

The Utah Health Exchange



A Utah Solution for Utah Businesses

Presented by S David Jackson
Utah Defined Contribution Risk Adjuster Board Chair

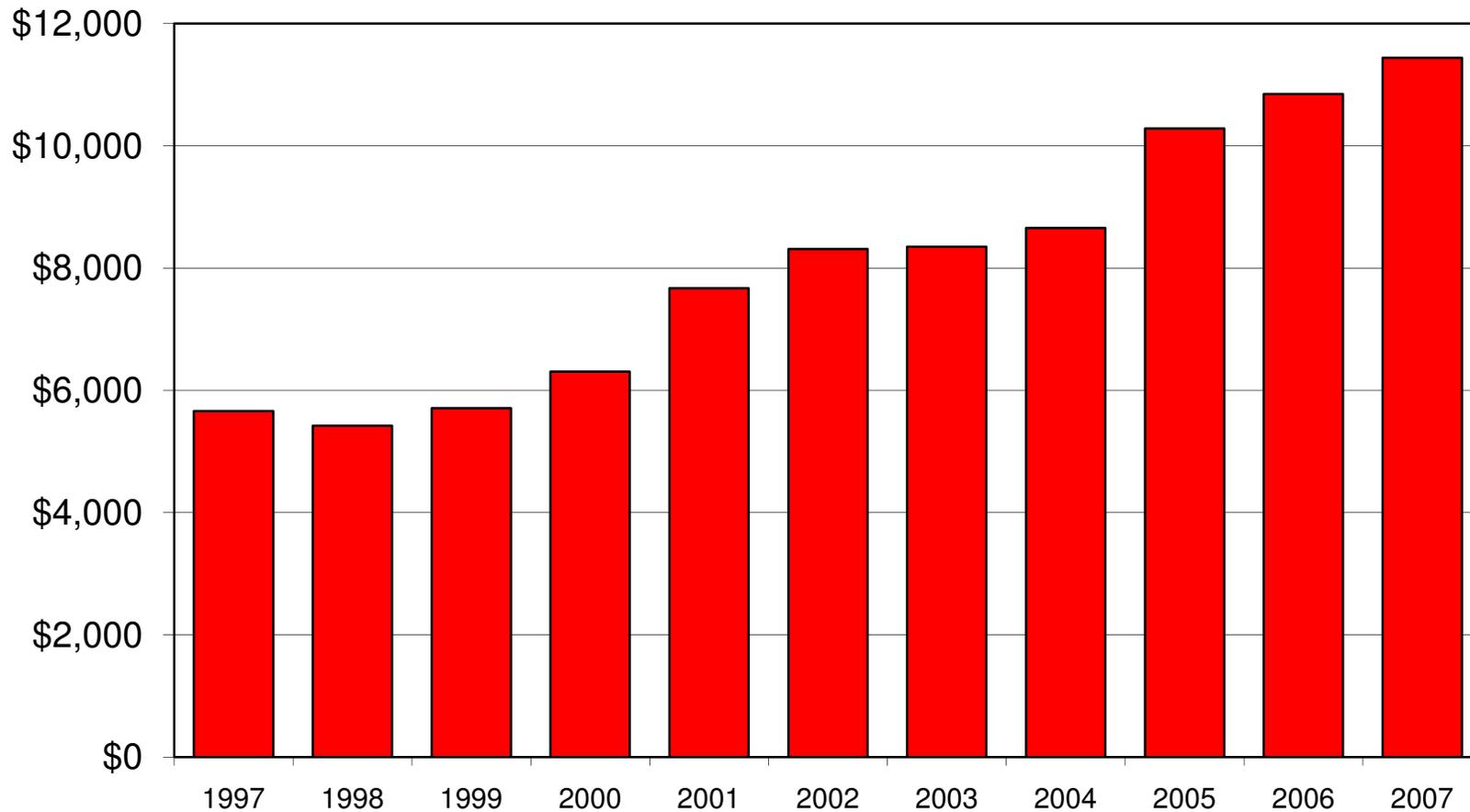
Utah Health System Reform: A Step-by-Step Guide

1. Identify Problems
2. Commit to Systemic Change
3. Begin With A Vision
4. Develop a Plan
5. Understand Your Target Demographic
6. Engage the Stakeholders

