# The Utah Health Exchange

*A Utah Solution for Utah Businesses*

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

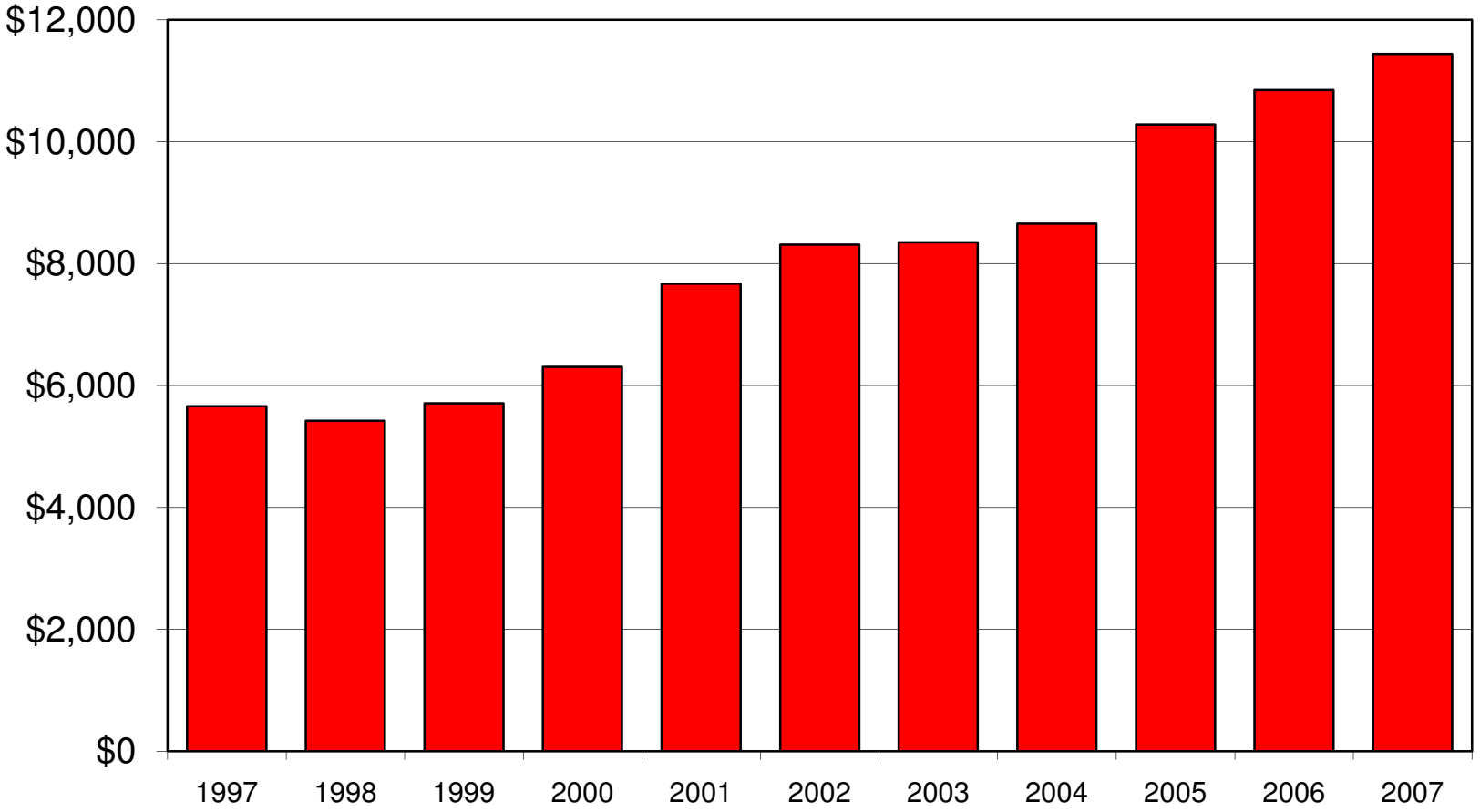
# Utah Health System Reform: A Step-by-Step Guide

