

**Health Reform:  
An Update on Federal and  
Washington-Specific Activity**

**EBPA Legislative Presentation  
November 3, 2011**

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**Agenda**

- Federal Healthcare Reform Activity
- Washington's Health Exchange
- Current Washington Political Scene
- Q&A

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**Federal Healthcare  
Reform Activity**

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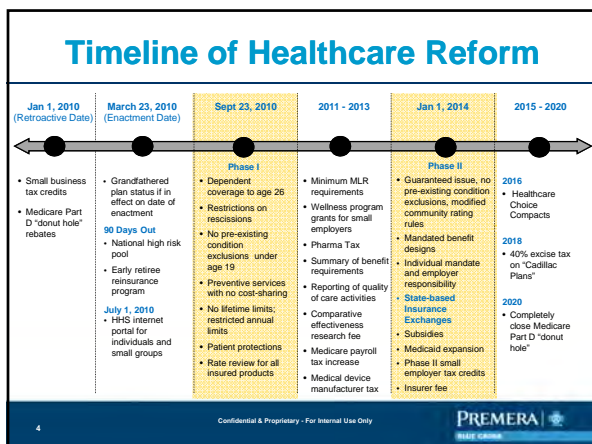
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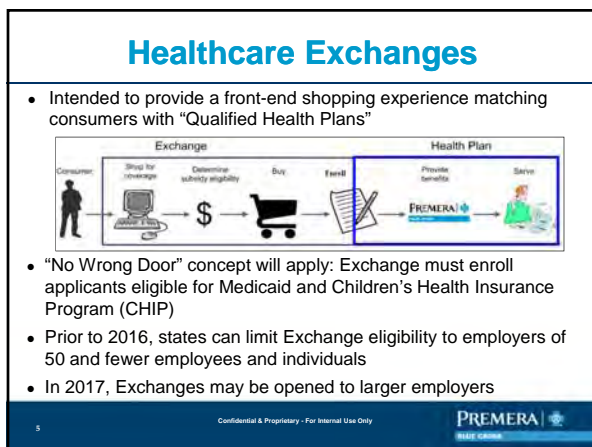
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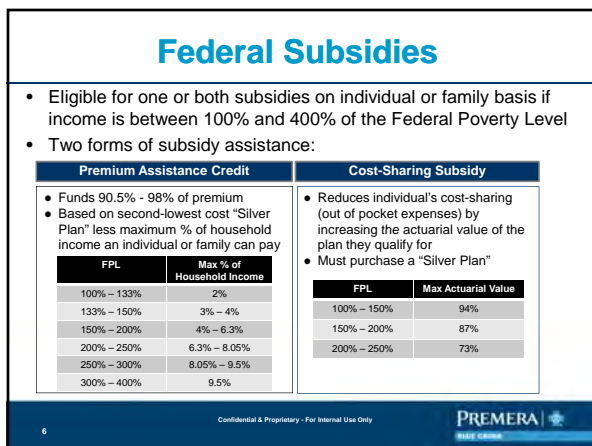
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### Exchange Health Plan Offerings

Insurers participating in the Exchange will be required to cover a series of mandated essential health benefits and offer one "Gold" and one "Silver" plan:

<b>Platinum</b>	• 90% Actuarial Value
<b>Gold</b>	• 80% Actuarial Value
<b>Silver</b>	• 70% Actuarial Value
<b>Bronze</b>	• 60% Actuarial Value
<b>Catastrophic</b>	• For individuals under 30 and/or exempt from individual coverage mandate

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### Exchange Timeline

Date	Event
July 1, 2011	Exchange regulations issued
Jan 1, 2012	States notify HHS of intent to establish/operate Exchange
July 1, 2012	States must publish requirements for Qualified Health Plans
Jan 1, 2013	HHS decision to operate Exchanges in certain "fallback" states
Jan 1, 2014	Exchanges operational for Individual and Small Groups
Jan 1, 2015	Federal funding for Exchange administration ends, states must fund
Jan 1, 2017	States may permit large employers to purchase through the Exchange

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### Proposed HHS Exchange Rules

- July and August: HHS released proposed Exchange rules
  - Included much flexibility for states in developing and implementing their Exchanges
  - Comments accepted until end of September
- States provided a great deal of flexibility in developing Exchanges

