



Key Themes:
Promoting Improved Quality and Value Through
Purchasing Strategies in Health Insurance Exchanges

On October 10, 2011, the Pacific Business Group on Health hosted a meeting of experts, stakeholders, and officials from the Federal Center for Consumer Information and Insurance Oversight (CCIIO) to discuss strategies to promote quality and value in Health Insurance Exchanges (“Exchanges”) established under the Affordable Care Act (ACA). The meeting was generously funded by the Robert Wood Johnson Foundation. The following summary presents key points of discussion addressed in the keynote address and three panel sessions. The list of speakers and panels can be found on Page 3.

The vision for Exchanges in each state should lead to improvements in health and health care.

- Exchanges have the potential to create a robust, healthy market where health plans compete to provide the highest quality, most affordable care and continuously seek to improve performance.
- Replicating the current market structure will miss an opportunity to address the problems in today’s market. A conscious policy direction should drive Exchanges to implement requirements that can stimulate a consumer-friendly, competitive market.

Exchanges must also demonstrate excellence in executing their central marketplace functions.

- Critical functions of the Exchanges include: eligibility determination, enrollment, premium processing, and basic information for consumer decisions. The success of the Exchanges will hinge in part on how well these functions are executed.
- The Federal government can provide assistance to states, including facilitating the development of the robust information technology infrastructure needed to support these functions.
- Customers’ needs (individuals and small employers) should drive the design of the business processes and enrollment tools. Exchanges must also accommodate health plans to ensure adequate participation and therefore sufficient choice and competition.

Infrastructure must be established early to enable Exchanges to drive improvements in quality and affordability over time.

- Adopt a staged approach to quality measurement. Start with tools we have today but recognize they are not adequate – good plan-level measures are in place but they are not the most useful to consumers. Exchanges should start with a basic level of information, tools and standards, and strengthen them over time to achieve the long-range vision.

- Establish infrastructure for performance measurement, transparency and public reporting for Qualified Health Plans and affiliated providers. This infrastructure should support a broad dashboard of measures: patient experience and affordability as well as traditional clinical quality measures. Measurement should be reported at the individual clinician level wherever appropriate.
- Create effective consumer choice tools. Exchanges will need robust decision support tools to assist those who are not familiar with choosing insurance. These tools should inform consumers on issues that matter most to them – such as the plan’s provider network and identifying the highest value plan for their level of illness. Most consumers are not well-versed in quality issues - some will want more detail than others and should be able to access that detail, while others will need it simplified. Exchanges should reach consumers through a variety of channels, including online, print materials and in-person assistance, applicable to diverse languages and cultures. Qualified navigators and brokers will be critical to help individual consumers and employers to interpret their coverage options.
- Establish performance standards for participating Qualified Health Plans and expectations for improvement over time. Exchanges should encourage new products, e.g., built around Accountable Care Organizations (ACOs), and benefit designs that provide appropriate financial incentives for consumers. Exchanges should also promote provider payment redesign, creating appropriate financial incentives to encourage delivery of high quality, affordable care.

States will vary in their current insurance markets, capabilities and visions for the Exchanges, but a floor should be set for meaningful quality information.

- Initially, the federal government should assist states in getting the basics right: information technology infrastructure, eligibility and enrollment, premium processing, consumer decision tools, and risk management.
- States should also look to the Centers for Medicare and Medicaid Services to establish a floor for all the Exchanges that defines a core set of meaningful quality information that Exchanges should make available to consumers, while being careful not to align around the lowest common denominator. The government should also avoid being overly prescriptive in terms of how Exchanges should report quality information.
- The national goal should be to align quality measures across programs (Exchanges, Medicare, Medicaid), enable more efficient data capture and reporting, and encourage consistent availability of information for consumers.
- While states will adopt different Exchange models, they should maintain flexibility with their resources as a general rule, using contractors where possible versus permanent staff. We should take advantage of variation across state Exchange models as “laboratories” to identify and share best practices.

SPEAKER AND PANEL LIST

Welcome and Keynote:

- **Bill Kramer**, MBA, Executive Director for National Health Policy, Pacific Business Group on Health
- **David Lansky**, PhD, CEO, Pacific Business Group on Health

Panel I:

Promoting value in health insurance exchanges through purchasing strategies and standards for Qualified Health Plans - lessons from past experience, principles for application in the exchanges.

Moderator: **Marian Mulkey**, MPP, MPH, Director Health Reform and Public Programs Initiative, California HealthCare Foundation

Panelists:

- **Jeanne Cain**, Executive VP, Policy, California Chamber of Commerce
- **Mylia Christensen**, Executive Director, Oregon Health Care Quality Corporation
- **Edward Cymerys**, FSA, MAAA, Senior VP and Chief Actuary, Blue Shield of California
- **Emma Hoo**, Director, Pacific Business Group on Health

Panel II:

Promoting quality in health insurance exchanges through improvement and transparency- Identifying core principles, domains and outreach strategies for consumer-facing quality ratings in the exchanges, including leveraging use of the web portal, brokers and navigators.

Moderator: **Jennifer Eames-Huff**, MPH, Director, Pacific Business Group on Health

Panelists:

- **Jason Andrew**, LPRT, Benefits Consultant and Founder, Stone Meadow Benefits & Insurance Associates
- **Laura Etherton**, Health Policy Advocate, Oregon State Public Interest Research Group
- **David Lansky**, PhD, CEO, Pacific Business Group on Health
- **Melissa Welch**, MD, MPH, Head of Regional Care Management, Aetna

Panel III:

Challenges in state implementation of exchanges: variability in individual states' insurance markets, leveraging local market strengths while also potentially serving the needs of multi-state purchasers; developing practical milestones for year 1 of the exchanges and beyond.

Moderator: **Bill Kramer**, MBA, Executive Director for National Health Policy, Pacific Business Group on Health

Panelists:

- **Terry Gardiner**, National Policy Director, Small Business Majority
- **Betsy Imholz**, Director of Special Projects, Consumers Union
- **Shawn Raintree**, MS, Operations Manager, Health Insurance Exchange, Colorado Health Institute