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

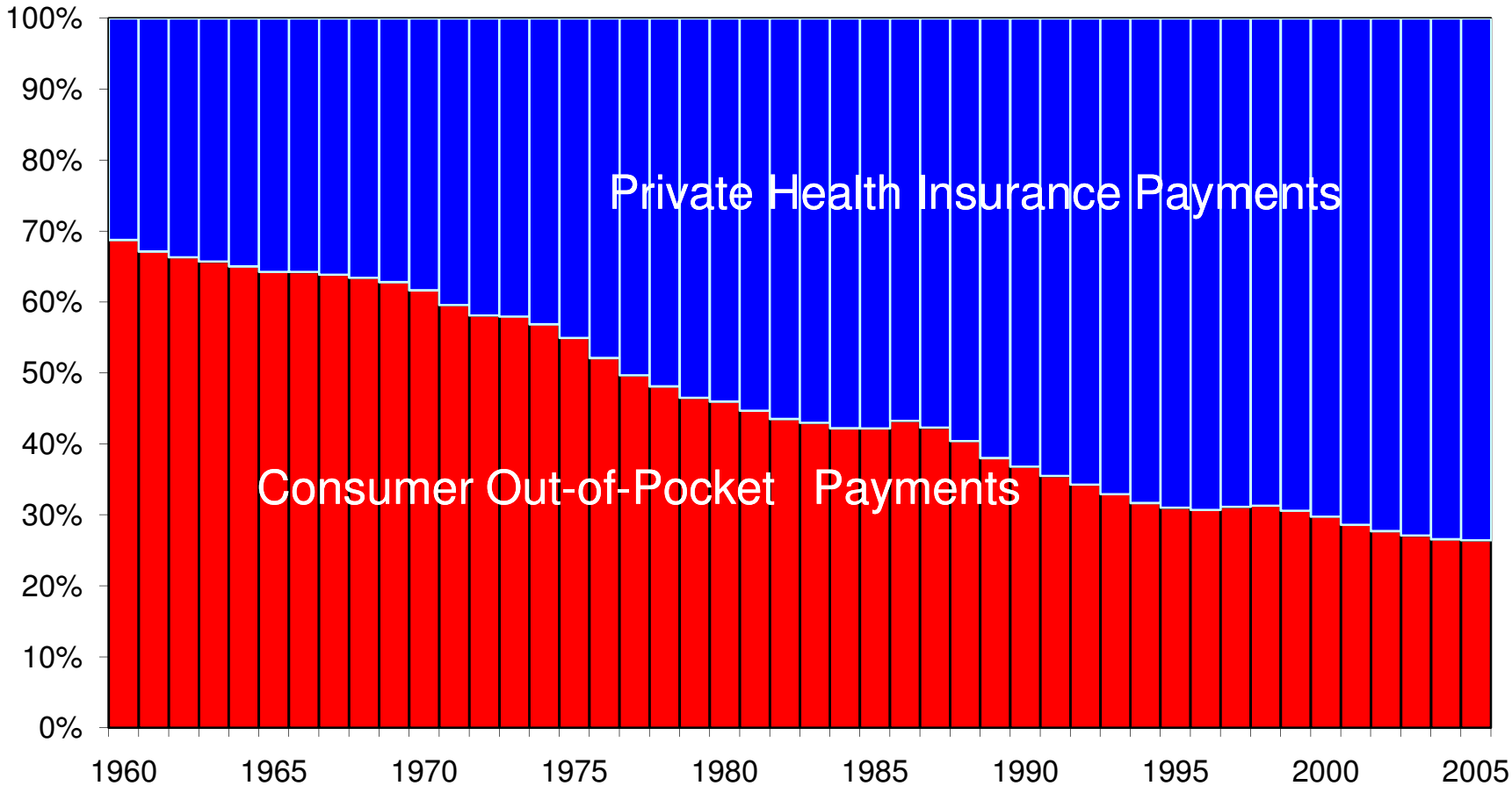
- Escalating Premium Costs
- Consumers Increasingly Detached from the Market
- Employers Dropping Insurance
- Too Many Uninsured
- Misaligned Incentives

# Identify Problems: Escalating Premium Costs



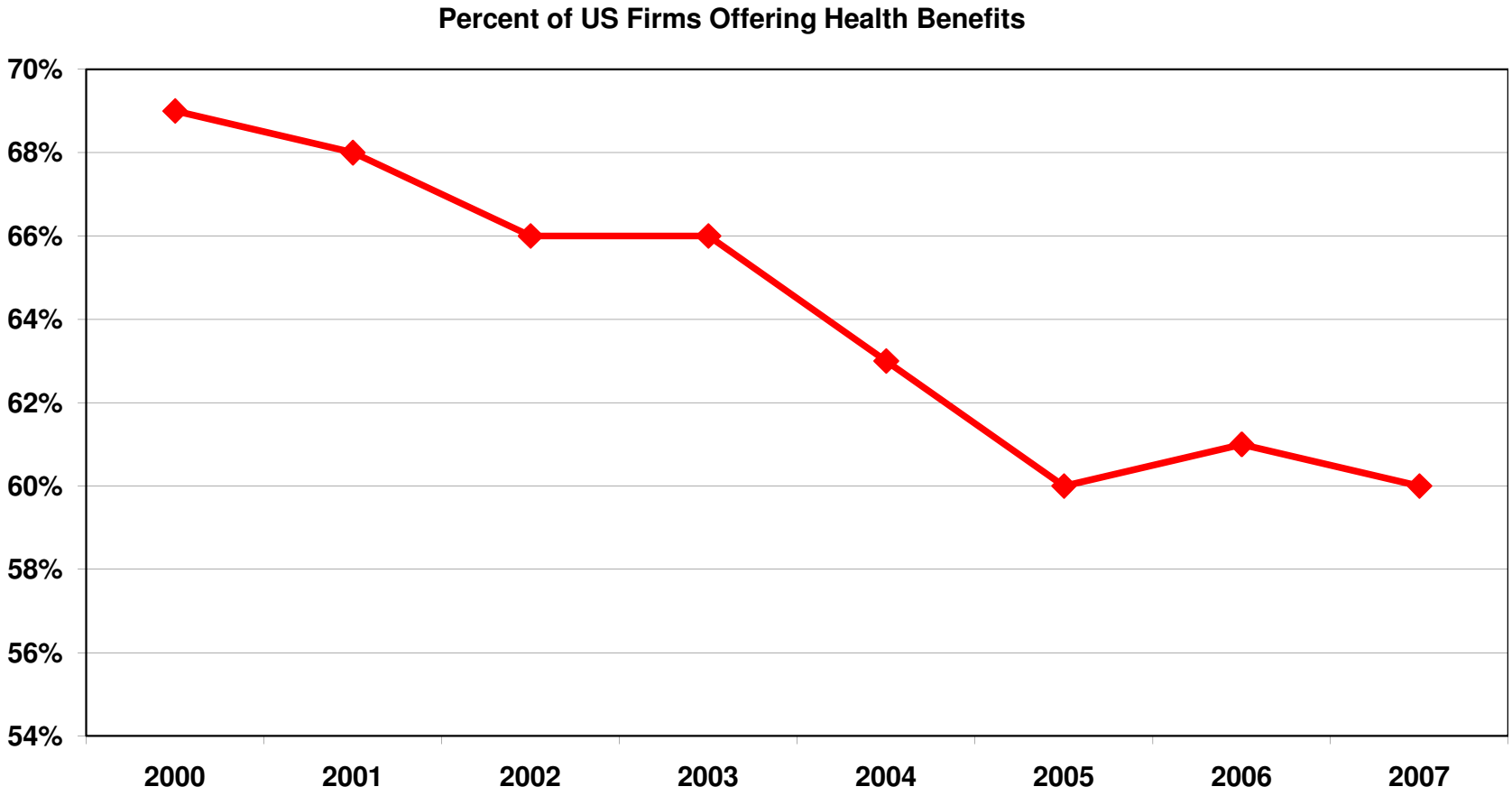

***Source:*** GOPB analysis of data from the Agency for Healthcare Research and Quality Medical Expenditure Survey and Kaiser Family Foundation Annual Employer Benefits Survey

