



Maryland Health Benefit Exchange: An Overview

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A service of the Maryland Health Benefit Exchange

- ✦ Background on Maryland Health Benefit Exchange
- ✦ Maryland Health Connection
 - Individual
 - Small Business Health Options Program (SHOP)
- ✦ Large Group Implications
- ✦ Implementation Update
- ✦ Ways to Get More Information

What is a Health Insurance Exchange?



- ✦ The *Patient Protection and Affordable Care Act* requires each state to establish a “**health insurance exchange**” by 2014
- ✦ A marketplace where individuals and small businesses explore, compare and enroll in health insurance and public assistance programs as well as access federal tax credits and cost-sharing subsidies
- ✦ States had a choice to establish a state-based exchange, join a partnership or the federally-facilitated exchange; Maryland opted to establish a state-based health insurance exchange
- ✦ **Maryland’s exchange is called Maryland Health Connection**

- ✦ **Expands access** to health insurance for 730,000 Marylanders (13% of Maryland) currently without health insurance
 - Gives individuals access to primary care physicians, preventive services
- ✦ **Provides federal subsidies** for individuals up to 400% of FPL to pay for health insurance premiums
 - Infuses **\$600 million** in federal subsidies into the State of Maryland by 2015 → NEW funds in health care system
- ✦ **Lowers uncompensated care** costs in the healthcare system
 - lower insurance premiums across the state

Maryland Health Benefit Exchange Act of 2011



- ✦ Established Maryland's state-based exchange as a **public corporation and independent unit of state government**

- ✦ Established **Nine-member Board** of Trustees
 - Ex-officio:
 - Secretary of Health
 - Insurance Commissioner
 - Executive Director, MHCC
 - 6 Appointed:
 - 3 with experience in insurance
 - 3 representing consumer interests

- ✦ Created **Executive Director** position
 - first Executive Director appointment in the U.S.

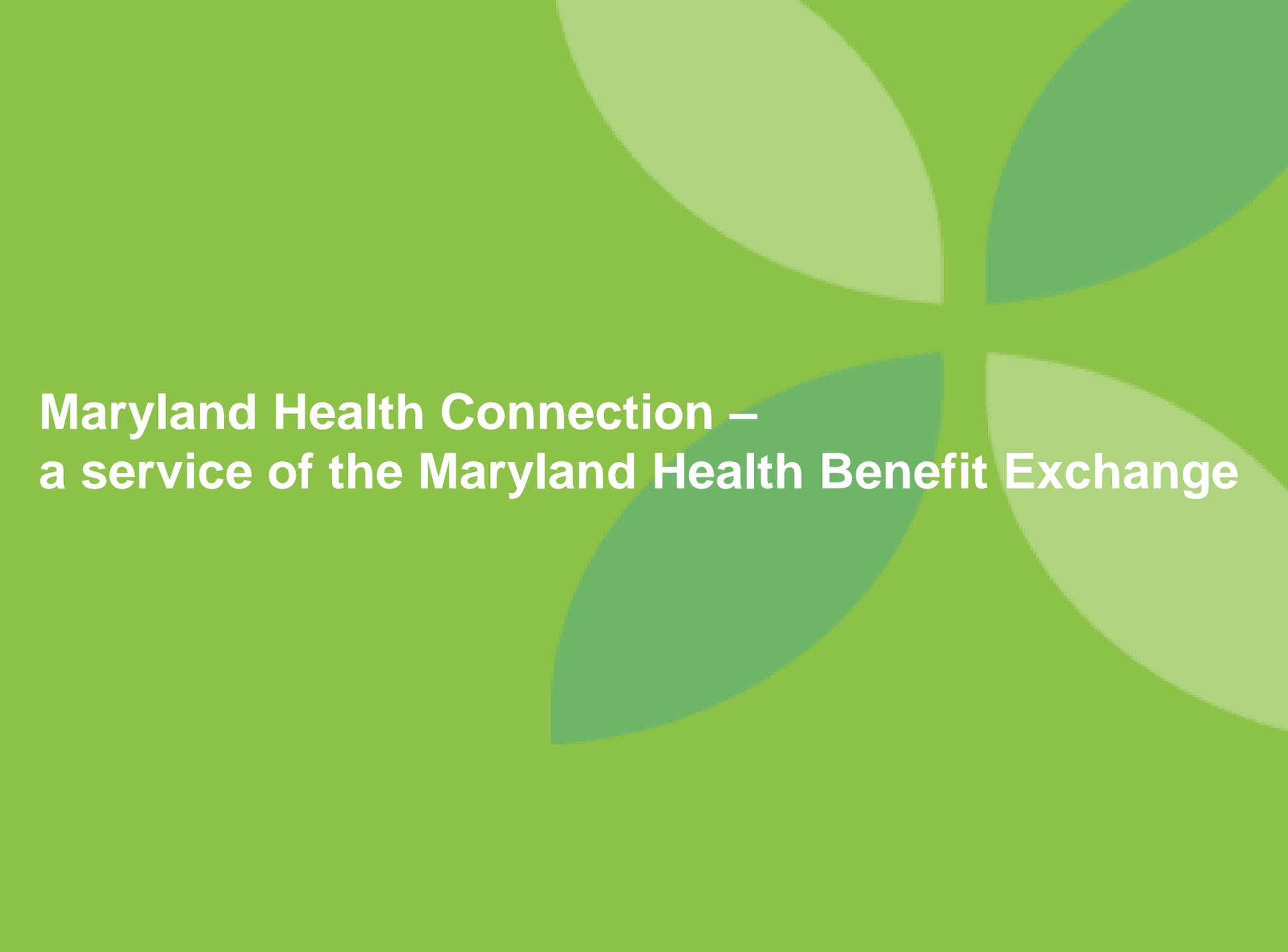
- ✦ Options laid out in the stakeholder advisory committee process provided recommendations from the Exchange Board to the General Assembly
- ✦ “Recommendations for a Successful Maryland Health Benefit Exchange” Legislation Report (December 23, 2011) provided recommendations for SB238/HB443
- ✦ Maryland Health Benefit Exchange Act of 2012 signed by Governor O’Malley (May 2, 2012) outlines the implementation policies for operating the state-based exchange
- ✦ 2012 Legislation lays out (among other things):
 - Navigator program
 - Carrier requirements to participate

