



**OPERATING MODEL AND INSURANCE RULES ADVISORY COMMITTEE:
COMMENTS & RECOMMENDATIONS**

The Maryland Women’s Coalition for Health Care Reform very much appreciates the work of the Advisory Committee, on which one of its members served. And, we understand the complex task now faced by the Exchange Board as it compiles its report to the Governor and General Assembly. In light of those factors, the Coalition has limited its comments and recommendations to a few key issues. We hope that, in addition to reviewing these, the Board will take into consideration the “A” rating Maryland’s Exchange recently received in US PIRG’s “Making the Grade: A Scorecard for State Health Insurance Exchanges” (October 2011). This grade, as the report noted, is a qualified one and is contingent on the very decisions the Board will be making in the next six weeks. Those relating to this Advisory Committee are particularly germane in this regard. Therefore, the Coalition urges the Board to make its decisions within the context of keeping Maryland as a national model deserving of its “A” ranking.

RECOMMENDATION 1: The Board should take into consideration, as it determines its QHP certification criteria, that the Exchange serves a broad public good.

- The Coalition believes, as do the six other signatories¹ to the attached proposed principles that all Marylanders will benefit from the success of the Maryland Health Benefit Exchange, not just those first eligible to participate in it. This principle should be a marker as the Board makes its decisions.

RECOMMENDATION 2: The Board should set high procurement and QHP certification standards from the outset to achieve the most effective marketplace to provide consumers with high-quality and affordable health coverage options.

¹ Advocates for Children & Youth, Baltimore Healthcare Access, Healthy Howard, Inc. Maryland Citizens’ Health Initiative, Maryland Women’s Coalition for Health Care Reform, Primary Care Coalition, Public Justice Center

- Consumers and carriers are both better served by having substantive policies in place from the outset.
- The Coalition believes that the Exchange Board should have the flexibility to calibrate the appropriate level of selectivity and standardization to ensure that consumers are offered high-quality and affordable coverage. The concentration in Maryland’s individual market, with two dominant carriers, belies the notion that a selective process will prevent them from entering the Exchange.
- The experience in Massachusetts, where the Connector has not turned away any insurers due to a relatively robust active purchasing model suggests that providing the Board with leverage to bargain effectively would not have the adverse affect on carrier participation that some have suggested.
- The benefit of the Advisory Committee’s fourth option – “one-on-one negotiation with qualified health plans” - is that it provides the Exchange Board with the ability to re-negotiate a “contract.” This could work to the benefit of not only consumers, but also carriers in the event they should start to lose enrollees or experience adverse selection they could negotiate changes that would allow them to stabilize their risk pool.

RECOMMENDATION 3: If the Board adopts a multi-state contracting model it should ensure that all legal protections are in place for consumers under applicable Maryland law.

- Unfortunately, the legislation proposed in past General Assembly sessions has failed to curtail the ability of Association plans to market out of state insurance coverage in Maryland. Under health care reform, it would be a mistake to expand this practice and, in fact, the state should try to address this issue in a manner that better serves consumers and the state.

RECOMMENDATION 4: The Exchange Board should take a pro-active approach to working with the Department of Health and Human Services to ensure that the Essential Health Benefits (EHB) package meets, to the greatest extent possible, the needs of Marylanders.

- The Coalition fully appreciates the fiscal implications of going beyond the federal Essential Health Benefits package. However, it should also be recognized that providing benefits predicated on evidence-based medical practice should, in the

long-term, bring down health care costs while promoting healthier and more productive lives.

- The Advisory Committee report cited a date of May 2012 for release of the EHB. This date seems far from certain and could well be pushed back even further. Given Maryland's appropriately rapid development of the state's Exchange, it should act on the Mercer report option to "define several different combinations of benefits ..." as the means to obtain information that the Board will require for budgeting and other operational steps.

RECOMMENDATION 5: Dental care is preventive care and should be treated as such in the Exchange.

- Oral health is a critical element of overall health and should be treated as an essential benefit . Therefore, certification standards should be as rigorous as those for medical plans. In addition, dental plans should be bundled with medical plans.

RECOMMENDATION 6: In its consideration of steps to mitigate adverse selection, the Board should consider a balanced approach with the understanding that the needs of consumers must be fully addressed.

- The Coalition supports the requirement that carriers who participate outside the Exchange must also provide coverage inside it.
- The Coalition supports the option in the Advisory Committee report to establish rules and requirements regarding carriers entering the Exchange after the first year.
- The Board should give due consideration to the California model which prohibits insurers who pull out of the Exchange from offering off-exchange individual coverage for a set number of years. This would reduce the risk of an insurer reducing their bid in the first year to get onto the Exchange and then using the enrollees as “hostages.”
- The Board should consider requiring that carriers provide a wellness program benefit. This could be a particularly effective incentive for “young invincibles” to enter the Exchange, which could mitigate the risks of adverse selection.

RECOMMENDATION 7: The Board should consider an RFP to develop a Maryland-specific risk adjustment model.

- The Coalition believes that developing a model with Maryland-specific data will best serve the Exchange Board in its decision-making process.

The Coalition very much appreciates the Exchange Board’s attention to these recommendations and will be happy to discuss them further. As always, the Coalition looks forward to working with all those engaged in ensuring that Maryland continues to be a leader on health care reform and on the establishment of an effective Health Benefit Exchange.

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Maryland Women's Coalition for Health Care Reform

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