Making Health Care Reform Work: The NJ Health Insurance Exchange
What is a Health Insurance Exchange?

- Competitive health insurance marketplace that gives consumers and small businesses:
  - More control
  - Better quality choices
  - Better protections
  - Large group discounts
What is a Health Insurance Exchange?

2014

State Health Insurance Exchange

Web/application portal

IT Systems/database

Policy/Regulatory

Public Programs

Medicaid <133%

NUFAMILYCARE 133% - 200%

Basic Health

Premium Subsidy

133%/200% - 400%

Qualified Health Plans

>400%

Individuals

Small Businesses

IRS SSA
Who can use the Exchange?

- Individuals, families, and small businesses have the option
- Legal immigrants and Citizens.
  - Everyone enrolling in the exchange must verify legal status.
- Members of Congress are required to use the Exchange
Subsidies/Tax Credits on the Exchange

Millions of Americans who haven’t been able to afford coverage will get premium and cost-sharing subsidies according to a sliding scale beginning in 2014.

- Will lower health insurance costs for up to 1,652,000 New Jerseyans
  - 382,000 of whom are currently uninsured

- Premiums range from 2% to 9.5% of a person’s income

- Available to people who:
  - Do not have affordable employer sponsored coverage, AND
  - Are earning up to 400% of the FPL
    - Around $73,000 for a family of 3
How will an Exchange bring down cost?

A Good Exchange will:

- Negotiate on behalf of individuals and small businesses
  - Pool together to bargain for cheaper premiums/better plans
  - Give us the same bargaining power as big business
Who will run the exchange?

A Good Exchange will have:

- **Qualified pro-consumer, independent governing board**
  - Consumer representation to ensure exchange is in our best interest
  - Free of conflict from insurance industry and insurance salespeople
  - People with real experience and knowledge, not just political appointees
How will the Exchange make purchasing insurance easier?

A Good Exchange will:

- Create a consumer friendly experience
  - Reduce paperwork for individuals & small businesses
  - Adopt a “no wrong door” approach
  - Use easy to understand language
  - Ensure cultural competency
How will the Exchange ensure there are no gaps in health care coverage?

A Good Exchange will ensure:

- Seamless enrollment in Medicaid & NJ FamilyCare
  - Acknowledge people’s life situations change
    - Lose jobs, get promotions, have children
  - Exchange will communicate electronically with Medicaid & NJ FamilyCare
  - Insurers that participate in Medicaid must also offer plans in the Exchange
  - Consumers have option to buy Medicaid
How can we protect the Exchange?

A Good Exchange will:

- Protect against cherry picking
  - Prevent insurance companies from segregating people by health status
  - ie. only sick people in exchange, healthy people out
  - Same rules apply to plans in and out of the Exchange
  - Ensure fairness for all consumers
Existing Exchanges: Massachusetts
Existing Exchanges: Utah

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<th>Available Plans</th>
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“Massachusetts and Utah: Lessons Learned”
- Sabrina Corlette, et al – Georgetown University, 2011

• Exchanges can be effective market innovators.

• Exchanges require the participation of both consumers and health plans.

• Effective “active purchasing” requires nimbleness and market knowledge to meet consumer demands.

• You get what you pay for.

• Public outreach and simple enrollment process are keys to success.

How can we make a good exchange a reality in NJ?

- Educate, educate, educate!
  - Public
  - Media
  - Policy Makers

- Timeline
  - NJ needs a plan by January 1, 2013
  - A NJ Exchange must be up and running by January 1, 2014
  - NJ Assembly has passed a bill A1930
  - S2553 has been introduced in the Senate

• Get Involved!
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Questions?

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