

Iowa's Health Insurance Exchange: Essential Principles for Success

An estimated half million Iowans will participate in the new Health Insurance Exchange – a marketplace where individuals and small businesses can shop for health care coverage and receive subsidies. The design and structure of the Exchange will play a large part in determining the convenience, affordability and quality of health care available in Iowa for many years to come.

The Iowa groups listed on the next page support the following principles, key to a successful Exchange. Successful implementation of such an Exchange will improve the health of children, small business owners and entrepreneurs, people with disabilities, those suffering from chronic and serious illnesses, and those currently without access to affordable and adequate coverage. Iowa's Exchange should follow these principles to keep costs low and help people find, compare and enroll in health plans.

Transparency: Iowa's Exchange should be built on transparency and fairness to consumers. All meetings and records related to Exchange activities should be open to the public with opportunities for public participation.

Governance: Iowa's Exchange should establish Iowa consumers (individuals, small businesses, and employees) as the ultimate customers and assure that consumer voices and needs are central and not secondary to others within the governing structure. Specifically, Iowa's governance body must be publicly operated, independent, with a majority of consumer representatives, and to avoid conflicts of interest should not include currently active or retired insurers, agents or brokers. Instead, Iowa should create an Advisory Board that can be used to access the expertise of a variety of stakeholders and provide the guidance and day-to-day knowledge that an Exchange board may lack. In this way, Iowa can avoid any direct conflict of interest, while taking advantage of the depth and breadth of understanding that insurers, agents and brokers offer. Iowa's governance body should be held publicly accountable through open meeting laws and solicitation of public comments.

Affordability: Iowa's Exchange should be structured to attract both people who are healthy and those with existing medical conditions. If the Exchange attracts only those who are sick, it will quickly become unaffordable. Health plans outside the Exchange should be required to follow the same requirements for qualified health plans certified inside the Exchange (such as marketing requirements and provider networks.) Any carrier that sells bronze or catastrophic plans outside the Exchange should be required to also sell plans inside the Exchange. Consumers are best served by having a variety of options for obtaining coverage, including the option of purchasing coverage with or without the use of licensed agents or brokers. Mandating agent or broker involvement in all transactions in the Exchange will substantially increase costs, and could be a deterrent to participation for some consumers. Any compensation system for brokers should prohibit incentivizing higher-cost plans.

Simplicity: The Iowa Exchange should standardize plan benefits within each level of coverage so that consumers can have a true apples-to-apples comparison. The Exchange should be designed so that consumers can easily find, compare and evaluate health plans, including being able to understand premium rates, what is covered and how much they will have to pay out of pocket. The Exchange should offer a range of plan options. Consumers must be able to easily access all relevant information needed to choose a plan, including provider networks, appeals processes and consumer satisfaction measures. This information should be available in multiple languages and literacy levels. A single Exchange that includes small businesses and individuals will maximize the participant pool, thereby spreading risk and keeping premiums as low as possible.

Seamlessness: The Iowa Exchange should be well integrated with the state Medicaid and Children's Health Insurance Program (CHIP) programs to ensure seamless enrollment. Because over time many individuals will move between Medicaid and subsidized plans within the Exchange due to fluctuation in income, it is crucial that Exchange rules allow for coordination of plans, benefits and provider networks to ensure continuous coverage, prevent duplication and ensure compliance with all state and federal regulations.

Outreach: The Iowa Exchange should include a robust outreach program, which will be needed to identify and assist the thousands of Iowans with no current connection to the private health insurance market. The Exchange should aggressively and continuously educate consumers about its services via mass media, community groups, schools, churches and health care providers. A central premise of this outreach should be that health insurance is complex and not easily understood by most people; therefore a “high-touch” rather than “high-tech” approach is needed. To most appropriately serve all Iowans, the Exchange should offer the services of unbiased, knowledgeable people in adequate numbers to serve diverse populations via online, phone and face-to-face communications. Navigators should be educated, continuously trained and evaluated to assure consumers receive accurate information and are properly enrolled. While the private sector should and will play a role in outreach, the need for unfiltered, unbiased assistance available face-to-face is critical. (An example of how this can work is the Senior Health Insurance Information program (SHIIP), which is essential to the success of Medicare Part D enrollment. SHIIP supplements, rather than displaces, the many people who sell prescription plans and offer enrollment assistance with the plans they sell. Another example is Iowa’s Care for Kids outreach program, which tries to ensure that children enrolled in HAWK-I are able to access primary health services.)

Prevention: The Iowa Exchange should be sure that all provisions within the ACA designed to ensure that preventive health services are part of all health plans, without co-payments or deductibles, are incorporated in all plans in the Exchange.

Quality: The Iowa Exchange should include information on quality and cost of health care, making use of publicly available information describing health plans and providers, to assist consumers in making the best possible choices. The quality initiatives and reporting should be developed in close concert with development of other consumer assistance tools to ensure they support and contribute to the use of this information by consumers.

Financing: The Iowa Exchange should have a predictable and steady source of funding to facilitate good management and planning. Costs for operating the Iowa Exchange should be spread across all insurance carriers in the state, whether or not they offer plans in the Exchange, to avoid an unfair financial advantage to carriers outside the Exchange. The established revenues should flow directly to the Exchange, without requiring a legislative appropriation. No fees should be charged to enrollees or employers for participating in the Exchange.

Iowa Health Advocates

Although the Advocates have no formal structure or joining process, the following organizations are regularly represented around the table and have endorsed the Exchange principles as of 1-4-12.

AARP	Iowa Psychological Association
AFSCME Council 61	Iowa Primary Care Association
American Diabetes Association	American Cancer Society
American Heart Association	Iowa Public Health Association
CAFÉ Iowa CAN	Iowa Public Interest Research Group
Child & Family Policy Center	Know Your Care
Communications Workers of America, IA Council	Leukemia & Lymphoma Society
Community Health Charities	Partnership for Better Health
Easter Seals	Progressive Action for the Common Good
Iowa Alliance for Retired Americans	Visiting Nurse Services of Iowa
Iowa Area Agencies on Aging	
Iowa Cancer Consortium	
Iowa CareGivers Association	
Iowa Citizen Action Network	
Iowa Farmers Union	
Iowa Health Buyers Alliance	
Iowa Main Street Alliance	