Tenet of the Exchange

- ✦ Open, transparent process to create an exchange that represents all Marylanders and meets the needs of all individuals and small businesses in the state

- ✦ **2011 Advisory Committee Meetings**
 - 66 Marylanders
 - Stakeholder representation included: health insurance industry, providers and associations, community members, advocates, community-based organizations, academia, business owners and leaders, local government officials, consumers, consultants

- ✦ **2012 Advisory Committees**
 - Required as part of 2012 legislation to have 2 committees



**Maryland Health Connection –
a service of the Maryland Health Benefit Exchange**

www.MarylandHealthConnection.gov



Welcome to Maryland Health Connection
—a new marketplace opening in October 2013.

Individuals

Small Groups (SHOP)

- ✦ **One single entry point** for commercial insurance or Medicaid
 - No wrong door approach defined by CMS
- ✦ **Offers tax subsidies and cost sharing reductions** to individuals and families
 - Only place individuals can access subsidies
 - Federal government will pay a portion of costs for health insurance for people who earn up to 400% of FPL
 - Cost sharing reductions are available to individuals under 250% of FPL
- ✦ **Open Enrollment Period Begins: Oct. 2013**
- ✦ **Coverage Effective: Jan. 2014**

Individuals & Families Subsidies



Single Person FPL %	Annual Income	Maximum Premium (as % of Income)	Enrollee Monthly Share
133% FPL	\$ 14,856.10	2.00%	\$ 24.76
150% FPL	\$ 16,755.00	4.00%	\$ 55.85
200% FPL	\$ 22,340.00	6.30%	\$ 117.29
250% FPL	\$ 27,925.00	8.05%	\$ 187.33
300% FPL	\$ 33,510.00	9.50%	\$ 265.29
350% FPL	\$ 39,095.00	9.50%	\$ 309.50
400% FPL	\$ 44,680.00	9.50%	\$ 353.72

