

HEALTH INSURANCE EXCHANGE IN UTAH

This memorandum provides information on the health insurance exchange in Utah, including related statutory provisions, organization and staff, duties and responsibilities, and funding.

HEALTH INSURANCE EXCHANGE SUMMARY

The Utah Health Exchange is an Internet-based information portal designed to connect consumers in Utah to the information they need to make informed health care choices, and as it relates to health insurance, to execute that choice electronically. The Utah Health Exchange has three core functions--to provide consumers with information about health care and health care financing, to provide a mechanism for consumers to compare and choose a health insurance policy that meets the individual's needs, and to provide a standardized electronic application and enrollment system.

Utah developed an Internet-based portal that provides a technological interface between employers, brokers and agents, insurers, and employees. The health exchange provides health insurance information from a variety of sources in a standardized format, allows side-by-side comparisons, and is a single point of health insurance shopping for consumers. The initial focus of establishing the health exchange was to create a marketplace for purchasing health insurance. Over time, the portal is to provide information relevant not only to health care purchasing and financing but also to quality and transparency of the entire health care system.

LEGISLATIVE ACTION

A brief summary of approved legislative bills of the Utah health system reform is provided below:

Date	Statutory Reference	General Description
March 19, 2008	House Bill 133 - Health system reform	This bill required the Department of Health, the Insurance Department, and the Governor's Office of Economic Development to work with the Legislature to develop the state's strategic plan for health system reform.
March 11, 2009	House Bill 188 - Health system reform - Insurance market	This bill amended the Insurance Code and provisions relating to the Governor's Office of Economic Development to expand access to the health insurance market, increase market flexibility, and provide greater transparency in the health insurance market.
March 11, 2009	House Bill 331 - Health reform - Health insurance coverage in state contracts	This bill required certain state entities to require a contractor who contracts with the state entity to offer the contractor's employees qualified health insurance coverage during the duration of the contract if the contract is over a certain amount and if the contract is for construction or design services.

March 11, 2009	House Bill 165 - Health reform - Administrative simplification	This bill modified the Health Code and the Insurance Code to provide standards for the exchange of information between health care providers, health care insurers, and patients regarding payment for services.
March 11, 2009	Senate Bill 79 - Health reform - Medical malpractice	This bill amended the standard of proof necessary for a malpractice claim in an emergency room.

OFFICE OF CONSUMER HEALTH SERVICES

The 2009 Utah State Legislature in House Bill 188 created the Office of Consumer Health Services within the Governor's Office of Economic Development. There are two full-time equivalent positions within the Office of Consumer Health Services--a director of policy and strategy and a director of the health exchange. The Office of Consumer Health Services was assigned the following duties:

- In cooperation with the Insurance Department, the Department of Health, and the Department of Workforce Services, the Office of Consumer Health Services shall create an Internet-based information portal to house the Utah Health Exchange.
- Facilitate a private sector method for the collection of health insurance premium payments made for a single policy by multiple payers, including the policyholder, one or more employers of one or more individuals covered by the policy, government programs, and others, by educating employers and insurers about collection services available through private vendors, including financial institutions.
- Assist employers with a free or low-cost method for establishing mechanisms for the purchase of health insurance by employees using pretax dollars.
- Periodically convene health care providers, payers, and consumers to monitor the progress being made regarding demonstration projects for health care delivery and payment reform.
- Report to the Business and Labor Interim Committee and Health Reform Task Force prior to November 1, 2009, and November 1, 2010, regarding the Internet portal and the progress of the demonstration projects for health care payment and delivery reform. Section 33 of Utah's 2009 House Bill 188 established a Health Reform Task Force as an interim committee to oversee the state's progress in implementing the strategic plan for health system reform.

FUNDING

House Bill 133 (2008) provided a \$500,000 general fund appropriation for fiscal year 2009 to the Department of Health to develop standards for the electronic exchange of clinical health information. To provide additional funding, 2008 House Bill 188 authorized the Office of Consumer Health Services to establish a fee for the transaction cost associated with the Internet portal functions such as sending and processing an application or processing multiple premium payment sources. One-time appropriations have also been provided to support the Governor's health initiatives, but the amounts directed to the Office of Consumer Health Services are not available. Amounts by fiscal year are provided below:

Fiscal Year	One-Time Appropriation - Governor's Health Initiatives
2010-11	\$670,000
2009-10	\$605,000
2008-09	\$400,000

CURRENT STATUS OF EXCHANGE

The Office of Consumer Health Services reported to the Health Reform Task Force in November 2009 that in a limited launch of the health exchange, 136 employers were registered for the service, representing 2,333 employees. There were three participating carriers--Humana, Regence, and Select Health--offering a combined total of 66 different plan options. The Office of Consumer Health Services had estimated there would be 5 to 40 groups with coverage initiated through the health exchange as of January 1, 2010. When enrollment reopens, over 300 additional small and large employers had requested to be notified by the Office of Consumer Health Services. Attached as an appendix is a handout provided to the Health Reform Task Force by the Office of Consumer Health Services outlining key implementation dates of Utah's health exchange limited launch.

ATTACH:1

APPENDIX A

Utah Health Exchange High Level Objectives

Target Date	Objective
July 30, 2009	Carrier information/training session (conference call & goto meeting webinar) on benefit plan requirements for building health plan benefits in bswift
August 7, 2009	Producer training on supporting/assisting employers in registering for participation in the Utah Health Exchange
August 19, 2009	Exchange opens for employer registration
August 31, 2009	Employer registration closes
September 1, 2009	Carriers have submitted their plans and benefit detail to the Utah Insurance Department and too bswift.
September 4, 2009	Employer applications sent to carriers
September 4, 2009	Carriers have submitted plan base rates to bswift
September 22, 2009	Final file layout of employer/employee health application sent to carriers
September 23, 2009	Producer training on supporting/assisting employees in registering and completing Utah small employer health insurance application
September 21, 2009	Carriers review and accept or eject employer applications based on registration requirements.
September 28, 2009	Exchange opens for employee registration and completion of Utah small employer health insurance application.
October 1, 2009	Employers can view "base rates"
October 9, 2009	Employee "health application" registration closes.
Extended to the 14th	
October 10 - 14, 2009	Employer and employee health application information sent to carriers.
Extended to the 19th	
October 30, 2009	Risk factor is determined and set by carriers and sent to bswift.
Extended to 11/13/09	
Nov 7 - 12, 2009	Employers can view final rates, set contribution amounts and set default plan.
Extended to 11/20/09	
November 12, 2009	Employees begin reviewing and selecting their health plans. Default plan is communicated to employees by employer and by bswift.
Extended to 11/20/09	
November 30, 2009	Employee health plan selection period ends.
Nov 24 - 30, 2009	bswift determines final eligibility based on employee enrollment percentage.
December 1, 2009	bswift sends enrollment & eligibility data to carriers. Banking information sent to HealthEquity.
December 5, 2009	HealthEquity will bill and invoice employers and communicate EFT Amount and Date
December 20, 2009	HealthEquity sends payments to carriers via EFT.
January 1, 2010	Carriers provide effective coverage to eligible employer groups.
January 1 - 15, 2010	Carriers start sending out medical cards and certificates.
<p>GREEN= Objective Completed YELLOW= Dates are open to discussion and possible change ORANGE= Dates are firm and can't be changed</p>	

Revised November 18, 2009