# Identify Problems: Consumer Detachment




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

# Identify Problems: Fewer Firms Offering Coverage

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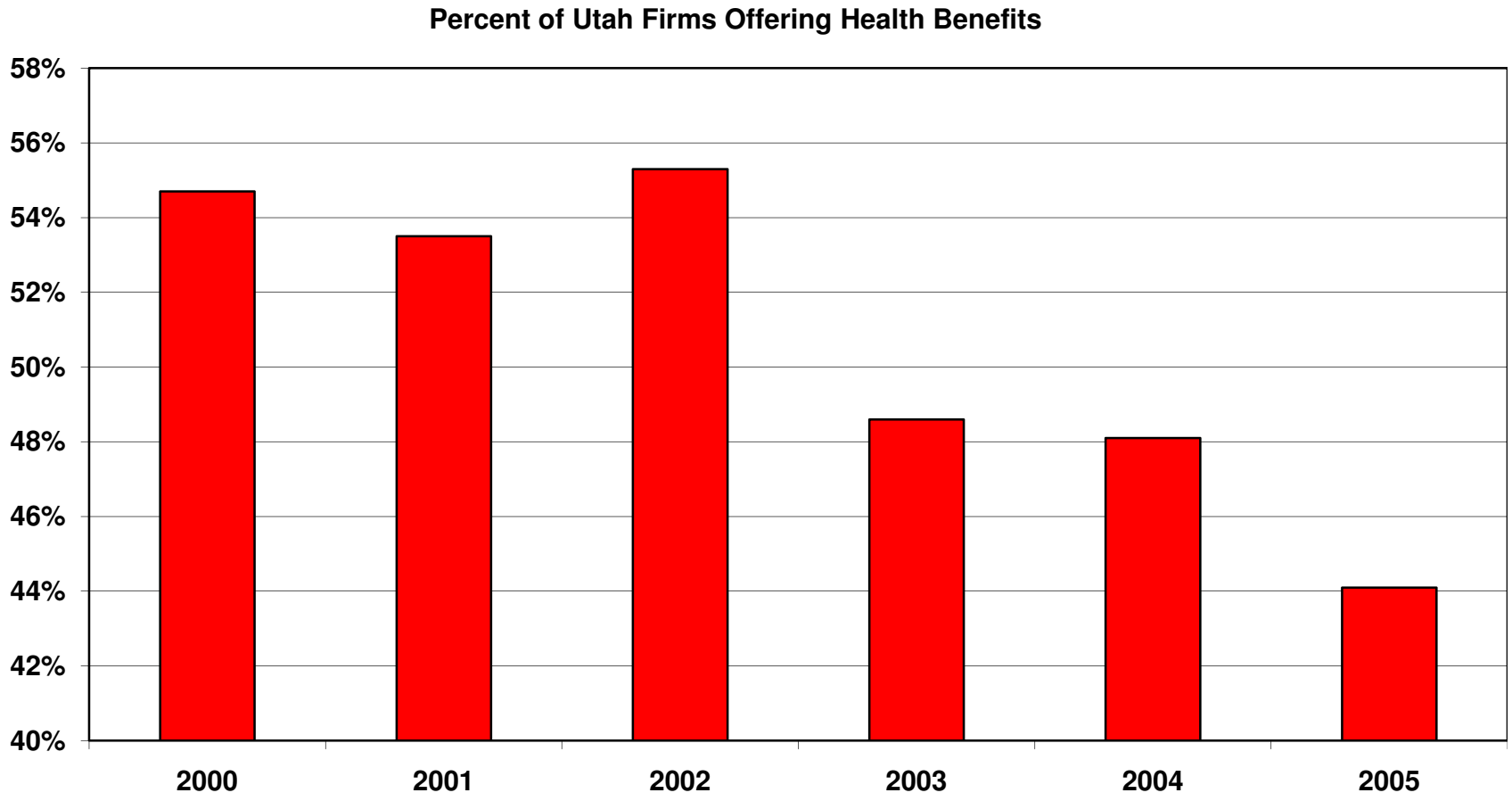



***Source:*** Agency for Healthcare Research and Quality Medical Expenditure Survey

# 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

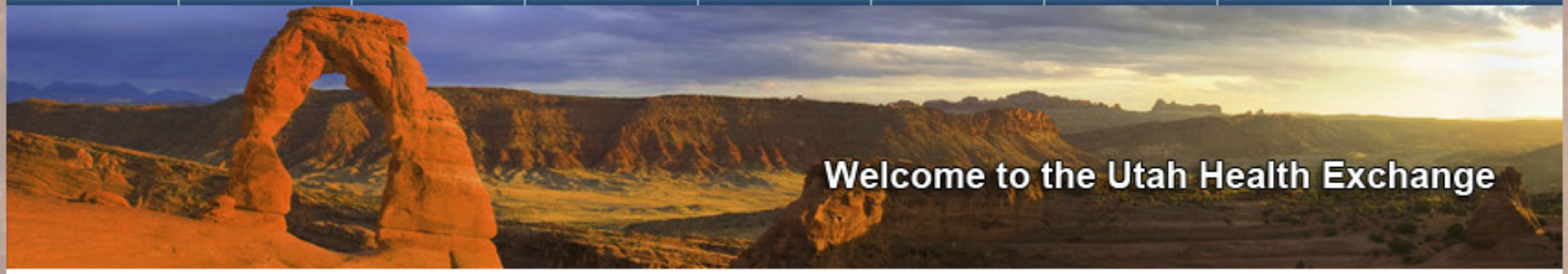
# How does the Exchange work?