Identify Problems

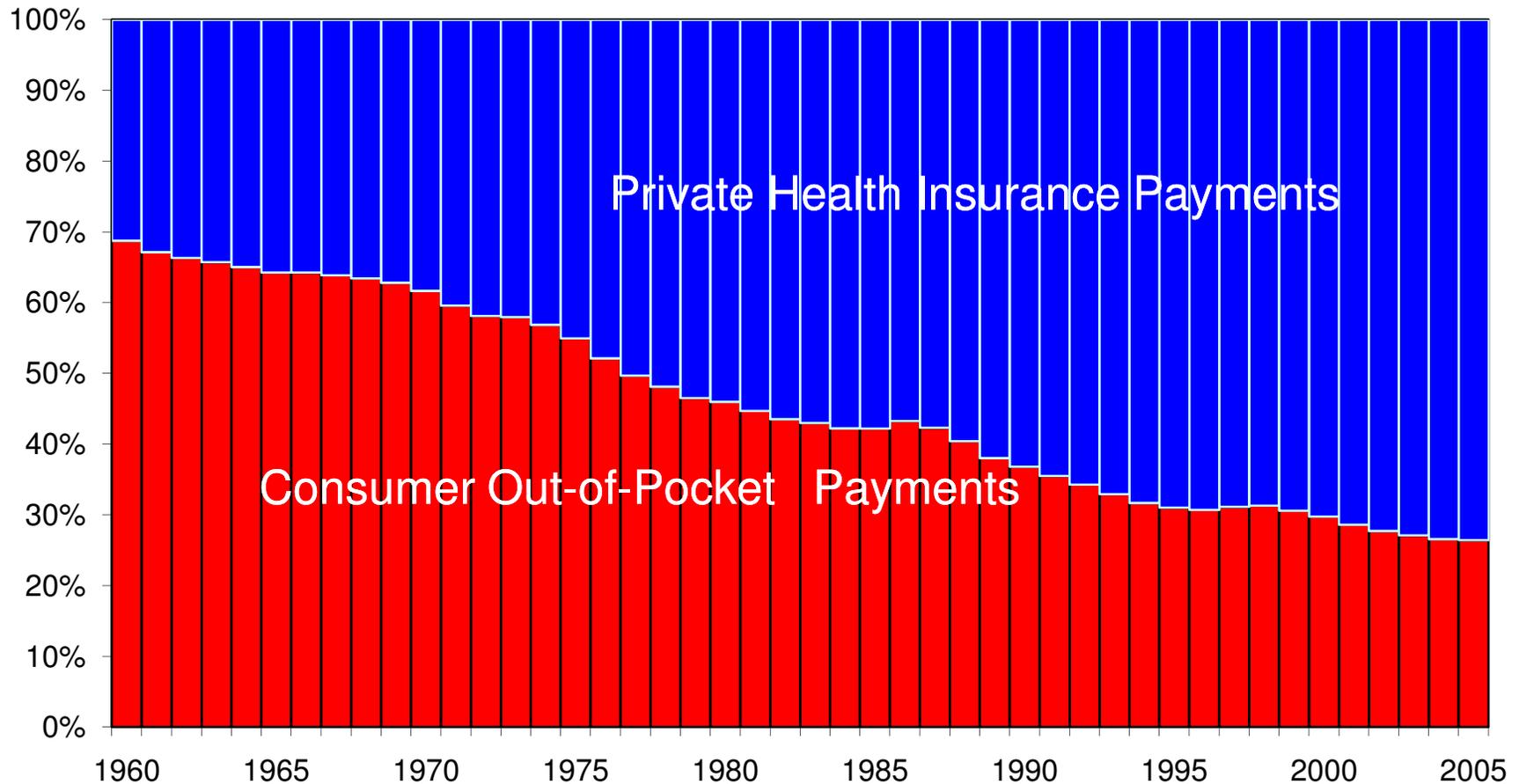
- Escalating Premium Costs
- Consumers Increasingly Detached from the Market
- Employers Dropping Insurance
- Too Many Uninsured
- Misaligned Incentives

Identify Problems: Escalating Premium Costs



Source: GOPB analysis of data from the Agency for Healthcare Research and Quality Medical Expenditure Survey and Kaiser Family Foundation Annual Employer Benefits Survey