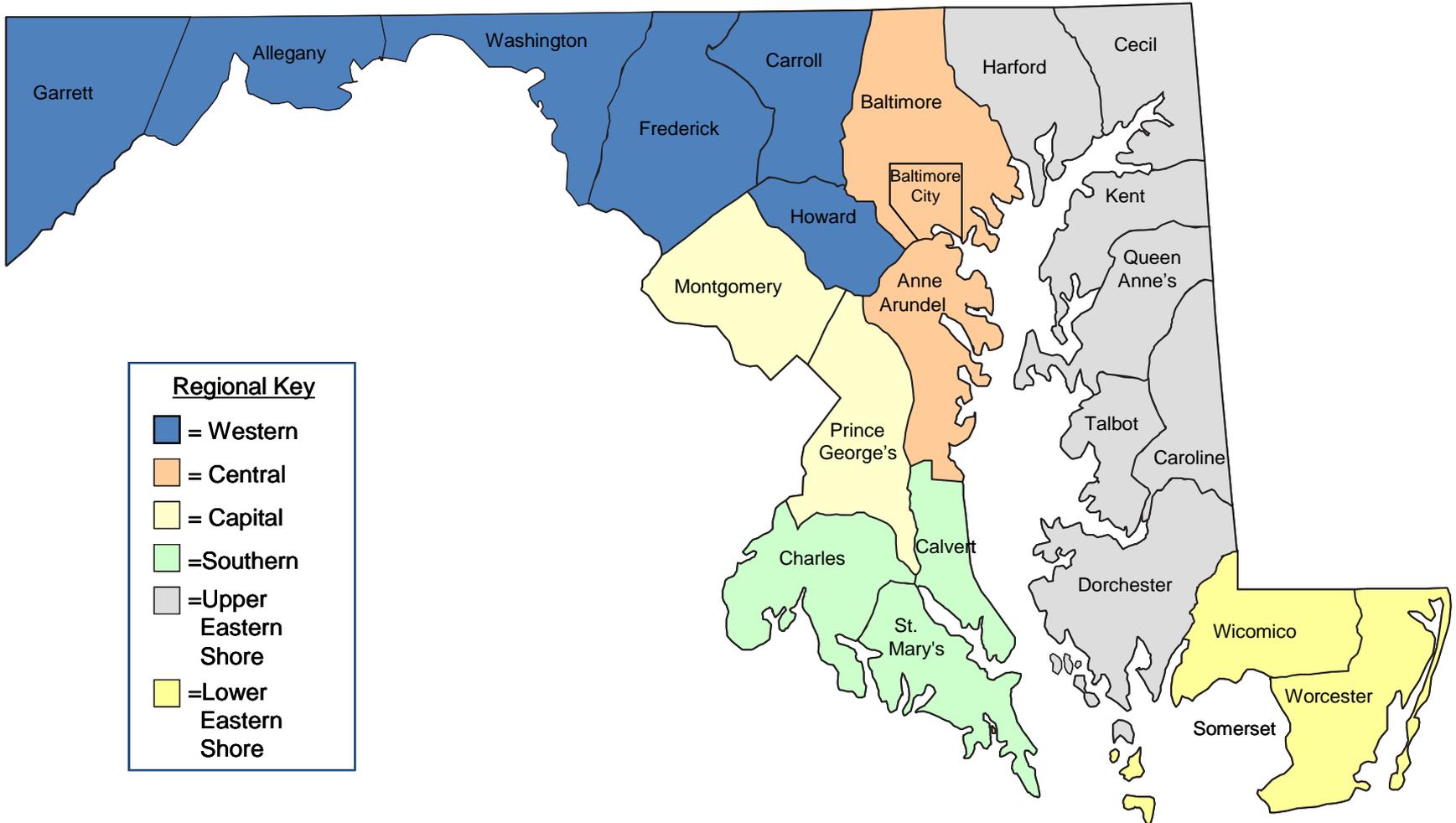
- ✦ Online at www.MarylandHealthConnection.gov
- ✦ Assistance:
 - Connector Program (Navigators and Assisters)
 - Brokers
 - Call Center
- ✦ Outreach and Education
 - Advertising
 - Events and Business Outreach