- **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

UTAH HEALTH EXCHANGE

UTAH
LIFE ELEVATED

Home | Find Insurance | Health System Reform | About the Exchange | Help | Contact Us




## 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

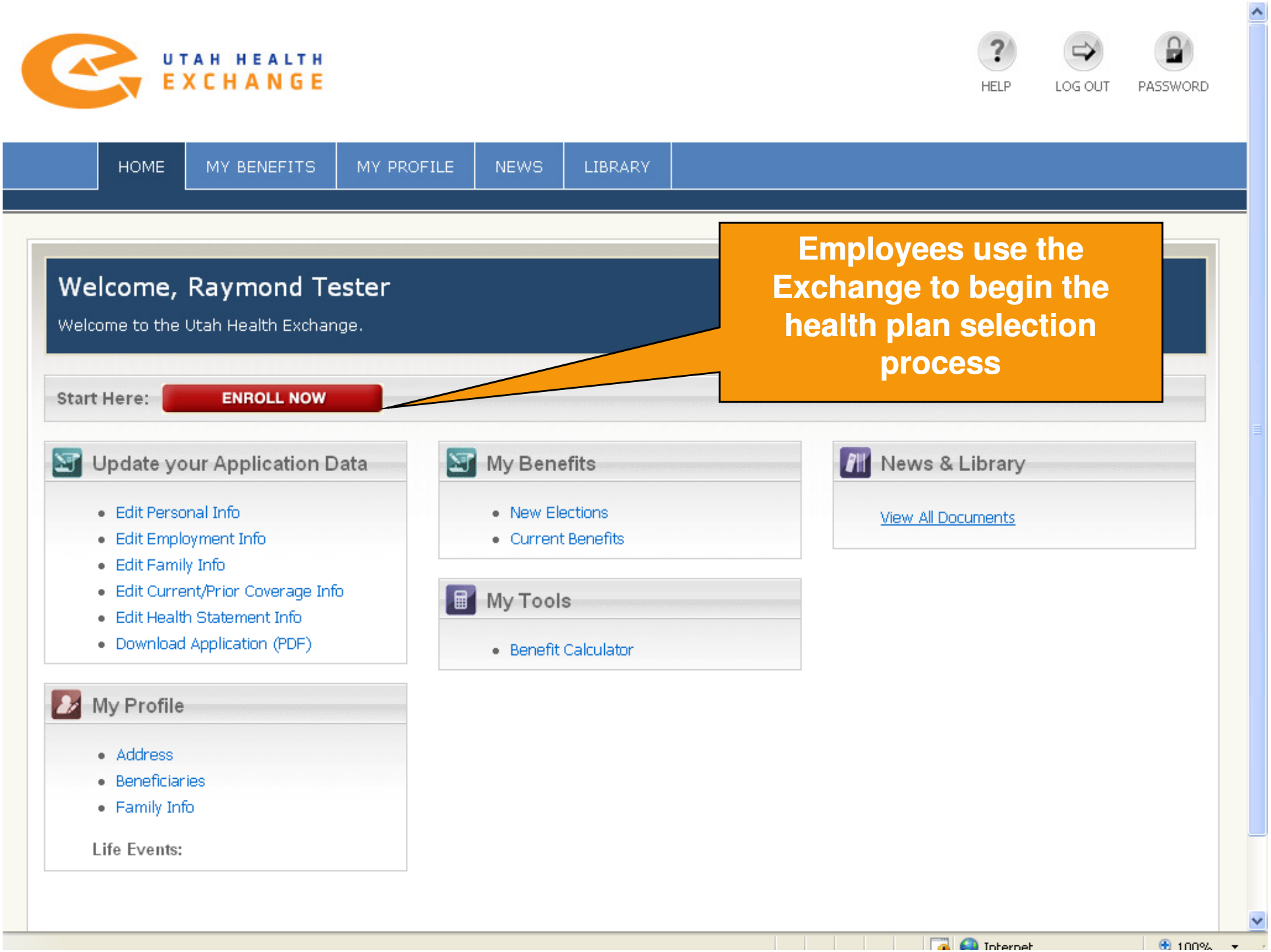
If you work for a participating employer, you can use the Exchange to choose from a variety of plan options to get coverage tailored to you and then enroll online. **Learn More**

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**


UTAH HEALTH EXCHANGE
HELP
LOG OUT
PASSWORD
HOME
MY BENEFITS
MY PROFILE
NEWS
LIBRARY
Welcome, Raymond Tester
Welcome to the Utah Health Exchange.
Employees use the Exchange to begin the health plan selection process
Start Here:
ENROLL NOW
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 Benefits
New Elections
Current Benefits
News & Library
View All Documents
My Tools
Benefit Calculator
My Profile
Address
Beneficiaries
Family Info
Life Events:

HELP LOG OUT PASSWORD

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:

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

**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 spous'e employer is giving for my spouse being covered under my employer's healt plan also participating in the Utah Health Exchange.:

Name of Spouse's Employer:

Spouse's Employer Company Code:

Credit from Spouse's Employer:

