

Succeeding with the HIX Population

"For now we see through a glass darkly....."

1 Corinthians 13 v. 11

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Perhaps its better to start from the end and work back.....

- Currently much sound and fury around the NPRMs....
 - However, much more remains unsaid than has been said
 - Moreover, the degree to which CCIIO is facilitating cost-effective individual and small group coverage is best assessed:
 - Considering the population health management challenges of the target population
 - Whether CCIIO has, to date, promoted (or at least not stood in the way of) state policy addressing those challenges

Know Where You Want to Go

- Attract the uninsured population
- Offer choice of plans
- Manage the population
 - across settings
 - cost effectively
- Keep plans affordable
 - see rule 1!

Goal: attract the uninsured population

Theory	The Knowns	Representative Unknowns
Individual Mandate	In the statute	<ul style="list-style-type: none">• \$\$ amount may not be effective motivator• May not survive judicial challenge• Congress may revise
Attractive pricing	<ul style="list-style-type: none">• Community rating• Regulation of “unreasonable rate increases”• Subsidies to individuals to purchase	<ul style="list-style-type: none">• Richness of essential benefits• Plan competition• Whether narrow network and other conducive plan designs will be permitted by HIXs• Whether payors will collaborate with providers on care management systems appropriate to the population<ul style="list-style-type: none">• Whether HIX will require or incent such innovation• Whether systems will succeed

Goal: Have Choice of Plans

Component	The Knowns	Representative Unknowns
Risk Pool	NPRM to level the playing field through reinsurance, risk corridors and risk adjustment	Will prices be too high and mandate too weak to attract healthy risks
Competition	NPRMs have left HIXs “running room”	<ul style="list-style-type: none">•Will HIXs make barriers to entry high?•Will HIXs competitively qualify plans?•Will new entrants play (Walmart etc.)?•Will B-C sale facilitate success by new entrants?•Will plans with incented providers be able to hold down cost and succeed over traditional indemnity

Goal: Population Health Management

- Population expected:
 - Will have pent up demand
 - Socially determined needs
 - To need social services in mix to keep medical costs down
 - To cycle in and out from vastly expanded Medicaid
 - To enroll in HIX product “as needed”
- Known: federal silence issues
 - “Glass half full” –states can innovate
 - “Glass half empty”—HIXs will be overwhelmed, HIXs need blue print

Unknown—Degree of Innovation in Response to Population Health Challenges

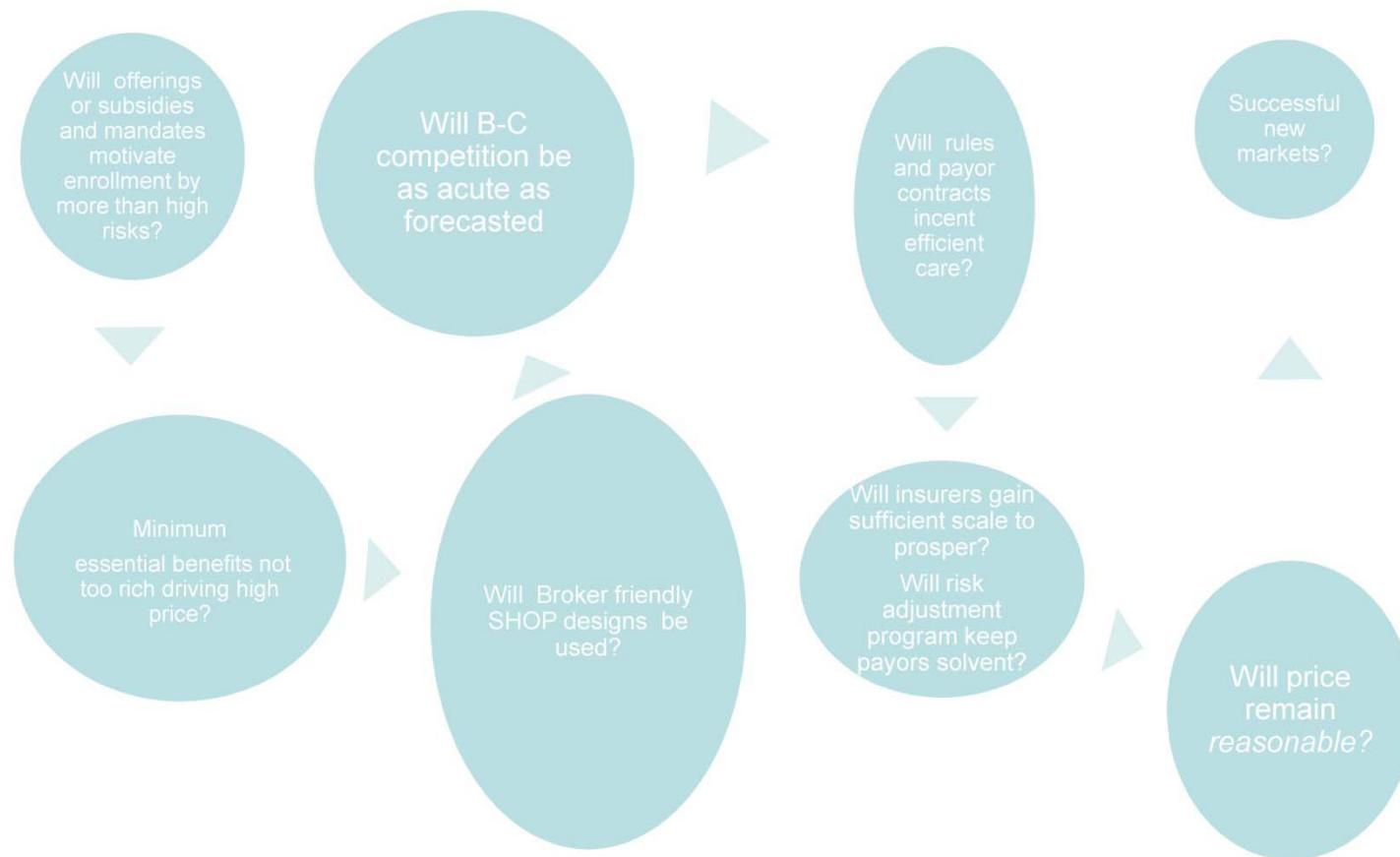
- Will HIXs actively foster plan designs and innovative payment arrangements to meet social and medical challenges of population?
- Will HIXs align Medicaid to promote continuity of care management?
- Will plans and payors design and successfully implement care management for population's disease states and social service requirements?

Another Unknown

- “Who will decide the unknowns”
 - How many defaulting states will there be?
 - As many as have challenges to mandate constitutionality
 - What will the federal default exchanges look like?
 - Will they import Part C and D formats and requirements?
 - Among non-defaulting states, will most adopt active or passive exchanges
 - How much deferred to DOIs?
 - Federal approach to default plan
 - No rule?
 - No funding?

“If you build it (HIX), will they come” ?

Field of Dreams issue



Questions?



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