- ✦ **Maryland will contract with up to six Connector Entities**
 - Responsible for all outreach and education in their region
 - Network of Navigators and Assisters

- ✦ **Navigators will:**
 - Conduct public education and outreach as required by the Affordable Care Act
 - Distribute fair and impartial information
 - Facilitate enrollment in health plans
 - Provide referrals for grievances, complaints and questions
 - Provide information in a culturally and linguistically appropriate manner
 - Maintain expertise in eligibility, enrollment and program specifications
 - Refer insured small groups and individuals back to producers

- ✦ Producers will continue to serve their traditional role in the market, and can become licensed to sell on the Exchange

Six Connector Entity Regions





Small Business Health Options Program (SHOP)

- ✦ **Maryland Health Connection** will have a Small Business Health Options Program (SHOP) dedicated portal for small businesses and their employees
- ✦ Small businesses (including non-profits) with up to 50 employees may participate
- ✦ In 2016, the ACA modifies the definition of small group to 100 employees

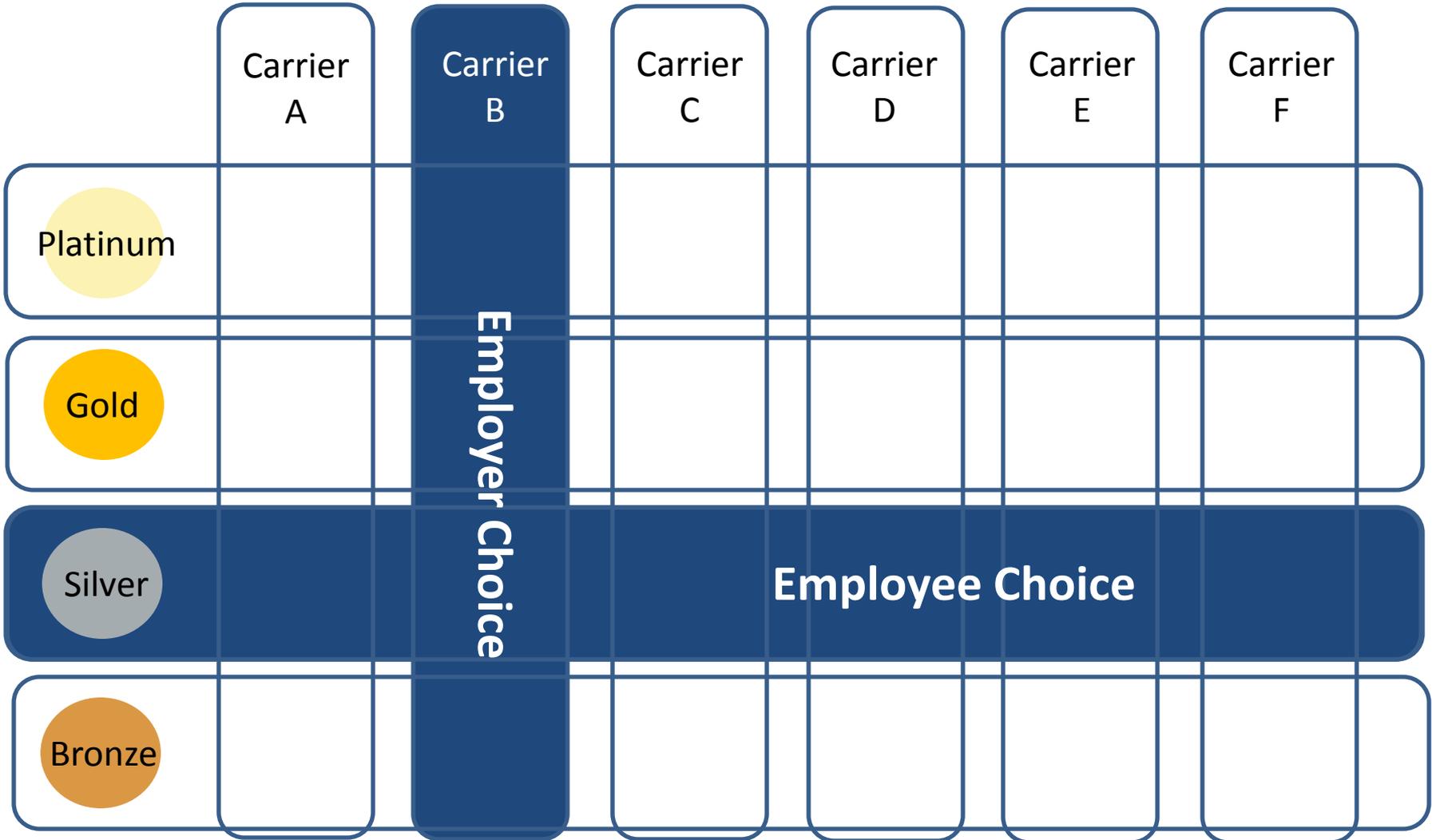
Why the SHOP?