Continue

HELP LOG OUT PASSWORD

HOME | MY BENEFITS | MY PROFILE | NEWS | LIBRARY | ROLE

Current Benefits | New Elections | Benefit Calculator

# 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.

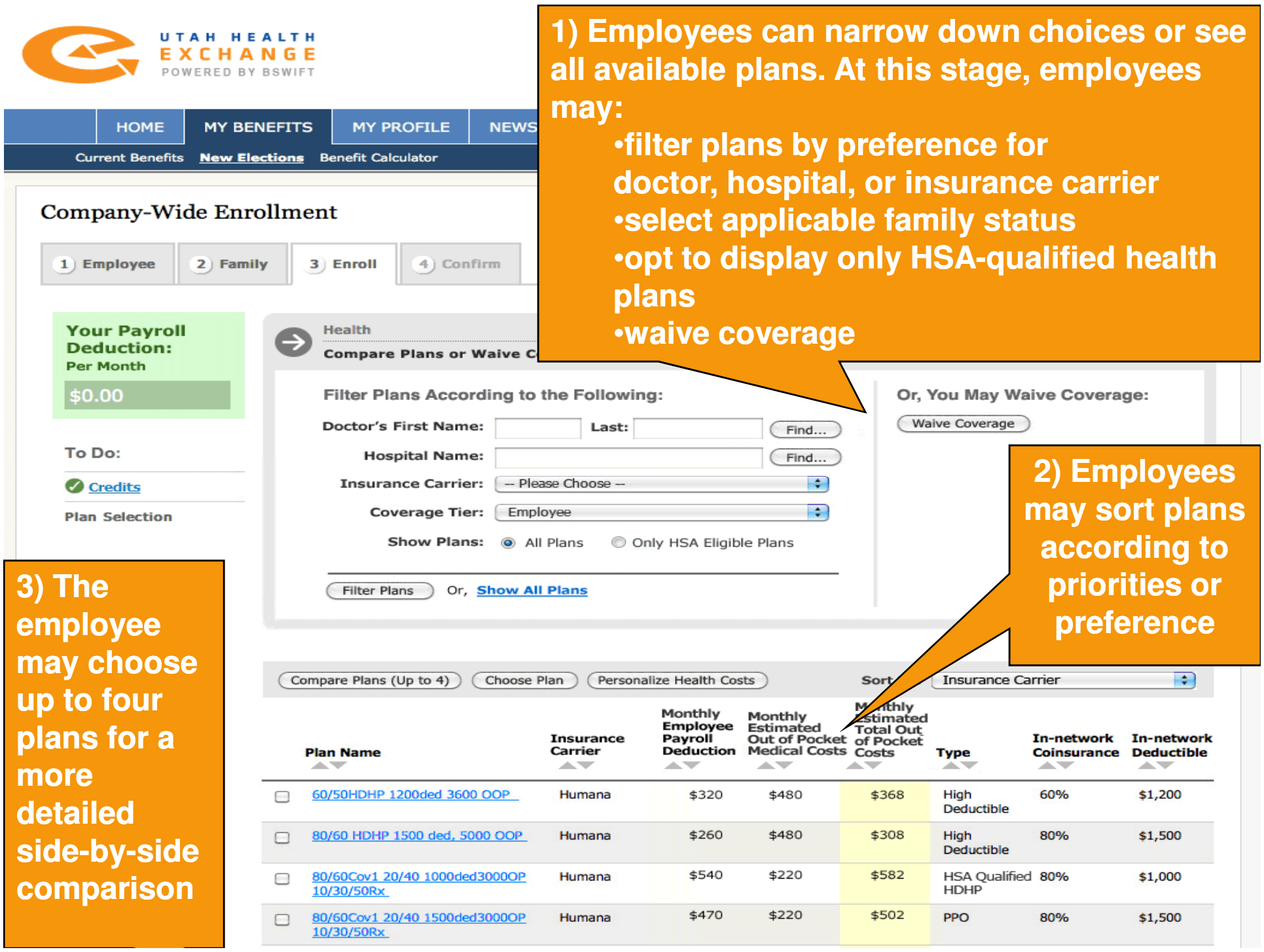
Get Started

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) |
|---|---|---|---|---|---|---|
| ☐ | Health<br>Incomplete: Please Review | | | | | |
| ☐ | Health Savings Acc<br>Incomplete: Ple | | | | | |