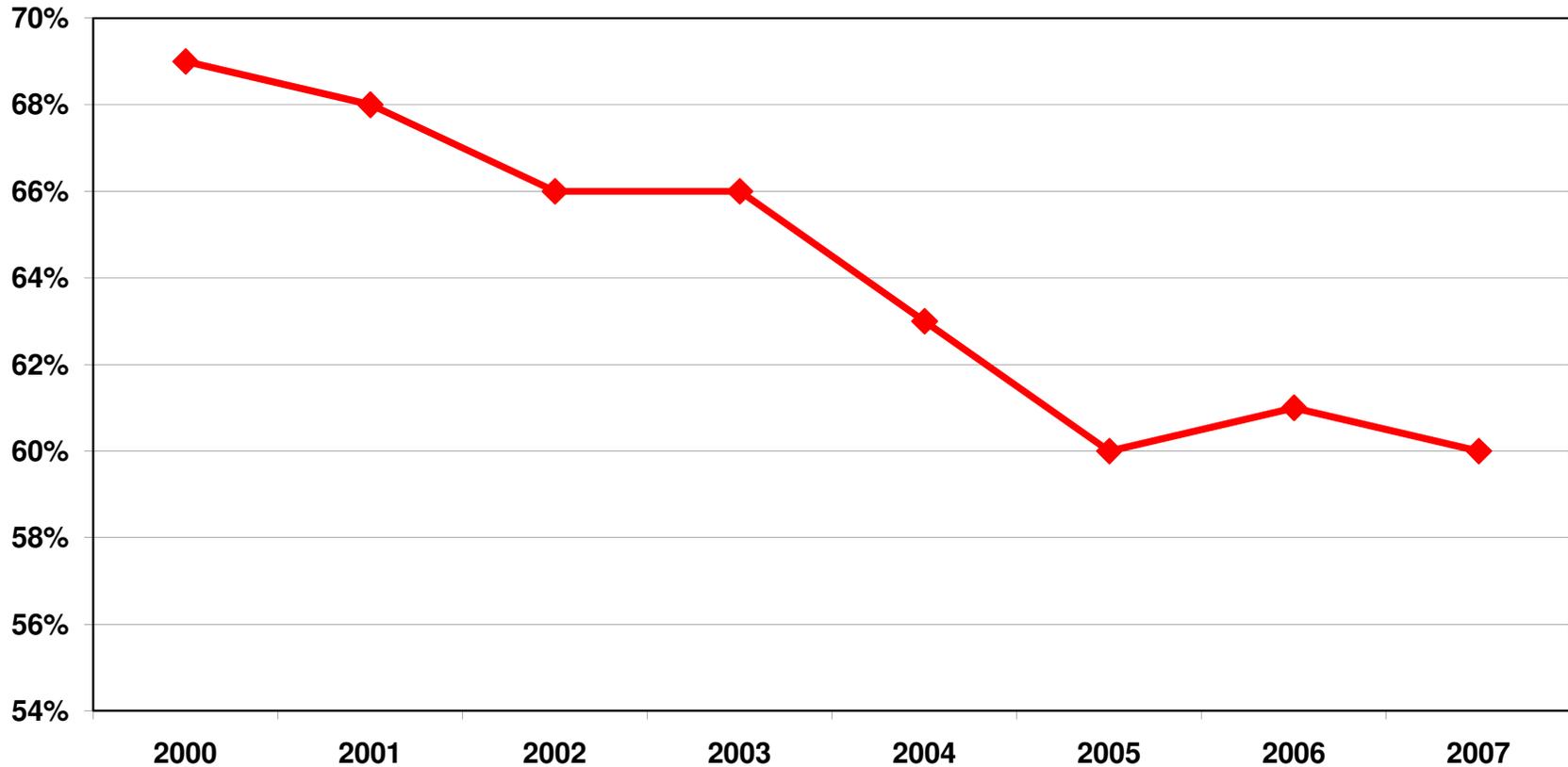
Identify Problems: Consumer Detachment



Source: GOPB Analysis of Centers for Medicare & Medicaid Services, National Health Expenditure Accounts