- ✦ Tax Credits for health insurance will only be available through MarylandHealthConnection.gov beginning October 1, 2013

- ✦ The SHOP will provide employers:
 - Innovative plan options that are easy to administer
 - Access to tax credits to cover employee premiums
 - Employee choice model

- ✦ Streamlined application, and customer service through statewide Call Center

Employer vs. Employee Choice



Tax Credit Eligibility

- ✦ 2010-2013: Maximum tax credit for small employers is 35% of the qualified premium for health insurance for employees
 - Maximum tax credit for small tax-exempt employers (charities) is 25%

- ✦ January 1, 2014, rate increases to:
 - 50% tax credit for small employers
 - 35% for small tax-exempt employers (charities)

- ✦ Fewer than 25 full-time equivalents, with average wages of less than \$50,000 per year



Next Steps

- ✦ Visit www.MarylandHealthConnection.gov
- ✦ Speak with producer and/or CPA about Tax Credits
- ✦ Complete the worksheet to see if your business may qualify for a Small Business Health Care Tax Credit
- ✦ Visit [www. smallbusinessstaxcredits.org](http://www.smallbusinessstaxcredits.org) for more information
- ✦ Speak with your insurance broker about the changes underway to find out what health insurance options will best meet the needs of your employees

Large Groups



- ✦ Must offer coverage to their employees
 - Must meet minimum essential value
 - Cannot be less than 60% actuarial value
 - Cannot be more than 9.5% of employee's income

- ✦ If don't offer coverage, and 1 person gets subsidies
 - Will be assessed \$2000 for each FTE over 30

- ✦ If offer coverage but fails the tests above and 1 person gets assistance
 - Will be assessed \$3000 per assisted employee or \$2000 for all employees over 30 – whichever is less

- ✦ Maryland Health Connection must report all individuals receiving subsidies to federal government through hub

- ✦ Maryland Health Connection will capture employer information during enrollment process
 - Anyone eligible for coverage through employer?
 - Anyone currently enrolled through employer?
 - Employer group plan information
 - Employer name
 - EIN
 - FTE status
 - Address
 - Lowest cost plan
 - E'e contribution for self-only coverage
 - Frequency of contribution

