



The Future of the Utah Health Exchange: A Call with Joel Ario

Utah Health Policy Project hosted a conference call with Joel Ario, HHS Director of the Office of Health Insurance Exchanges. The March 23, 2011 call was about the future of the new health insurance markets, called “Exchanges”—a key provision of the Patient Protection & Affordable Care Act (ACA). The call provided a forum for Mr. Ario to discuss federal expectations for Insurance Exchanges, how Utah’s Health Exchange fits with them, and where there is work to be done.

Attendance:

Moderator: Judi Hilman, Executive Director at UHPP
Shanie Scott: UHPP
Shelly Braun: UHPP
Kim Meyers: UHPP
Rhett Buttle: Small Business Majority
Nancy Mitchell: Nancy Mitchell Consulting
George Merrill: Humaniz Interactive, Inc
Chris Bray, M.A., C.P.M.: Executive Director | Children's Service Society
Ryan Evans: Vice President of Business and Community Relations | Salt Lake Chamber
Bill Rappleye: Draper Chamber Of Commerce
Scott Baker: President Murray Area Chamber of Commerce
Christopher Robin: Viavant
Chloe Benson: Colorado Voices for Coverage, Colorado Consumer Health Initiative
Riki Eastmond: Bennion Jewelers
Tiffany Brady: Marketing Director, Aspen Roofing
Jennifer Dickey: Operations Manager, eHealthApp
Ken Gibson: President. Distributed Database Consulting Inc.
Greg McArthur: St. George Chamber
Jemina Keller: Director of Marketing and Operations, Utah Imports
Kishan K. Putta, BlueCross BlueShield Association
Steve Baker, Healthcare Services PEHP
Steve Broadhead, Finance PEHP
Dr. Cynthia Jones, Medical Director PEHP
John Borer, Chief Actuary PEHP
Dave Hansen, legal counsel PEHP
Liza Eves, legal counsel PEHP
Jeff Jensen, Director PEHP

After an overview of the history of Utah’s Health Exchange (UHE), provided by UHPP, we asked Mr. Ario to address two topics: 1) what did he mean when he called the UHE a “valid model” for exchanges? (see Politico piece [here](#)) and 2) what does CMS expect from Utah’s Exchange moving forward?.

Exchange Models: Comments from Mr. Ario

Mr. Ario stated that there is a wide range of operating models for Insurance Exchanges, bookended by the Active Purchasing Model (Massachusetts’s *Connector* is based on this model) and the Open Market Model (*Utah Health Exchange* is based on this model). In line with the underlying principle

of the Open Market Model, Utah's Exchange welcomes all insurers who meet minimum standards into the Exchange, relying on market forces to generate product offerings.

However, Mr. Ario cautioned that while Utah's Health Exchange is based on a valid model, it has yet to meet ACA standards. "We want Utah's Health Exchange to succeed, but to do so it needs to meet the minimum ACA standards" said Mr. Ario. He stated that he's talked with Utah Health Exchange staff and they understand that the details for compliance with the ACA still need to be worked out. He then pointed out the areas where Utah's Health Exchange still has work to do:

- **Consumer Friendly Portal:** Mr. Ario called this an "essential and critical part of the Exchange" that Utah still needs, including a quality rating system, a survey of users, and a way to compare "apples-to-apples." Mr. Ario said he likes [Wisconsin's prototype](#), and that with the information technology tools available today, it should be possible to build the simple, consumer-friendly interface that most consumers need but that can stretch into something more elaborate for those who need or want to drill down for more information.
- **Qualified Health Plans:** sellers in the market will need to meet minimum standards. Utah's focus is to provide a lot of choices to people. "It's good for consumers to have a lot of choice, but they need to meet those minimum standards," said Mr. Ario, including the elusive affordability standards. He compared using the Exchange to buying travel tickets on Travelocity: when you use Travelocity, you don't only want to get the best price, you want to be assured that the planes are safe and the pilots qualified.
- **Small Business Focus:** Mr. Ario said that this is the most difficult population to serve on an Exchange, and the biggest challenge moving closer to 2014. He said the lesson from Massachusetts is that for a successful Exchange you *must* include the individual market and pool risk.
- **Affordability vs. Access:** affordability and cost containment are built into the ACA. "Wellness, payment reform, and every idea ever proven viable are in the bill" stated Mr. Ario. "Advance tax credits are in the ACA, and personal responsibility is critical – guaranteed issue [where any small business and any individual must get a fair price] doesn't work if there's no 'personal responsibility' in the form of an individual mandate." Mr. Ario went on to say that, while exchanges are less about affordability and more about access, "it's not just about a 21st century experience in the market place, it's about seamless coverage for everybody in a no-wrong-door approach." The basic premise of an Exchange is that before an enrollee can be declared eligible for a tax credit, his or her eligibility for Medicaid must first be evaluated. This requires seamless integration of the Exchange with Medicaid. "I know Utah is working on that: they're working on all these things through the Exchange Planning Grant" said Mr. Ario.
- **Transparency of the Reform Process:** Mr. Ario stated that "grant outcomes should be made public as soon as possible and we should do as much as we can to increase what's made public." *UHPP is working on all of this now—stay tuned for an announcement about our Exchange Watch, a new page on our website.*

Mr. Ario concluded his presentation by saying “We want the Utah Health Exchange to succeed, but to do so it needs to meet the minimum ACA standards.”

Question + Answer Session with Mr. Ario

Q: What recourse do advocates and other interested parties have if we have difficulties getting documents, such as Utah’s Exchange Planning Grant?

A: We can’t force the state to give you these documents, but, if necessary you can file a Freedom of Information Act request. The best way forward is to find a way to work closely with Exchange leadership and staff. *(UHPP has since gotten a draft copy of Utah’s Exchange Planning Grant work plan from the DOH, you can find it on our website.)*

Q: While you have indicated that the Utah Exchange leadership and staff are moving toward compliance with the ACA, discussion by Utah’s legislators during the Session was definitely anti-ACA. What will happen if the Utah Health Exchange does not come into compliance with the ACA?

A: Jan 1 2013 is when states have to show they are ready to meet the ACA Exchange standards. If not, they simply won’t get certified and a federally run Exchange will come in. While there’s political controversy, on the ground people close to the issue are getting ready for ACA (49 states took the X planning grants).

Q: What about the navigator function that needs to be handled by the Exchange? It is an expectation of the planning grant as we understand it. There may be obvious conflicts of interest for some of the broker entities and the Call Center (operated by Health Equity) that have been engaged by Utah’s Exchange. Does it bother you at all that there may be conflicts of interest with HealthEquity running the call center? *(Note, UHPP has since learned that HealthEquity will not be running the call center)*

A: By statute, the navigator cannot collect commission/compensation for insurance. Note, however, that the navigator program is not a requirement for the planning grant. On balance, Utah is (based on public documents) going beyond requirements on this issue.

Q: We would like some advice: ACA is not popular with Utah’s policy makers, but our small businesses absolutely want the ability to share risk and they care about affordability and decent benefits for their employees. So, there’s a discrepancy between what Utah small businesses want and policy makers want from reform.

A: Keep doing what you’re doing. Have the conversations, ask the questions, keep knocking at the door. Continue to be part of it since your exchange will be better with your involvement than without it.

In Conclusion:

Mr. Ario encouraged small business and health reform advocates (and others participating on the call) to work closely with Utah officials on the Exchange planning process. Ario went on to cite founding father Thomas Jefferson: “The price of democracy is eternal vigilance.” “At every moment I know exactly what the insurance industry is thinking on every issue,” Ario explained. Mr. Ario urged us to be just as vigilant. “You should get in there and dig into the process and make your needs [for credible Exchanges] known every step of the way.”