Identify Problems: Fewer Firms Offering Coverage

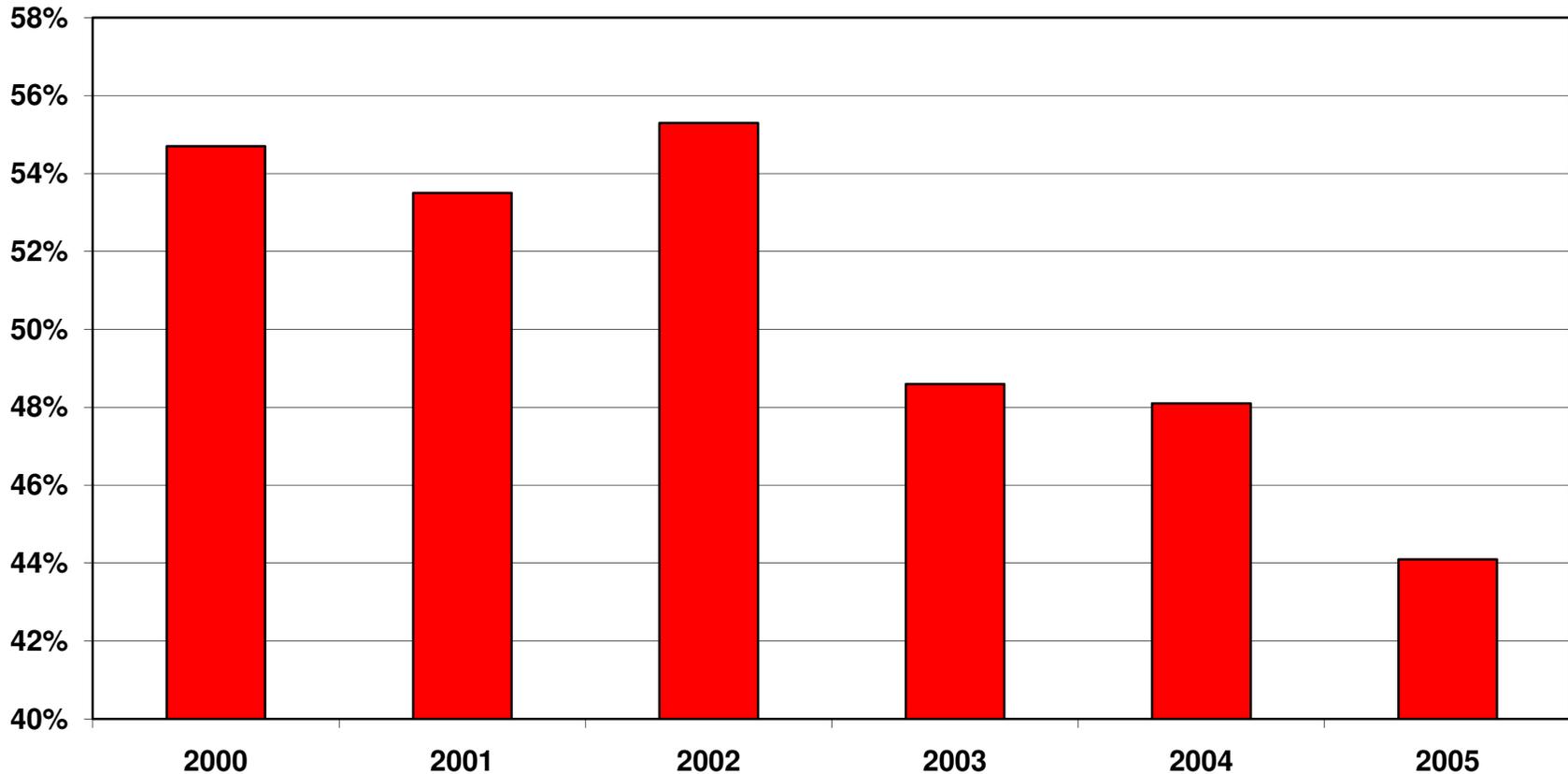
Percent of US Firms Offering Health Benefits



Source: Kaiser Family Foundation

Identify Problems: Fewer Firms Offering Coverage

Percent of Utah Firms Offering Health Benefits



Source: Agency for Healthcare Research and Quality Medical Expenditure Survey

Commitment to Systemic Change

Six Areas of Emphasis

- Health Insurance Reform
- Personal Responsibility
- Transparency and Value
- Maximize Tax Advantages
- Optimize Public Programs
- Modernize Governance

Begin With A Vision

Develop a consumer driven health care and insurance market that provides:

- Greater Choice
- Expanded Access
- Individual Responsibility
- Increased Affordability
- Higher Quality
- Improved Health

Develop a Plan

1-3-6-10 Plan

- During the **1st** year, take specific actions to establish a foundation for future success
- Understand it may take as many as **3** years to fully develop a plan of action
- Focus on **6** critical areas of need
- Further understand it may take as long as **10** years to fully implement reforms

Understand the Target Demographic

Utah's Uninsured Population in 2009

- 11.2% rate of uninsured in the state
 - Roughly 302,000 individuals
- Majority were employed
- Many were part-time workers
 - Workforce has a large percentage of part-time workers
 - Many had multiple part-time jobs
- Most worked for small firms
 - Less than 50% of small firms offering health insurance as a benefit
- Many were young immortals
 - Age 18-34

Engage the Stakeholders

2007 Formed Coalitions

- Executive Branch
- Legislative Branch
- Salt Lake Chamber of Commerce
- United Way of Salt Lake

2008 Formed Perspective-Oriented Work Groups

- Community Group
- Business Group
- Hospital Group
- Non-hospital Provider Group
- Insurance Group (carriers and producers)