**The Exchange provides a tool that helps employees compare health plan options.**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Company-Wide Enrollment
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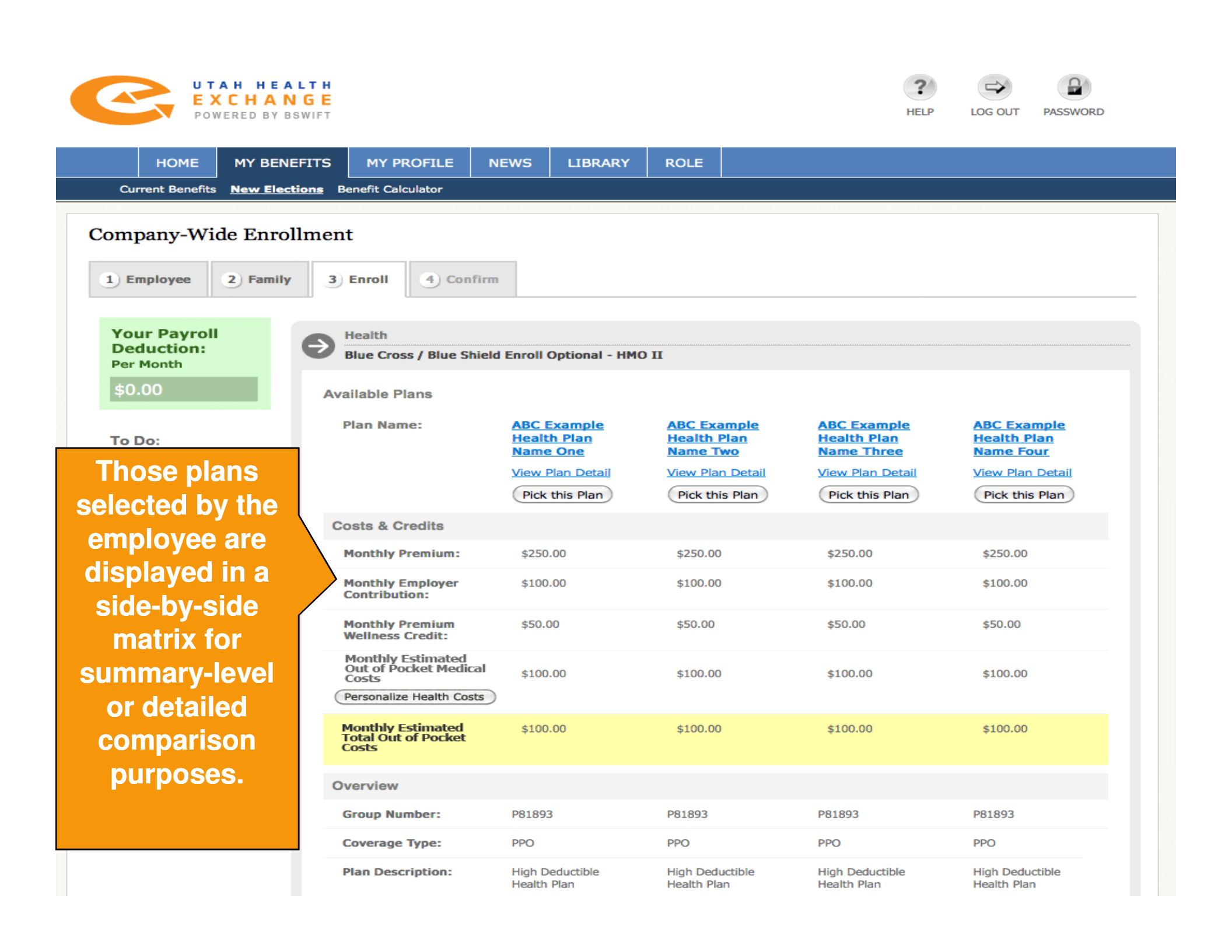
4 Confirm
Your Payroll Deduction:
Per Month
$0.00
To Do:
Credits
Plan Selection
Health
Compare Plans or Waive C
Filter Plans According to the Following:
Doctor's First Name:
Last:
Find...
Hospital Name:
Find...
Insurance Carrier:
-- Please Choose --
Coverage Tier:
Employee
Show Plans:
All Plans
Only HSA Eligible Plans
Filter Plans
Or, Show All Plans
Or, You May Waive Coverage:
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
60/50HDHP 1200ded 3600 OOP
Humana
$320
$480
$368
High Deductible
60%
$1,200
80/60 HDHP 1500 ded, 5000 OOP
Humana
$260
$480
$308
High Deductible
80%
$1,500
80/60Cov1 20/40 1000ded3000OP 10/30/50Rx
Humana
$540
$220
$582
HSA Qualified HDHP
80%
$1,000
80/60Cov1 20/40 1500ded3000OP 10/30/50Rx
