

Plan Management in the Federally-facilitated Exchange (FFE)

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS for MEDICARE & MEDICAID SERVICES
Center for Consumer Information and Insurance Oversight

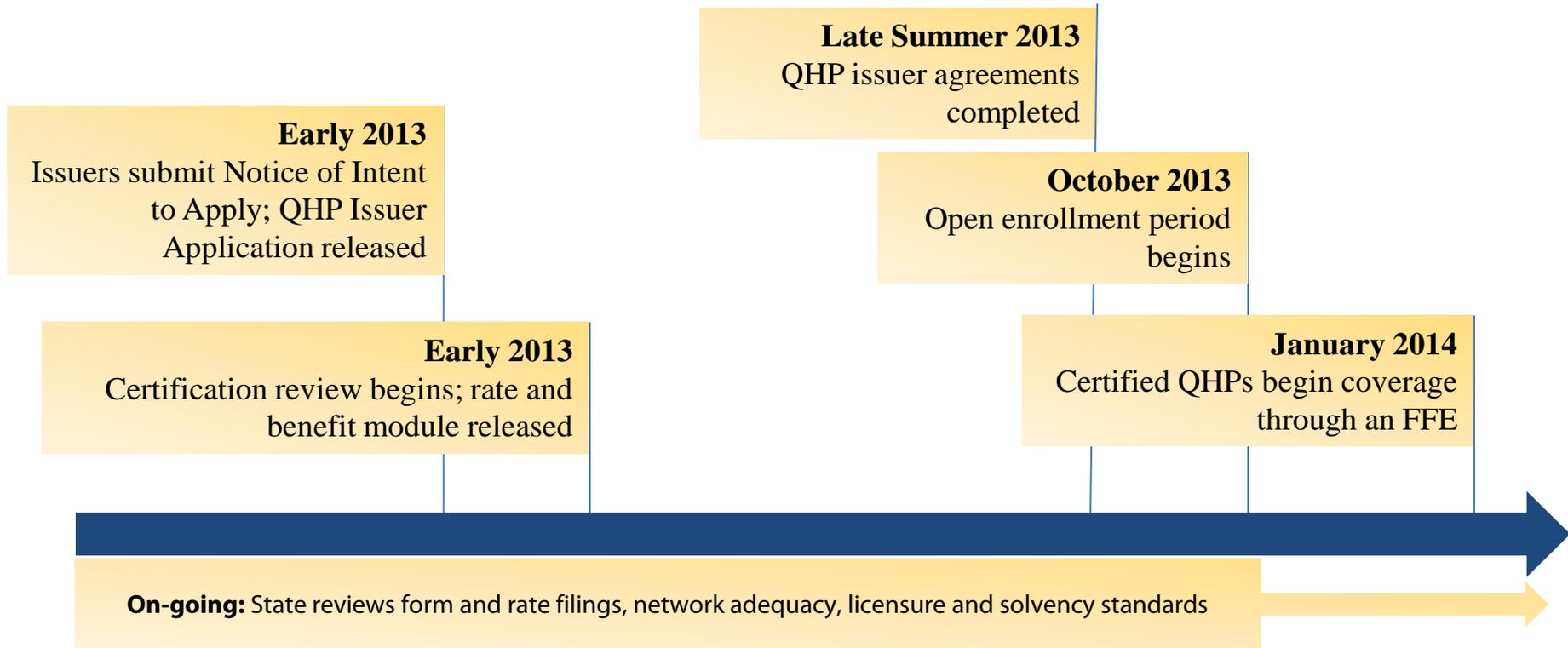
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Overview of Exchange Plan Management Functions in an FFE

- Each Exchange will operate as a State-based Exchange (SBE), a State Partnership, or as an **Federally-facilitated Exchange (FFE)**.
- There are two FFE models addressing plan management functions:
 - A State Partnership in which the State conducts all plan management activities
 - An FFE in which HHS operates plan management
- An FFE where a State Partnership is not operating will conduct the QHP certification process to ensure that each potential QHP meets the minimum standards established in the Exchange final rule and is in the interest of qualified individuals and employers.
- In an FFE, HHS will carry out all plan management activities, including:
 - QHP Certification
 - QHP Monitoring and Oversight
 - Issuer Account Management
 - Recertification and Decertification

QHP Certification Timeline for an FFE



Establish Relationship Between State and HHS

- FFE implementation will benefit from close coordination between the State and HHS.
- HHS is developing standard operating procedures (SOPs) on plan management functions in an FFE.
- HHS seeks to work with States now to determine how we will work together to implement plan management functions.

QHP Certification in an FFE: Issuer-level Review

The Issuer-level review in QHP certification includes a collection and review of the following information:

- **Administrative Information** – an FFE will use administrative information to facilitate communication with the issuer and support Exchange operations
- **Licensure and Good Standing**– an FFE will verify with each State that issuers are licensed and in good standing, including meeting State solvency requirements
- **Network Adequacy and Essential Community Provider (ECP) Inclusion** – an FFE will verify and/or review network adequacy and ECP information to ensure a sufficient number and type of providers are included in each QHP network
- **Accreditation and Quality Data** – an FFE will collect accreditation data; the FFE may consider quality data and accreditation survey data in QHP certification in later years

Issuer-level Review: Licensure and Good Standing

- An FFE will accept documentation from the issuer demonstrating State licensure and the issuer's good standing with the State.