2009 Formed Task-Oriented Work Groups

- Affordability and Access Group
- Transparency and Quality Group
- Oversight and Implementation Group

Utah Health Exchange Timeline

March 2008 HB 133 establishes the Utah Health Exchange

- On-line mechanism that allows consumers to compare, shop for, and enroll in a health plan
- Will incorporate All Payer Database so patients may access info about providers
- Includes a multiple source premium aggregator

March 2009 HB 188 establishes the Utah Defined Contribution Market

- Employer offers a pre-determined level of funding, rather than a pre-determined benefit
- Utah Defined Contribution Risk Adjuster Board established
- Three carriers announce participation in the Exchange (Select Health, Regence BlueCross Blue Shield, Humana)

August 2009 Utah Health Exchange Limited Launch

- Exchange is open to limited number of small employers (2-50 employees)
- Purpose is to test dynamics of the new defined contribution market as well as the processes of the Exchange technology

Utah Health Exchange Timeline

March 2010 HB294 includes provisions intended to correct and enhance the defined contribution market and the Exchange

- Pricing parity between traditional small group market and defined contribution market
- United Health Care joined (total of 4 carriers)

May 2010 Large Group Pilot Project Announced

- Full year earlier than anticipated, per requests from large employers (50 or more employees)
- Approximately 50,000 covered lives

September 2010 Full scale launch to all Utah small employers

Advantages of the Utah Health Exchange

EMPLOYERS

- Simplified Benefits Management
- Predictable costs
- Expanded Coverage Choices
- Preserve Tax Benefits

EMPLOYEES

- Individual Control and Choice
- Pay with Pre-tax dollars
- Plan Portability
- Premium Aggregation

Leverage Existing Resources

Technology

- Private-sector vendors
 - Enrollment and Plan Selection—bswift, Inc.
 - Financial/Banking Function—HealthEquity, Inc.

Marketing and Outreach

- Chambers of Commerce
- Professional and Trade Associations
- Earned Media

Education and Adoption

- Brokers and Consultants
- Human Resource Managers

How does the Exchange work?

- **Step 1** - Employer signs up
- **Step 2** - Employee enters information
- **Step 3** - Premiums are generated
- **Step 4** - Employee comparison shopping and open enrollment period
- **Step 5** - Finalize enrollment
- **Step 6** - Plans go into effect on designated date



Welcome to the Utah Health Exchange

The Utah Health Exchange is the State's official hub for all of your health insurance needs.



Individuals & Families

Use the Exchange to find the individual or family plan that fits your needs. Compare features, prices, and apply for coverage all in one place. [Shop Now](#)



Employees

If you work for a participating employer, you can use the Exchange to choose from a variety of plan options to get coverage tailored to you and then enroll online. [Learn More](#)



Employers

Use the Exchange to set up a [defined contribution plan](#). Your employees get multiple plan choices. You get cost predictability and greatly simplified benefits management. [Learn More](#)



Producers

The Exchange can offer comprehensive plan choices to your clients and their employees. Use defined contribution plans to expand your clients' benefits options and your business. [Learn More](#)

Welcome, Raymond Tester

Welcome to the Utah Health Exchange.

Start Here:

ENROLL NOW

Employees use the Exchange to begin the health plan selection process



Update your Application Data

- [Edit Personal Info](#)
- [Edit Employment Info](#)
- [Edit Family Info](#)
- [Edit Current/Prior Coverage Info](#)
- [Edit Health Statement Info](#)
- [Download Application \(PDF\)](#)



My Profile

- [Address](#)
- [Beneficiaries](#)
- [Family Info](#)

Life Events:



My Benefits

- [New Elections](#)
- [Current Benefits](#)



My Tools

- [Benefit Calculator](#)



News & Library

[View All Documents](#)

HOME

MY BENEFITS

MY PROFILE

NEWS

LIBRARY

ROLE

Current Benefits New Elections Benefit Calculator

Enrollment

1 Employee

2 Family

3 **Enroll**

4 Confirm

To Do:



Health

Credits

Secondary Employer Credit:

I confirm that the amount entered here is the amount that my secondary employer has given me as a health insurance credit for taking insurance through my primary employer also participating in the Utah Health Exchange.:

Secondary Employer Name:

Secondary Employer Company Code:

Credit from Secondary Employer:

Spousal Employer Credit:

I confirm that the amount I entered here is the amount my spouse's employer is giving for my spouse being covered under my employer's health plan also participating in the Utah Health Exchange.:

Name of Spouse's Employer:

Spouse's Employer Company Code:

Credit from Spouse's Employer:

Continue

The Exchange includes a Premium Aggregator; here, employees may combine contributions from additional sources.

