and linguistically appropriate
- Consumer decision support
- Seamless program transitions

# Priority Tasks: Qualified Health Plan Products

Overarching goal: Offer affordable, quality products; promote better health, better care, lower costs

## Context:

- High cost and affordability
- Inconsistent quality of health care delivery
- Inadequate transparency and public quality performance reporting

## Approach/Decisions:

- Plan and network design
  - Number and mix of Exchange plans; plan design standardization
  - Provider network adequacy; Essential Community Providers
- Quality and affordability
  - Prevention and wellness
  - Delivery system, quality improvement
- Informed consumer choice

# Priority Tasks: Small Employer Health Options Program

Overarching goal: Establish a competitive market that ensures choice and value for SHOP participants.

## Context:

- High cost and affordability
- Limited choice
- Different “influencers”

## Approach/Decisions:

- Price-sensitivity of small business owners
- Differentiation
  - Extent of employer versus employee choice
  - Relief from HR administrative burdens
  - Customer-service orientation
- Agent/broker, general agency engagement
- Alignment of health plans/issuers; alignment of benefit design

## Moving forward...

### Guiding principles:

- Alignment and coordination with State partners
- Research and analysis
- Stakeholder consultation
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  - Join our listserv