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2014-15 Biennial Budget - Health Insurance Exchange

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Health Insurance Exchange

<http://mn.gov/commerce/insurance/topics/medical/exchange/>

Statewide Outcome(s):

Health Insurance Exchange supports the following statewide outcome(s).

Minnesotans are healthy.

Context:

The Health Insurance Exchange is responsible for carrying out the planning, design and development of a Minnesota Health Insurance Exchange. The state-based Exchange will allow for a new marketplace to compare, choose, and obtain more affordable health insurance. The Exchange will assist individuals and small businesses in making health care coverage decisions, showing apples to apples comparisons on coverage cost and quality starting with open enrollment in October 2013 for calendar year 2014 coverage. The Exchange will offer streamlined eligibility for Medicaid and federal Advanced Payment Tax Credits as well as streamlined options for small businesses to provide affordable health care coverage to their workers.

State-based Exchanges must be certified by the federal Health and Human Services agency in January of 2013. Certification is based on the state meeting certain milestones in design and development. Federal funding is available for the design, development, and operation of an Exchange through calendar year 2014. State-based Exchanges must be self-sustaining beginning in calendar year 2015.

Strategies:

The Exchange is working collaboratively with the following state agencies: Minnesota Department of Administration, Minnesota Department of Commerce, Minnesota Department of Health, Minnesota Department of Human Services, Mn.IT, Minnesota Management and Budget. These interagency relationships provide the Exchange an opportunity to leverage existing resources into the design and development of the Exchange.

In September 2011, an Exchange Advisory Task Force was established. This Advisory Task Force was created under authority granted in Minnesota Statutes §15.014. The Advisory Task Force provides guidance on issues related to the design and development of an Exchange for Minnesota. Task Force members were appointed in October 2011 via an open appointments process. Task Force membership includes consumers, employers, health care providers, health insurers, insurance brokers/agents, organizations with experience assisting people with public programs, health care market experts, legislators, and commissioners of State agencies. In addition, a number of work groups were created to provide technical assistance on the design and development of a Minnesota Exchange. These work groups are comprised of a variety of stakeholders and are tasked with developing, discussing and providing technical assistance on options for consideration by the Health Insurance Exchange Advisory Task Force.

On July 13, 2012, the Department of Commerce, Health Insurance Exchange signed a contract with Maximus, Inc for the IT infrastructure of the Exchange business solution. Minnesota is working collaboratively with other states employing similar vendors to again leverage existing work and streamline the process as much as possible.

Results:

Under Federal law, Exchanges must be operational in each state by January 1, 2014. By January 1, 2013, a state must be certified or conditionally certified by the U.S. Department of Health and Human Services (HHS) to be able to operate an Exchange for open enrollment starting on October 1, 2013 for a coverage start date of January 1, 2014 or HHS will operate the federal Exchange in the state for 2014. A state must meet several design and development milestones for certification that are outlined in the federal Blueprint for Exchange Approval of Affordable State-Based and submit this blueprint by November 16, 2012 if they wish to operate an Exchange in their state (see the following: <http://www.cciio.cms.gov/resources/files/hie-blueprint-081312.pdf>).

Operational metrics for the Exchange are part of the current design and development work.

Performance Measures	Previous	Current	Trend
Percent of Minnesotans lacking health insurance	9.0%	9.1%	Stable

Performance Measures Notes:

Current and previous uninsured rates are based on the March 2012, Health Insurance Coverage in Minnesota, Early Results from the 2011 Minnesota Health Access Survey from the Minnesota Department of Health.

Based on analysis of impacts of the Affordable Care Act (ACA) by Dr. John Gruber (professor of economics) and Bela Gorman (health care actuary) the number of uninsured by 2016 in Minnesota is anticipated to drop from 500,000 under a no Health Care Reform scenario to 210,000 under a ACA implementation scenario.