Enrollment

- 1 Employee
- 2 Family
- 3 **Enroll**
- 4 Confirm

Your Payroll Deduction:
Per Month

\$0.00

Getting Started with Your Enrollment is Easy

Simply click the "Get Started" button below. Perhaps make this client-definable text with a logical character limit to keep from writing a book.

[Get Started](#)

To Do:

[Credits](#)

Plan Selection

Complete	Benefit & Plan	Coverage Tier	Total Premium Per Month	Company Contribution Per Month	Employee Credit Per Month	Your Cost Per Month (Pre-Tax)
<input type="checkbox"/>	Health Incomplete: Please Review					
<input type="checkbox"/>	Health Savings Acc Incomplete: Ple					

The Exchange provides a tool that helps employees compare health plan options.

Company-Wide Enrollment

- 1 Employee 2 Family 3 Enroll 4 Confirm

Your Payroll Deduction:
Per Month

\$0.00

To Do:

Credits

Plan Selection

Health Compare Plans or Waive Coverage

Filter Plans According to the Following:

Doctor's First Name: Last:

Hospital Name:

Insurance Carrier: -- Please Choose --

Coverage Tier: Employee

Show Plans: All Plans Only HSA Eligible Plans

Or, [Show All Plans](#)

Or, You May Waive Coverage:

1) Employees can narrow down choices or see all available plans. At this stage, employees may:

- filter plans by preference for doctor, hospital, or insurance carrier
- select applicable family status
- opt to display only HSA-qualified health plans
- waive coverage

2) Employees may sort plans according to priorities or preference

3) The employee may choose up to four plans for a more detailed side-by-side comparison

Compare Plans (Up to 4) Choose Plan Personalize Health Costs Sort Insurance Carrier

Plan Name	Insurance Carrier	Monthly Employee Payroll Deduction	Monthly Estimated Out of Pocket Medical Costs	Monthly Estimated Total Out of Pocket Costs	Type	In-network Coinsurance	In-network Deductible
<input type="checkbox"/> 60/50HDHP 1200ded 3600 OOP	Humana	\$320	\$480	\$368	High Deductible	60%	\$1,200
<input type="checkbox"/> 80/60 HDHP 1500 ded. 5000 OOP	Humana	\$260	\$480	\$308	High Deductible	80%	\$1,500
<input type="checkbox"/> 80/60Cov1 20/40 1000ded3000OP 10/30/50Rx	Humana	\$540	\$220	\$582	HSA Qualified HDHP	80%	\$1,000
<input type="checkbox"/> 80/60Cov1 20/40 1500ded3000OP 10/30/50Rx	Humana	\$470	\$220	\$502	PPO	80%	\$1,500

Company-Wide Enrollment

- 1 Employee 2 Family 3 Enroll 4 Confirm

Your Payroll Deduction:
Per Month

\$0.00

To Do:

Those plans selected by the employee are displayed in a side-by-side matrix for summary-level or detailed comparison purposes.

Health
Blue Cross / Blue Shield Enroll Optional - HMO II

Available Plans

Plan Name:	ABC Example Health Plan Name One	ABC Example Health Plan Name Two	ABC Example Health Plan Name Three	ABC Example Health Plan Name Four
	View Plan Detail	View Plan Detail	View Plan Detail	View Plan Detail
	<input type="button" value="Pick this Plan"/>	<input type="button" value="Pick this Plan"/>	<input type="button" value="Pick this Plan"/>	<input type="button" value="Pick this Plan"/>
Costs & Credits				
Monthly Premium:	\$250.00	\$250.00	\$250.00	\$250.00
Monthly Employer Contribution:	\$100.00	\$100.00	\$100.00	\$100.00
Monthly Premium Wellness Credit:	\$50.00	\$50.00	\$50.00	\$50.00
Monthly Estimated Out of Pocket Medical Costs	\$100.00	\$100.00	\$100.00	\$100.00
<input type="button" value="Personalize Health Costs"/>				
Monthly Estimated Total Out of Pocket Costs	\$100.00	\$100.00	\$100.00	\$100.00
Overview				
Group Number:	P81893	P81893	P81893	P81893
Coverage Type:	PPO	PPO	PPO	PPO
Plan Description:	High Deductible Health Plan	High Deductible Health Plan	High Deductible Health Plan	High Deductible Health Plan

Company-Wide Enrollment

- 1 Employee
- 2 Family

Your Payroll Deduction:
Per Month
\$0.00

To Do:

[Credits](#)

[Plan Selection](#)