Humana
$470
$220
$502
PPO
80%
$1,500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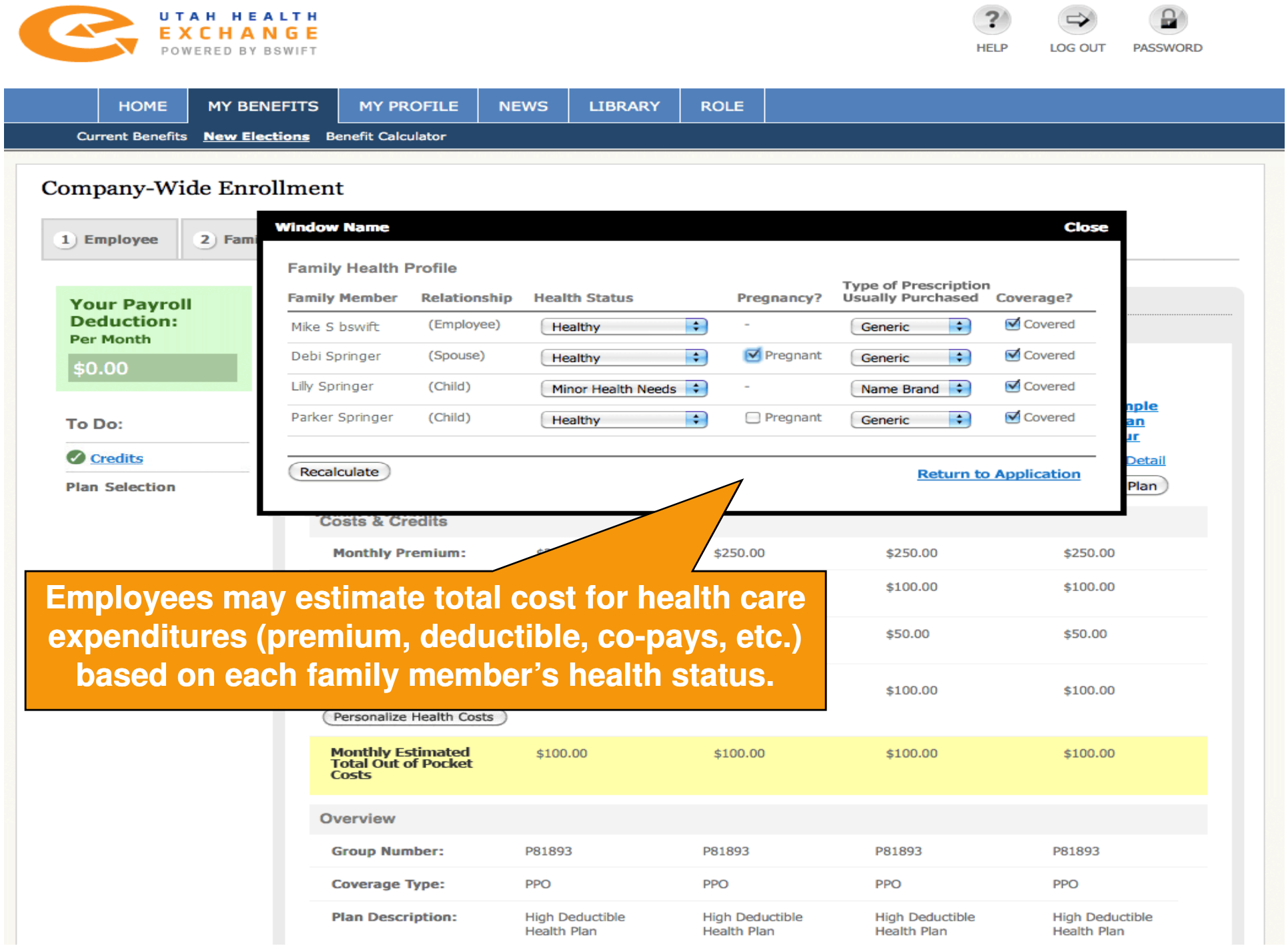
1 Employee
2 Family
3 Enroll
4 Confirm
Your Payroll Deduction:
Per Month
$0.00
To Do:
Those plans selected by the employee are displayed in a side-by-side matrix for summary-level or detailed comparison purposes.
Health
Blue Cross / Blue Shield Enroll Optional - HMO II
Available Plans
Plan Name:
ABC 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
Pick this Plan
Costs & Credits
Monthly Premium:
$250.00
Monthly Employer Contribution:
$100.00
Monthly Premium Wellness Credit:
$50.00
Monthly Estimated Out of Pocket Medical Costs
$100.00
Personalize Health Costs
Monthly Estimated Total Out of Pocket Costs
$100.00
Overview
Group Number:
P81893
Coverage Type:
PPO
Plan Description:
High Deductible Health Plan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1 Employee
2 Fami
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
