

OPM RFI Regarding Multi-State/National Insurance Plans**RESOURCE LINKS**

Request for Information for Multi-State Plan – Nationwide Insurance Plans Offered Through Exchanges

https://www.fbo.gov/?s=opportunity&mode=form&tab=core&id=e3ce97cd2007458f30a0a69cb5892692&_cview=0

IMPORTANT DATES**June 30, 2011**

Questions and comments regarding the RFI must be received by OPM no later than 3:00 p.m. EST

August 2, 2011

Responses to the RFI are due no later than 3:00 p.m. EST.

On June 16, 2011, the Office of Personnel Management (“OPM”) released a Request for Information (“RFI”) regarding the requirements of Section 1334 of the Affordable Care Act (“ACA”)¹ for OPM to contract with health insurers to offer multi-state qualified health plans (“MSQHPs”) to the individual and small-group markets. The purpose of the RFI is to provide OPM with information that will allow it to better understand the “interests and capabilities” of health insurance issuers that are potential MSQHP contractors. The contours of OPM’s implementation of the MSQHP contracts will have a significant impact on health insurance issuers that will participate in the state-based “American Health Benefit Exchanges” (“Exchanges”) for the individual and small-group markets.

This alert will describe the areas of feedback requested by OPM regarding implementation of MSQHPs. Although this document is not a Request for Proposal, the questions posed by the RFI are designed to aid OPM in the development of procurement documents. The RFI informs respondents that those who provide a “thoughtful, detailed response” may be invited to a one-on-one meeting with OPM for a more in-depth discussion. Accordingly, those health insurance issuers with a serious interest in participating as a MSQHP, either individually or as a member of a joint venture or teaming arrangement, would be well advised to submit a thoughtful response to secure the maximum opportunity to shape the procurement process. Respondents may protect the proprietary information in their response by marking it with a restrictive legend, and any disclosure by OPM to third parties for evaluation purposes will be subject to confidentiality obligations.

The OPM RFI solicits feedback to questions in the following areas:

- Background and Interest
- Network and Quality Measures
- Enrollment and Marketing
- Operations
- Pricing and Reserving

¹ Patient Protection and Affordable Care Act, Pub. L. No. 111-148 § 1334, as added by § 10104(q) (hereinafter referred to as “§ 1334”).

Those who choose to respond to the RFI need not address every question; however, OPM is only seeking information that directly responds to the questions raised in the RFI. Questions and comments regarding the RFI must be received by OPM no later than **3:00 p.m. EST on June 30, 2011**. Responses to the RFI must be received by OPM no later than **3:00 p.m. EST on August 2, 2011**.

Statutory Background to the Implementation of MSQHPs

The ACA requires the creation, by 2014, of the Exchanges, which are entities created by a state government or by nonprofit organizations. The Exchanges will provide access at the state level to qualified health plans for individuals and small groups. MSQHPs contracting with OPM would not need to apply separately for certification to be offered in each state because they would be deemed certified to be offered in all Exchanges, per § 1334(d) of the ACA.

The ACA requires MSQHPs to meet the statutory requirements for qualified health plans. Ultimately, OPM will contract with at least two health insurance issuers in every state and one of those contracts must be with a nonprofit entity. The MSQHP must provide individual and/or group coverage under a contract with OPM that lasts at least one year.² The health plan included under § 1334 must be offered in at least 60 percent of the states in the first year and achieve national coverage in all states by the fourth year.³ To be eligible to participate in MSQHPs, the health plan must meet the requirements of every state's Exchange; be licensed in each state and subject to the requirements of each state's laws, so long as the state law is not inconsistent with § 1334; comply with the minimum standards for health plans offered under the Federal Employees Health Benefits Program; and meet any other requirements as prescribed by the Director of OPM.⁴ Further requirements for MSQHPs include offering uniform benefits packages in each state that consist of essential health benefits, as described in the ACA; meeting the requirements of a qualified health plan – that is, offering bronze, silver, and gold coverage levels; ensuring coverage premium determinations are made on the basis of the ACA rating requirement; and, finally, offering the health plan in “all geographic regions, and in all states that have adopted adjusted community rating before the date of enactment of the [ACA].”⁵

OPM's Request for Information

OPM contemplates a contracting scheme “similar” to that employed with respect to its Federal Employees Health Benefits Program contractors. Under that program, OPM issues an annual Call Letter, carriers submit proposals, and rates are renegotiated on an annual basis for a calendar-year term, for the annual contract renewal. The questions the RFI poses are designed to identify particular contract terms and approaches that would be more or less attractive to potential contractors as well as perceived barriers to participation in the contracting process.