Window Name **Close**

Family Health Profile

Family Member	Relationship	Health Status	Pregnancy?	Type of Prescription Usually Purchased	Coverage?
Mike S bswift	(Employee)	Healthy	-	Generic	<input checked="" type="checkbox"/> Covered
Debi Springer	(Spouse)	Healthy	<input checked="" type="checkbox"/> Pregnant	Generic	<input checked="" type="checkbox"/> Covered
Lilly Springer	(Child)	Minor Health Needs	-	Name Brand	<input checked="" type="checkbox"/> Covered
Parker Springer	(Child)	Healthy	<input type="checkbox"/> Pregnant	Generic	<input checked="" type="checkbox"/> Covered

[Return to Application](#)

Costs & Credits

Monthly Premium:				
	\$250.00	\$250.00	\$250.00	\$250.00
		\$100.00		\$100.00
		\$50.00		\$50.00
		\$100.00		\$100.00

Monthly Estimated Total Out of Pocket Costs	\$100.00	\$100.00	\$100.00	\$100.00
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Overview

Group Number:	P81893	P81893	P81893	P81893
Coverage Type:	PPO	PPO	PPO	PPO
Plan Description:	High Deductible Health Plan			

Employees may estimate total cost for health care expenditures (premium, deductible, co-pays, etc.) based on each family member's health status.

Company-Wide Enrollment

- 1 Employee
- 2 Family
- 3 Enroll
- 4 Confirm

Your Payroll Deduction:
 Per Month
\$0.00

To Do:

[Credits](#)

Plan Selection

Employee chooses a plan

[→ Health](#)
Blue Cross / Blue Shield Enroll Optional - HMO II

Available Plans

Plan Name:	ABC Example Health Plan Name One	ABC Example Health Plan Name Two	ABC Example Health Plan Name Three	ABC Example Health Plan Name Four
	View Plan Detail	View Plan Detail	View Plan Detail	View Plan Detail
	<input type="button" value="Pick this Plan"/>	<input type="button" value="Pick this Plan"/>	<input type="button" value="Pick this Plan"/>	<input type="button" value="Pick this Plan"/>

Costs & Credits

Monthly Premium:	\$250.00	\$250.00	\$250.00	\$250.00
Monthly Employer Contribution:	\$100.00	\$100.00	\$100.00	\$100.00
Monthly Premium Wellness Credit:	\$50.00	\$50.00	\$50.00	\$50.00
Monthly Estimated Out of Pocket Medical Costs	\$100.00	\$100.00	\$100.00	\$100.00
<input type="button" value="Personalize Health Costs"/>				
Monthly Estimated Total Out of Pocket Costs	\$100.00	\$100.00	\$100.00	\$100.00

Overview

Group Number:	P81893	P81893	P81893	P81893
Coverage Type:	PPO	PPO	PPO	PPO
Plan Description:	High Deductible Health Plan			

Company-Wide Enrollment

- 1 Employee
 2 Family
 3 Enroll
 4 Confirm

Your Payroll Deduction: Per Month

\$192.30

To Do:

Credits

The Exchange provides a tool to help employees track their monthly payroll deduction as they go along in the process.

Getting Started with Your Enrollment is Easy

Simply click the "Get Started" button below. Perhaps make this client-definable text with a logical character limit to keep from writing a book.

[Get Started](#)

Complete	Benefit & Plan	Coverage Tier	Total Premium Per Month	Company Contribution Per Month	Employee Credit Per Month	Your Cost Per Month (Pre-Tax)															
<input checked="" type="checkbox"/>	Health (edit) High Deductible Health Plan	Employee + Family	\$191.53	\$76.15		\$115.38															
<p>Please review you plan choices below by reading the cost and details of each plan. Click 'Choose this Plan' above the plan that you are enrolling in.</p> <p>HMO Members - If you need to change your PCP, please call the HMO Hotline; PPO Members there is no need to select a PCP.</p> <p>Plan Selection: Compare Plans</p> <p> <input checked="" type="radio"/> High Deductible Health Plan <input type="radio"/> Waive All Health Plans </p> <p>Dependents:</p> <table border="1"> <thead> <tr> <th>Relationship</th> <th>Name</th> <th>Coverage</th> </tr> </thead> <tbody> <tr> <td>(Employee)</td> <td>Mike S bswift</td> <td></td> </tr> <tr> <td>(Spouse)</td> <td>Debi Springer</td> <td><input checked="" type="radio"/> Cover <input type="radio"/> Waive</td> </tr> <tr> <td>(Child)</td> <td>Lilly Springer</td> <td><input checked="" type="radio"/> Cover <input type="radio"/> Waive</td> </tr> <tr> <td>(Child)</td> <td>Parker Springer</td> <td><input checked="" type="radio"/> Cover <input type="radio"/> Waive</td> </tr> </tbody> </table> <p>Save</p>							Relationship	Name	Coverage	(Employee)	Mike S bswift		(Spouse)	Debi Springer	<input checked="" type="radio"/> Cover <input type="radio"/> Waive	(Child)	Lilly Springer	<input checked="" type="radio"/> Cover <input type="radio"/> Waive	(Child)	Parker Springer	<input checked="" type="radio"/> Cover <input type="radio"/> Waive
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(Child)	Parker Springer	<input checked="" type="radio"/> Cover <input type="radio"/> Waive																			
<input type="checkbox"/>	Health Savings Account Incomplete: Please Review																				