Covered
Debi Springer
(Spouse)
Healthy
Pregnant
Generic
Covered
Lilly Springer
(Child)
Minor Health Needs
-
Name Brand
Covered
Parker Springer
(Child)
Healthy
Pregnant
Generic
Covered
Recalculate
Return to Application
Costs & Credits
Monthly Premium:
$250.00
$250.00
$250.00
$100.00
$100.00
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P81893
P81893
Coverage Type:
PPO
PPO
PPO
PPO
Plan Description:
High Deductible Health Plan
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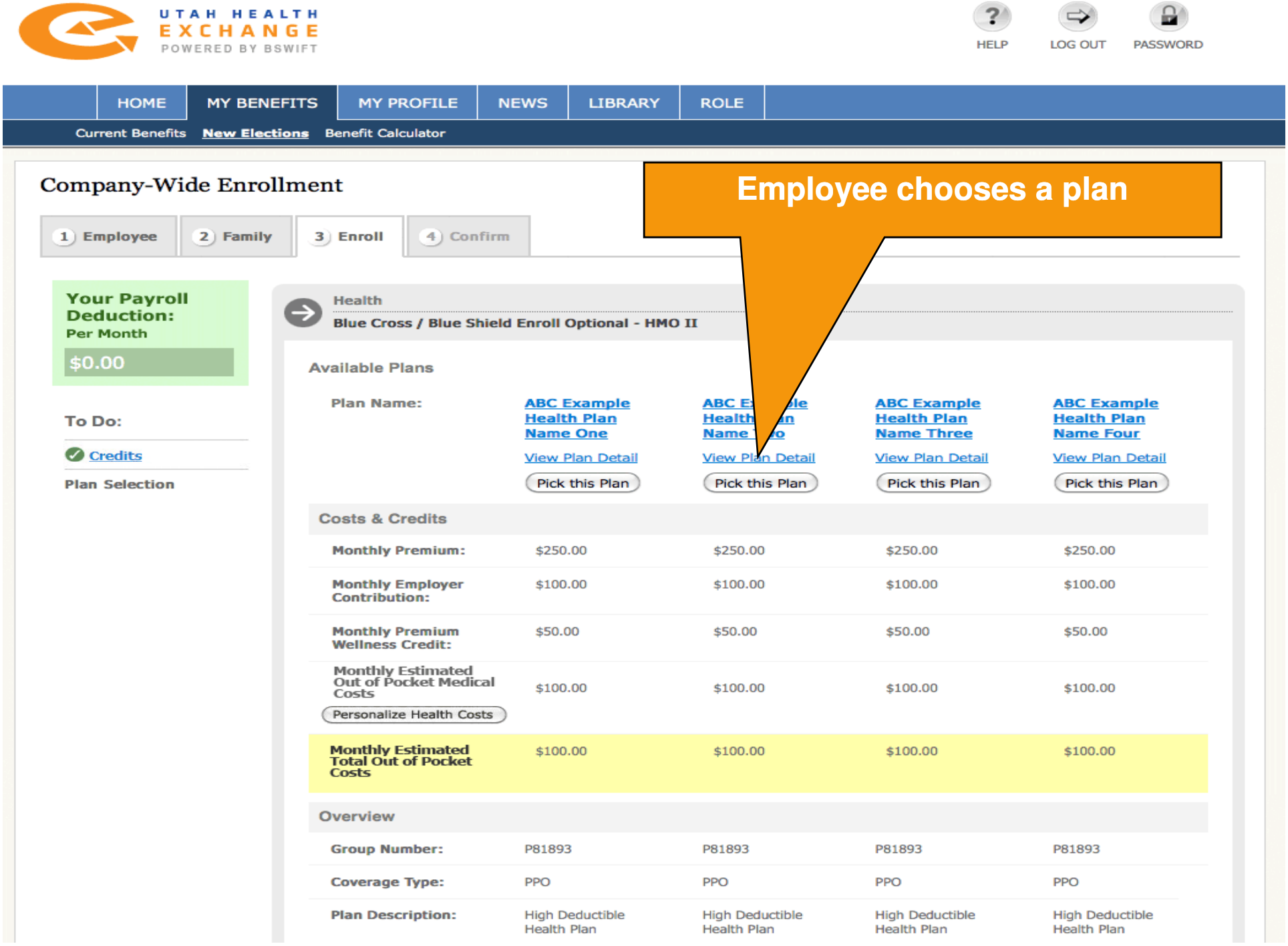
Detail
Plan
Employees may estimate total cost for health care expenditures (premium, deductible, co-pays, etc.) based on each family member's health status.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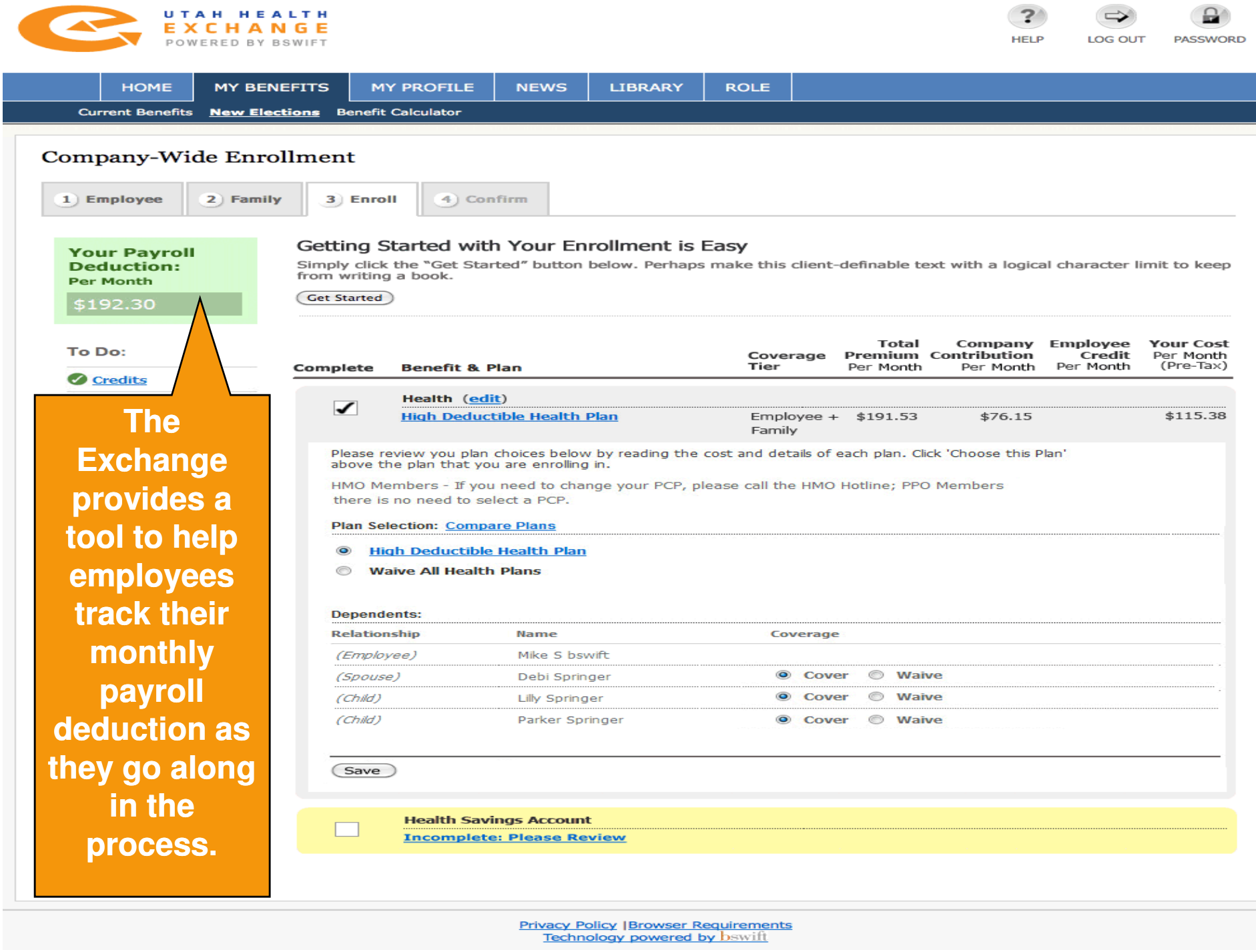
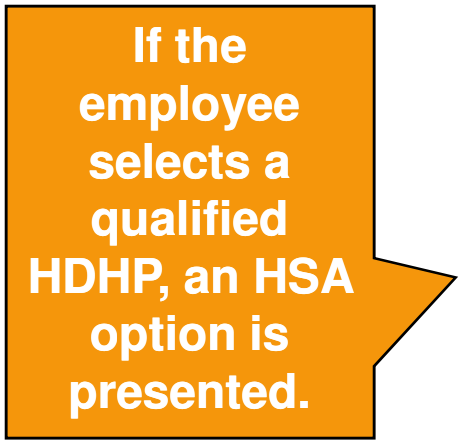
Plan Description:
High Deductible Health Plan




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


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