Outreach, Education and Enrollment

The Health Benefit Exchange ("Exchange") is the centerpiece of federal health reform, and will serve as a central point of access for individuals, families and small employers looking to purchase health coverage from a range of health plans offered by a number of health insurers.

Exchange Responsibilities – Outreach, Education, Enrollment

The Exchange will need to help people apply for health coverage, determine their eligibility for subsidized health care (Medicaid, CHIP, and Exchange subsidies), aide people in their assessment of health coverage options, and facilitate enrollment in a health plan. Instituting a proactive outreach, education and enrollment program will be critical to the Exchange's ultimate success.

If the Delaware Exchange is to attract a sufficient volume of individuals, families and small businesses to support its operations, the Exchange will need to develop a multi-pronged outreach, education, and enrollment program. Such an effort might include a wide array of organizations and individuals, including Exchange staff, social service agencies, schools, community-based advocacy organizations, faith-based organizations, private employers, business groups, hospitals, community health centers, physicians, health insurers, paid media, and public service announcements.

The need for consumer assistance reflects the fact that most Delawareans – and most US residents, in general – have never purchased health insurance on their own. People either obtain insurance through their employer (perhaps choosing from among a limited number of plans) or they receive publicly subsidized coverage from Medicaid or Medicare. Under the Delaware Exchange, tens of thousands of new "customers" will be responsible for purchasing health insurance, many of whom will be doing so for the first time. These new customers will need help wading through their options.

Health Plan Benefit Designs

Health plans offered through the Exchange will be available in five benefit levels: Platinum, Gold, Silver, Bronze, and Catastrophic. The benefit levels will vary based on "actuarial value," which is a summary measure of the amount of medical claims that would be paid by the health plan as a percentage of the total medical claims incurred for a standard population. The different benefit levels will have different amounts of point-of-service cost sharing (i.e., deductibles, co-payments, co-insurance).

Platinum plans will cover 90 percent of the cost of care. This means that a member enrolled in a Platinum level plan would, on average, pay ten percent of the cost of care through co-payments, co-insurance and/or other types of cost sharing. The actual amount of cost sharing will vary for each member, based on their use of services and supplies.

A health plan with an actuarial value of 90 percent has relatively modest cost sharing. A Platinum plan might have no upfront deductible; office visit co-payments of $20; inpatient hospitalization co-

payments of $250 per admission; outpatient surgery co-payments of $50 per procedure; and prescription drug co-payments of $10/$25/$50 for generic, preferred brand-name, and non-preferred brand-name drugs, respectively.

Gold plans will cover 80 percent, Silver plans will cover 70 percent, and Bronze plans will cover 60 percent. Catastrophic plans, which are limited to individuals younger than 30 or people who are exempt from the insurance mandate due to affordability or other hardship, are high deductible health plans (HDHPs).[1]

A key decision for the Delaware Exchange that will impact the outreach, education and enrollment program is the extent to which health plans offered through the Exchange may be standardized (e.g., cost sharing, types of plans – HMO, PPO, Indemnity) within each benefit level. The federal law provides some flexibility with regard to the plans offered and the cost sharing, within the parameters of actuarial value set by the ACA and "minimum essential benefits" to be set by the secretary of the U.S. Department of Health and Human Services.

On the one hand, dictating the specifics regarding the amounts and types of cost sharing for each service within each benefit level might help focus consumers' decision making on the comparison of premiums, differences in provider networks (i.e., hospitals and physicians), quality of service and reputation of the carrier. On the other hand, this approach may result in less creativity in the market and reduce a consumer's ability to trade off one type of cost sharing (e.g., an upfront deductible, lower cost sharing after the deductible) for other types of cost sharing (e.g., no upfront deductible, higher co-payments) within the same benefit level.

While standardizing benefits may be desirable from the perspective of helping consumers navigate what can be a confusing process, being overly prescriptive and micromanaging the product design within the Exchange may result in products that are out of sync with the market and may stifle innovation. The extent to which benefits are standardized will be an important decision for the Delaware Exchange.

Navigators

In addition to establishing a web site, a customer service unit and call center, as well as walk-in centers to help people with the eligibility and enrollment process, the Exchange will need to contract with outside entities that can assist individuals with eligibility and enrollment. Recognizing this need, the federal health reform law requires the Exchange to contract with "Navigators," who will be responsible for informing people of their health coverage options and helping individuals enroll in a health plan or in other publicly subsidized health coverage programs.

[1] A high-deductible health plan (HDHP) offered through the Exchange must cover all of the essential health benefits, as determined by the secretary of HHS, but may have annual deductibles up to the limits established each year by the IRS. In 2010, the HDHP deductible limits were $5,950 for individual coverage and $11,900 for family coverage.

Navigators are entities such as trade, industry, and professional associations; chambers of commerce; unions; community based non-profit groups; and other groups that have established or can readily establish relationships with employers, employees, consumers, or self-employed individuals.

Navigators will be responsible for:

- Conducting public education activities to raise awareness of the availability of qualified health plans through the Exchange;
- Distributing "fair and impartial" information concerning enrollment and the availability of premium subsidies and cost-sharing reductions;
- Facilitating enrollment in qualified health plans;
- Referring people to the appropriate agency or agencies if they have questions, complaints, or grievances; and,
- Providing information in a culturally and linguistically appropriate manner.

The secretary of the U.S. Department of Health and Human Services will be responsible for establishing standards for the Navigators. However, federal law prohibits health insurers from serving as Navigators and prohibits Navigators from receiving "direct or indirect payments" in connection with the enrollment of an individual or an employee in a qualified health plan. This latter exclusion may affect brokers from serving as Navigators.

The Exchange will need to establish a selection process for awarding grants to Navigators. Community-based organizations and advocacy groups will be prime candidates to become Delaware Exchange Navigators. In addition, the Exchange will need to expand outreach efforts beyond these groups, in part due to the need to reach people who normally are not eligible for public assistance programs (i.e., individuals and families with income up to 400 percent FPL).

Brokers

In addition to Navigators, the Delaware Exchange will need to determine how best to use brokers to help consumers. Brokers play an important and influential role in the distribution of health insurance, particularly in Delaware's small group market. Business owners rely on brokers to sort through their health insurance options, provide health plan recommendations at the time of renewal, and serve as their agents throughout the year in dealings with insurance companies.

In determining the appropriate role that brokers and Navigators may play in the operation of the Delaware Exchange, a number of key issues are worth considering. These include, but are not limited to, the following:

- What type of assistance is currently provided by various organizations, and how might the Exchange involve these groups in its outreach, education and enrollment efforts?
- What should be the role of Navigators, and should Navigators be "credentialed" as a condition for participating in the Exchange? If so, how might the credentialing be administered?

- What is the current role of brokers in the individual and small group markets, and how can the Exchange best leverage brokers' expertise?
- How are brokers compensated today, and what type of broker compensation model might the Exchange establish?
- What should be the role of insurers with regard to outreach, education and enrollment?
- How can providers, hospitals, community health centers and other front-line entities support outreach and enrollment efforts?
- What types of information will people need to make informed decisions?
- How should the Exchange structure the health benefits that will be available to individuals and small businesses?
- Will the outreach, education and enrollment needs of individuals differ from the needs of small employers and their employees?

Establishing an effective, efficient and sustainable outreach, education and enrollment effort will be one of the more important initiatives undertaken by Delaware's Exchange. Determining how best to leverage the expertise of health insurance brokers, community-based organizations, health centers and other key groups, and proactively including these individuals in the outreach and enrollment program, will be critical to the success of Delaware's Health Insurance Exchange.