Implementation Update

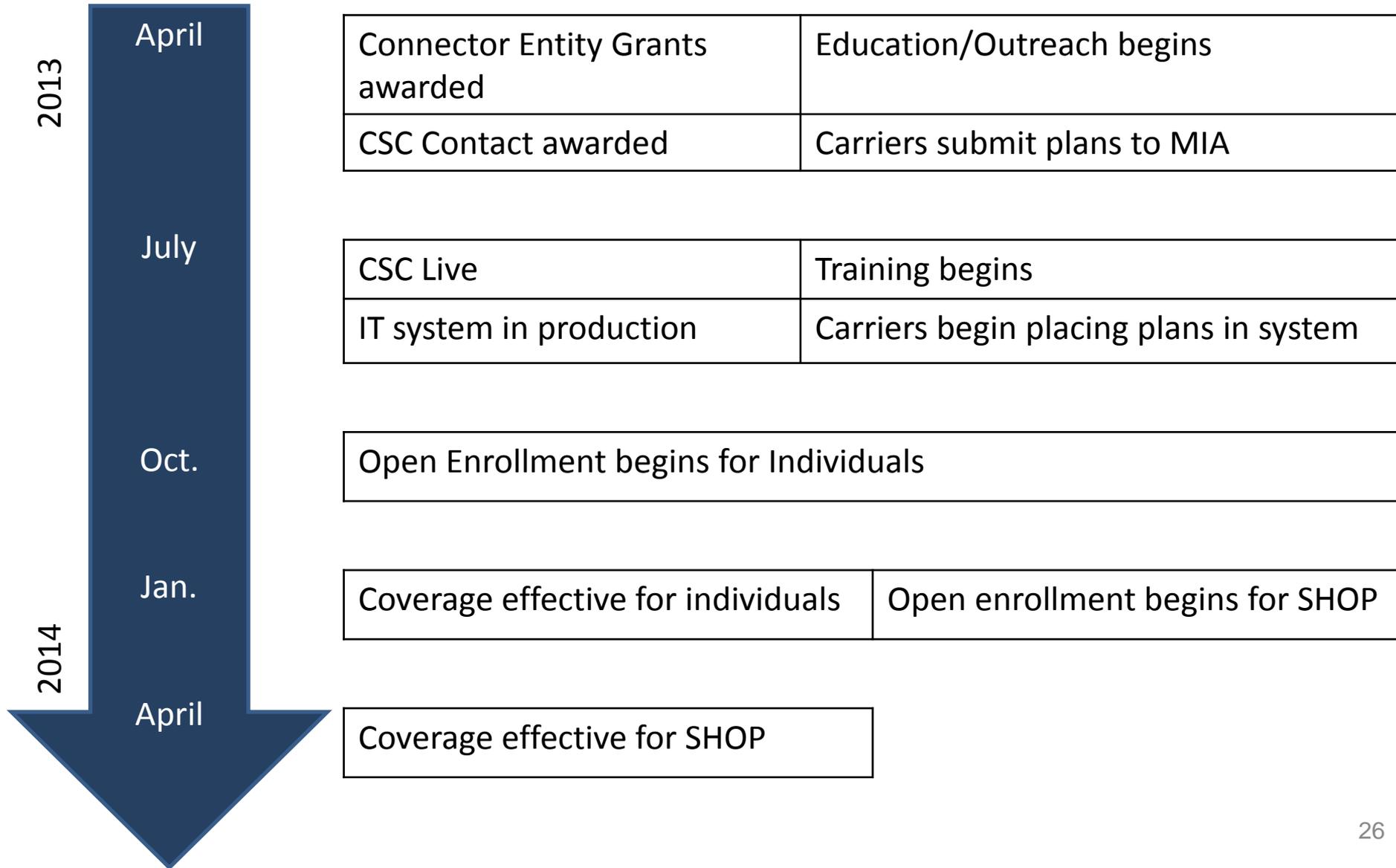


MHBE has received \$157 million in federal funds to date.

No state funds have been spend on the development of MHBE-specific functions.

- ✦ Planning Grant (\$1 million):
- ✦ Early Innovator Grant (\$6 million)
- ✦ Level One Establishment Grant (\$27 million)
- ✦ Level Two Establishment Grant (\$123 million)
 - Carries through the end of 2014

Timeline



Additional Information



MHBE Stakeholder Webpage	http://marylandhbe.com
Maryland Health Connection	http://www.marylandhealthconnection.gov
Maryland Medicaid	http://mmcp.dhmh.maryland.gov/SitePages/Medicaid%20Medical%20Assistance%20Overview.aspx
Maryland Children's Health Program	http://mmcp.dhmh.maryland.gov/chp/SitePages/Home.aspx
Governor's Health Reform Webpage	http://www.healthreform.maryland.gov
Maryland Insurance Administration	http://www.mdinsurance.state.md.us/sa/jsp/Mia.jsp
Maryland Health Care Commission	https://virtualcompare.benefitfocus.com/Platform/Default.aspx?ApplicationID=MarketplaceProto&PageID=Home%20page&TenantID=MHCC
Medicare	http://www.medicare.gov/index.html
CCIIO Resources and FAQs Sheets	http://cciio.cms.gov/resources/factsheets/index.html
Federal Health Reform Webpage	http://www.healthcare.gov

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