



Key ACA State Implementation Issues for 2012 – 2013

Exchanges

Planning and Development

Setting up consumer-friendly health insurance Exchanges – marketplaces to understand, compare and purchase health care and access subsidies – will continue to be a major priority for advocates in 2012 and 2013. The 13 states that passed Exchange enabling legislation already are working on implementing these reforms to ensure fair consumer access. Key consumer issues include governance and staffing, creation of effective navigator and consumer assistance programs, integration with Medicaid and criteria for plan contracting. Work also continues in a number of states that have not yet passed legislation (and in most cases likely will not in 2012). For states that opt for or default to a federally-run or hybrid Exchange an important area of work for advocates will be to ensure consumer involvement in decision-making and seamless enrollment for consumers.

Affordability

Although the ACA lowers health care costs for consumers in the Exchange through advanced tax credits, many low-income consumers will still struggle to afford their premiums and out-of-pocket costs. Unless it is truly affordable, low-income consumers may delay needed health care or even drop out of coverage altogether. States have a few options to improve affordability for this population, including: taking up the Basic Health Program option; offering a low-cost Medicaid managed care plan, either to everyone or to a limited group of enrollees, through the Exchange; or using state dollars to offer enhanced premium and cost-sharing subsidies. States need to begin planning to address affordability issues now to be ready in 2014 since decisions on affordability are inherently connected to other Exchange decisions.

Private Insurance

Rate Review

One of the most important policies that can be used now to benefit consumers is the ACA's premium rate review provision. Under the ACA, any proposed health insurance premium rate increases of 10 percent or more in the individual or small group markets must be reviewed by either state or federal officials to determine whether a proposed increase is "unreasonable." This creates an opportunity for state advocates to engage on the state level (without need for additional federal regulatory or state legislative action). Effective consumer engagement in rate review has the potential to use existing provisions of the law to show the ACA in a positive light. Already, some state advocates have begun to use the provision to benefit consumers by working to increase transparency around proposed rate increases, enhance consumer involvement in rate hearings, and use the media to build public support. However, more can be done in all of these areas

Essential Health Benefits

An important issue facing consumers in 2012 and 2013 is the definition of Essential Health Benefits (EHB). The EHB is meant to set a floor on what many health plans will cover. In December 2011, HHS released a bulletin granting states great discretion in shaping the EHB. As a result, what had widely been seen as a federal issue has now devolved to the states. This could have wide-ranging consequences for consumers, leaving many at risk for underinsurance. Within states, there could be marked plan variation, making it difficult for consumers to make educated coverage decisions. Across states, variation in coverage veers away from any national floor for consumer coverage, furthering a good state/ bad state scenario. EHB applies to all new policies sold in the individual and small group markets beginning in 2014 as well to Medicaid for new categories of enrollees. As the EHB is developed in states, key issues for advocates include transparency and monitoring, plan specificity and standardization, and plan robustness.

Medicaid

There are several key ACA related Medicaid tasks to address in 2012. In states moving ahead with implementation (or planning), integration of Medicaid and the Exchange as well as modifying Medicaid eligibility systems are key tasks. Even in states where there seems to be a lot of resistance to ACA implementation there is intense interest in taking advantage of new options being developed by the Centers for Medicare and Medicaid Innovation and the Medicare/Medicaid Coordination Office to develop new systems of coordinated care, especially for the dually eligible. Changes in the delivery system are both an integral part of the ACA and, in the context of states and Medicaid, an important way to stabilize and improve the foundation of the ACA's coverage expansion. Active consumer engagement in development of these systems is necessary to ensure that new integrated delivery systems actually improve care and don't result in savings that come at the expense of beneficiaries.