Issuer-level Review: Network Adequacy & Essential Community Providers

Network Adequacy:

- An FFE will verify issuers' compliance with this standard in one of two ways:
 - 1) In States where HHS has determined the State's network adequacy standards and procedures are at least equivalent to those required in the Exchange final rule, HHS will verify with the State that the issuer is in compliance with the State standard.
 - 2) In all other States, HHS will collect summary-level access information to evaluate network adequacy.
- HHS intends to track enrollee complaints throughout the coverage year and will work with States to address concerns about access to care.

Essential Community Providers (ECPs):

- Issuers must include a sufficient number of ECPs in their provider networks.
- Issuers will identify which ECPs are included in each of their provider networks, and HHS will determine whether this number is sufficient.

Issuer-level Review: Accreditation Requirement in an FFE *

Certification Year	QHP Issuers Without Existing Accreditation	QHP Issuers With Existing Commercial/Medicaid Accreditation in the State
Year 1 (2013)	Schedule Accreditation Review	Attest that Accredited Policies and Procedures Comparable to QHP
Years 2 and 3 (2014 & 2015)	Accredited QHP Policies and Procedures	Attest that Accredited Policies and Procedures Comparable to QHP
Year 4 (2016)	QHP product type is accredited; QHP product type performance data has been submitted	

Note that in Years 1-3, issuers will also need to attest that they will submit performance data on the QHP product type when these data are available.

** HHS intends to propose this timeline in future rulemaking. HHS also intends to propose in future rulemaking that the National Committee for Quality Assurance (NCQA) and URAC will be recognized as Accrediting Entities for QHPs for the first years of operation and set forth an approval process for other entities in the future.*

QHP Certification in an FFE: Plan-level Review

- The plan-level review in QHP certification includes a submission and evaluation of rate and benefit data.
- **Rate and benefit data includes:**
 - Benefit package data
 - Cost-sharing by benefit including deductibles, out-of-pocket maximums, etc.
 - Rating information and Issuer's rating requirements
 - Service area
- **Rate and benefit evaluation will involve:**
 - Review of rate information, including consideration of rate increases, for actuarial soundness and reasonableness
 - Evaluation of benefit package data

Plan-level Review: Summary

Plan-level Review (Vehicle: Rate and Benefit Data Submission)	
<i>QHP Certification Standard</i>	<i>High-level Summary of FFE Activity</i>
Essential health benefits	Confirm coverage of essential health benefits.
Actuarial value standards, including variations for cost-sharing reductions	Confirm actuarial value levels of potential QHPs, including compliance with standards related to cost-sharing reductions, cost-sharing limits, and variations to cost-sharing structures.
Discriminatory benefit design	Conduct plan-level analysis (such as outlier analysis) targeting areas where discrimination would most likely occur.
Meaningful difference	Conduct review for meaningful difference across QHPs offered by the same issuer to ensure that a manageable number of distinct plan options are offered.
Service area	Confirm that service area is at least one county or that smaller service area is necessary, nondiscriminatory, and in the interest of consumers.
Rates (new and increases)	Review new rates and rate increase justifications for reasonableness, including confirmation of compliance with market rating reforms.

Data Collection in an FFE

- HHS and NAIC are pursuing a collaborative development approach such that the QHP data submission interfaces are nearly identical and utilize/share the same code.
- The NAIC and HHS will perform integrated system tests in early September 2012, and a joint technical assessment will be made by October 2012.
- HHS and the NAIC are currently exploring opportunities to leverage the same collaboration for those States who will be pursuing an FFE.

Plan Information on the FFE Website

- The FFE website will allow qualified individuals to compare coverage options to assist them with selecting a QHP.
- HHS will populate the FFE website using data collected during the QHP certification process and will offer a preview period before open enrollment begins so QHP issuers may review and confirm the data as it will be displayed to consumers.

Issuer Account Management

- Each QHP issuer that participates in an FFE will be assigned an account manager responsible for day-to-day support, technical assistance, and communication.
- Account managers will work with State departments of insurance as needed to address issuer questions and problems.

Issuer Oversight and Compliance Monitoring

- An FFE will coordinate its oversight activities with State regulators to streamline processes and reduce duplication of effort to the extent possible.
- Oversight of QHP issuer activities may include:
 - Audits
 - Issuer performance reporting and analysis
 - Marketing and market conduct verification
 - Verification of QHP issuer conduct with agents and brokers

Reconsideration, Recertification, and Decertification of QHPs

- Reconsideration
 - An FFE will establish a process to accept issuer requests for reconsideration of certification decisions.
- Recertification
 - At a minimum, an FFE will verify licensure, solvency, network adequacy, and plan-level rate and benefit data **annually**.
- Decertification
 - Exchanges may decertify QHPs mid-year due to compliance actions or other events. This will require an FFE to facilitate the transition of enrollees from the decertified QHP to other available QHPs through a special enrollment period.