Missouri Health Insurance Innovation
Task Force

University of Missouri Center for Health Policy
Annual Health Policy Summit
October 25, 2019
OVERVIEW

• Missouri Health Insurance Innovation Task Force
• What does the Health Insurance Market look like in Missouri?
• What is a 1332 Waiver?
• What is next for the Task Force?
Disclaimer

• This presentation is intended to provide a general overview of insurance regulatory topics, for educational purposes only. The materials contained herein are not intended, nor should they be construed, to provide specific legal or regulatory guidance.

• The content of this presentation and any related discussion represents the views and perspectives of the speaker(s) and do not in any way constitute official interpretations or opinions of the Missouri Department of Commerce and Insurance. Legal counsel should always be consulted to review specific questions or issues of regulatory compliance.
Missouri’s Health Insurance Innovation Task Force

• Executive Order 19-13, July 17, 2019
• Members includes legislative members, an insurance producer, a consumer representative, a hospital and provider representative, and insurance company representatives
• Led by the Director of the Department of Commerce and Insurance
• Goal is to develop concepts that may be used to develop a State Innovation Waiver under Section 1332 of the ACA
• Report to the Governor and the General Assembly is due on January 31, 2020
Sources of Coverage in Missouri, 2017

5.3%, VA, CHAMPVA, Tricare
8.4%, Uninsured
6.9%, Individual
5.2%, Small Employer
17.2%, Large Employer
18.7%, Medicaid
33.5%, Self-Insured Employer
14.8%, Medicare
14.8%, Medicare

Individual Market 2020 - Projected

- Based on Health Insurance Rate Data
- More carriers offering individual market coverage, but still many counties with only one option
Tricare/Veterans Administration
- NO DCI Role in Regulation
- Regulated by Department of Defense, Veterans Affairs
Medicare

- NO DCI Role in Regulation
- Regulated by The Centers for Medicare and Medicaid Services (CMS)
  - A part of the US Department of Health and Human Services (HHS)
Medicare Advantage (Medicare Part C) Medicare Part D

- Part C replaces Medicare Part A (Hospitalization) and Part B (Physician Services)
- Part D provides prescription drug coverage
- Carriers are chosen by CMS through a bid process
- Carriers must have a Certificate of Authority from DCI to do business in the state
Medicare Supplement

- Supplemental Coverage to Medicare:
  Part A (Hospitalization) and
  Part B (Physician Services)

- DCI has regulatory authority to review forms and rates; authority is delegated to the state from CMS
Medicaid Managed Care (MO HealthNet)

- DSS and CMS work together to operate Medicaid
- Medicaid Managed Care Plans are selected through the state procurement process and operate pursuant to contract with DSS
- DCI issues *Certificate of Authority* and ensures financial solvency
Private Health Insurance Coverage

Fully Insured

• An individual or group goes to the Exchange, agent or online and purchases an insurance policy from an insurance company.

• The insurance company is 100% responsible for paying all claims.

Self-Funded

• An employer creates its own health plan, hires a company to process claims (most of the time this is an insurance company)

• The employer is ultimately responsible for paying all claims.
Self-Funded

- NO Regulatory role for DCI
- US Department of Labor regulates “Employee Welfare Benefit Plans” created by employers
- US Department of the Treasury and the IRS have a regulatory role because of the interaction of tax laws.
Fully-Insured

- DCI is the primary regulator.
- DCI issues *Certificate of Authority*, forms and rates, consumer complaints, market conduct and financial examinations.
- BUT...federal actions can impact or pre-empt DCI’s authority.
- Under the ACA, there is dual regulation.
## Summary

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**DCI Primary Jurisdiction**
- Medicare Part D
- Medicare Advantage (Part C)
- Medicaid (MO HealthNet)

**DCI Shared Jurisdiction**
- Medicare Part D
- Medicare Advantage (Part C)
- Medicaid (MO HealthNet)

**Exclusive Federal Agency Jurisdiction**
- Self-Funded Health Plans
- Tri-Care and VA
- Medicare (Part A and B)
Covered Lives, Missouri, 2010 - 2018

Source: Calculated from insurers' financial annual statements.
Premium by Product Type
Individual Market

$0 $200,000,000 $400,000,000 $600,000,000 $800,000,000 $1,000,000,000 $1,200,000,000 $1,400,000,000 $1,600,000,000 $1,800,000,000 $2,000,000,000


POS PPO EPO
What is a Section 1332 Waiver?

• Section 1332 of the ACA allows a state to apply for a **State Relief and Empowerment Waiver**, under which the state can enact and implement innovative ways to provide access to quality health care. For a waiver to be approved, it has to meet four guardrails.

• Waivers can be granted for up to a 5 year-period.

• The U.S. Department of Health and Human Services (HHS) and the U.S. Department of the Treasury are responsible for reviewing waiver applications.
Guardrails

- Coverage
- Affordability
- Comprehensiveness
- Deficit Neutrality
Pass-Through Funding

• If the waiver saves the federal government money on premium tax credits or small business tax credits, the savings (pass-through savings) can be passed to the state to use in the implementation of the state’s waiver.
What have other states done?

• 14 states have received approval of their waivers
• All waivers approved to date have been reinsurance waivers
• Variety of models – condition based, attachment point, statewide, geographically targeted
• Other concepts have been discussed, and continue to be discussed around the country and by HHS
Can it be waived?

**Yes**
- Special and Open Enrollment Periods
- Essential Health Benefits
- Single Risk Pool
- Actuarial Value Metal Levels
- Establishment of Exchange
- Exchange Functions (QHP Certification, Oversight of Plans that can be sold)

**No**
- Pre-Existing Condition Exclusion Prohibition
- Premium Rating Factors (including age bands)
- Guaranteed Availability and Renewability
- Risk Adjustment
- Eligibility Determinations for tax credits and cost sharing reductions
Executive Order 19-13 Goals

• Improve access to affordable health insurance options and access to health care services
• Reduce the state’s uninsured rate
• Increase access to health care in rural areas of the state
• Empower consumer-driven health care
• Incentivize health carriers to enter or expand service areas, especially increasing the number of carriers actively marketing in rural areas
• Be neutral or positive with regard to state general revenue
Work to date

• First meeting – August 8, 2019
• All meetings are public meetings
• Request for Information - Public Comment
• RFP for Actuarial Services
• Website – healthinsurancetaskforce.mo.gov
• Information gathering, discussion, analysis – no decisions made at this point
• Next steps – actuarial analysis, formulation of report
QUESTIONS