Enrollment

- 1 Employee
2 Family
3 **Enroll**
4 Confirm

Your Payroll Deduction:
Per Month
\$192.30

Getting Started with Your Enrollment is Easy

Simply click the "Get Started" button below. Perhaps make this client-definable text with a logical character limit to keep from writing a book.

[Get Started](#)

To Do:

If the employee selects a qualified HDHP, an HSA option is presented.

Complete	Benefit & Plan	Coverage	Total Premium Per Month	Company Contribution Per Month	Employee Credit Per Month	Your Cost Per Month (Pre-Tax)
<input checked="" type="checkbox"/>	Health (edit) High Deductible Health Plan	Employee + Family	\$191.53	\$76.15		\$115.38
<input type="checkbox"/>	Health Savings Account Incomplete: Please Review					

HSA Employee Contribution Amount:

\$ per pay period = **\$0.00** annually

Minimum Annual Contribution Amount: **\$0.00**, Maximum Annual Contribution Amount: **\$0.00**

[Save](#)

[Continue](#)

Similarities: Massachusetts and Utah

Massachusetts

- State-based solution designed to be responsive to state-specific issues, customs, business practices, etc.
- Consumer-centered approach
- Achieved broad, bipartisan consensus supporting the basic reform elements

Utah

- State-based solution designed to be responsive to state-specific issues, customs, business practices, etc.
- Consumer-centered approach
- Achieved broad, bipartisan consensus supporting the basic reform elements

Differences: Massachusetts and Utah

Massachusetts

- Individual mandate
- Employer mandate
- Government role is contracting agent
- Established Massachusetts Connector Authority with broad regulatory responsibilities
- Acted first on public sector reforms; now rolling out private insurance market reforms

Utah

- No individual mandate
- No employer mandate
- Government role is market facilitator
- Regulatory authority strictly limited to establishment of electronic data standards
- Began by implementing private market reforms first; public sector reforms to follow

Differences: Massachusetts and Utah

Massachusetts

- No risk adjustment mechanism included
- Upfront appropriation of \$25 million; ongoing funding through retention of a portion of premium
- Staff of approximately 45 employees

Utah

- Risk adjustment mechanism established to deal with adverse selection issues
- Upfront appropriation of \$600,000; ongoing funding through annual appropriation and technology fees
- Staff of 3 employees

The Utah Health Exchange in the Press

“Compared to what's being trotted around the Asylum on the Hill, **Utah's bipartisan reform project sounds downright dreamy. Simple and geared toward the consumer,** it was designed under the operating principle that Americans are capable of making their own decisions...” (Kathleen Parker, “Health Reform, Utah’s Way,” in *The Washington Post*, July 26, 2009)

“As Washington attempts to pass national health reform this fall, **Utah's experiment may become a model** for lawmakers looking to create market-based reforms. **It will clearly benefit small businesses** that now face unpredictable rate changes.” (John Tozzi, “What Utah's Health Reform Means to Small Business,” at BusinessWeek.com, Sept. 4, 2009.)

The Utah Health Exchange in the Press

“The State of Utah recently launched a new program that... demonstrates why ***state-level policy innovation--not top-down, federal planning--is the key to improving America's health sector.***” (Grace-Marie Turner, “Innovation, Not Intervention” at *Forbes.com*, Sept. 18, 2009)

“Utah...demonstrates that there was another path forward. The Exchange provides a technology backbone that ***enables private entities — brokers and businesses — to take advantage of consumer-based options.***

Consistent with the Exchange’s mission to promote small business growth, it is part of the Governor’s Office of Economic Development. ***The focus on business growth and input from the private market has helped promote other reforms.***” (Amy Lischko and Jim Stergios, Op-Ed in the *Boston Globe*, May 13, 2010)

For more information:

Utah Health Exchange

exchange.utah.gov