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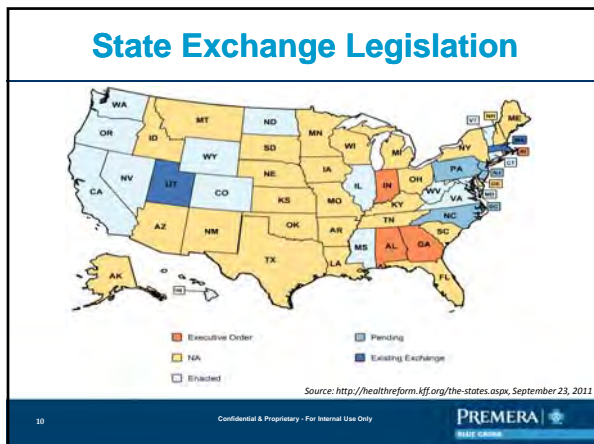
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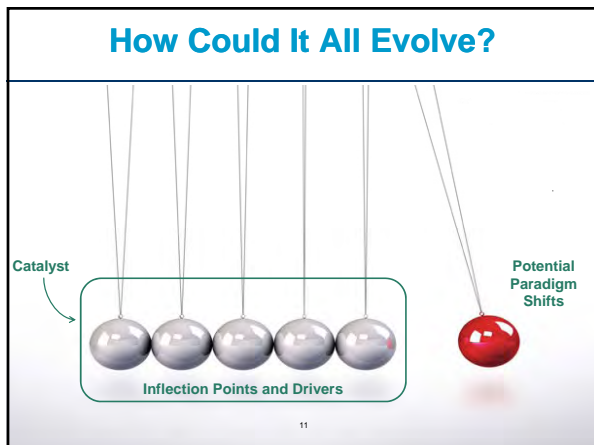
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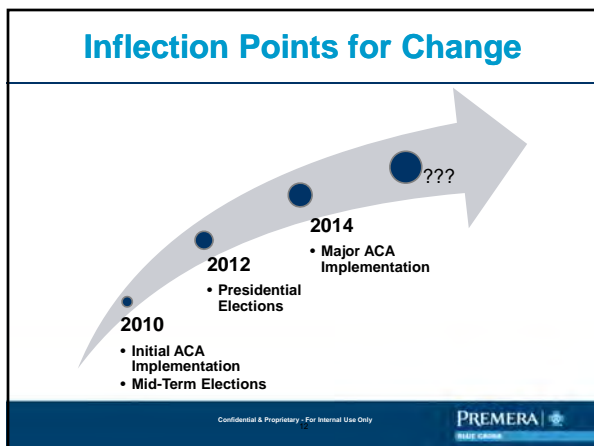
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### Potential Catalysts

Insurer or provider financial stress

Accountable Care Organizations

Employer market intrusion

2014 freeze-up of system

Massive federal and state deficits

Cost implications of ACA

Massive implementation challenges

Underlying cost of healthcare

State Innovation waivers

Court challenges to reform law

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### Washington's Health Exchange

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### Washington's Health Exchange

- A public-private partnership, separate from state
- 9-member Board appointed by Governor by Dec 15, 2011
  - 8 members appointed from lists submitted by legislative caucuses (4 Republican and 4 Democratic)
  - Chair is non-voting except in case of tie
  - HCA and OIC are ex-officio
- Report from Joint Select Legislative Committee, HCA and Exchange Board due Jan 1, 2012 (detail on next slide)

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## Washington's Health Exchange

### Current Activity:

- Board membership determination underway
- Governor must appoint Board from legislative nominee list by December 15
- State received 1 year, \$22.9 million grant to design/develop Exchange
- HCA is developing options and recommendations on policy decisions – report due by January 1
  - Also working on an operational plan for Exchange

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## Current Washington Political Scene

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## 2012 Washington Political Scene

- Redistricting
- Gubernatorial Race
- Upcoming Legislative Session – Potential Issues:
  - Exchange Implementation
  - High Risk Pools
  - Benefit Mandates

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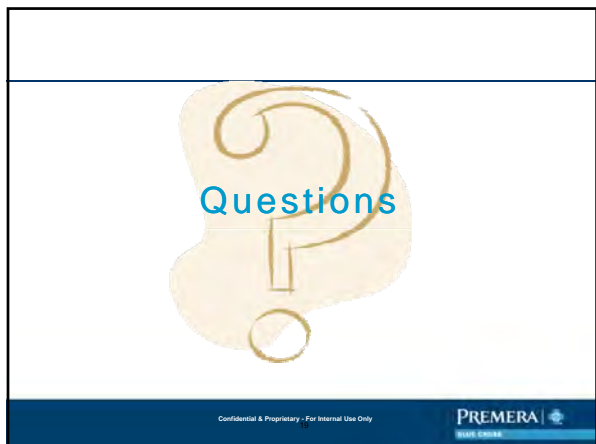
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