² *Id.* at § 1334(a)(1)-(3).

³ *Id.* at § 1334(e).

⁴ *Id.* at § 1334(b)(1)-(4).

⁵ *Id.* at § 1334(c)(1)(A)-(D).

Background and Interest

The RFI seeks information regarding the products the respondent offers in the individual and small-group markets and the states in which such products are offered. Also, it requests information regarding the nonprofit status of the plan offeror and details regarding the products offered to Medicaid, SCHIP, or Medicare Advantage. The offeror's interest in participating in Exchanges under plans that are not MSQHPs, participating in certain states but not nationwide, or participating with an affiliated group of insurers as an offeror is also of interest to OPM. The RFI seeks information regarding any perceived issues and advantages of MSQHPs, issues with licensure in all 50 states and the District of Columbia, or issues with state law compliance in offering MSQHPs. Finally, the RFI asks whether offerors would consider partnerships with "voluntary benefit organizations, integrated health systems, Medicaid managed care organizations, and/or community health programs" to increase the offeror's ability to provide coverage.

Network and Quality Measures

The RFI seeks information regarding the number of states included in the initial offering of a MSQHP and the speed with which the offeror could expand to all 50 states and the District of Columbia, including any challenges or difficulties in meeting the timeframe for nationwide coverage by 2017 or in providing coverage in certain states or regions. The RFI requests specific information regarding hard-to-serve regions and an understanding of how the offeror would deal with the limited network capacity in such areas. OPM also seeks to understand what models of network access are preferred and what standards could be proposed for primary care physician practices and hospitals. The RFI asks offerors to address the challenges for plan members to maintain coverage in a number of circumstances: when traveling across state lines, moving to another state for short periods of time, maintaining dependant eligibility when the dependant lives in a different state than the plan member, and when permanently moving to another state that is not part of the offeror's MSQHP. Finally, the RFI seeks information regarding innovative practices in reimbursement and contracting that incentivize quality and outcomes related to service provision and whether the offeror would integrate innovations in delivery systems, such as medical homes or accountable care organizations.

Enrollment and Marketing

The RFI seeks information on how enrollment in the MSQHP would be promoted, including challenges to such efforts, how MSQHP enrollment would be obtained in the Exchange market, and how obtaining enrollment in the MSQHP compares to the current individual and small-group market. Furthermore, information is sought regarding any challenges or advantages the offeror perceives in operating within the Exchanges, how the offeror would manage shifting enrollment between plans within the Exchange as well as between Exchange and non-Exchange plans. Specifically, OPM requests that offerors describe the distinctions between MSQHPs and local plans offered via the same Exchange.

Operations

The RFI requests information on the issues and advantages between MSQHPs, as opposed to separate plans offered in the same number of states, as well as the issues in complying with the state regulatory requirements of each state Exchange. Also, the RFI asks what role or function either OPM

or a third party could serve to facilitate MSQHP operations and whether the offeror would be willing to pay a user fee to a third party for facilitation (and, if so, how much). Finally, OPM seeks information regarding the lead time required to set up a MSQHP, including milestones, to begin enrollment in the fall of 2013.

Pricing and Reserving

The RFI requests information on how offerors currently reserve for products in both individual and small-group markets as well as the perceived challenges or advantages faced by the offeror if reserves were combined across all states or held separately for each state. OPM seeks to identify any potential issues in applying the medical loss ratio to MSQHPs.

In addition, information is sought regarding currently used risk methodologies for individual, small-group, or other markets. Finally, OPM requests an estimate of the start-up costs associated with a MSQHP based on an enrollment of 750,000 individuals in the first year.

Conclusion

OPM's implementation of MSQHPs will have a significant impact on health insurance issuers that will be participating in the state-based Exchanges. Consequently, it is important for those issuers that will potentially offer qualified health plans under the MSQHP rules to submit answers and comments to the questions from OPM that are relevant to the individual issuer or plan by the August 2, 2011, deadline. Furthermore, all relevant stakeholders should monitor OPM's communications related to MSQHPs and take into account any changes to implementation that may be forthcoming.

For more information about this issue of *IMPLEMENTING HEALTH AND INSURANCE REFORM*, please contact one of the authors below or the member of the firm who normally handles your legal matters.

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