Health Insurance Exchanges: Tools for Success

Health insurance exchanges present a significant opportunity to coordinate and simplify access to affordable health insurance. By 2020, more than 27 million individuals and employees of small firms are expected to obtain their health insurance through exchanges. However, the requirements put forth by the Affordable Care Act (ACA)—along with the design and implementation challenges that lie ahead—are daunting.

The American Institutes for Research® (AIR®) is an independent, nonprofit behavioral research organization with extensive experience conducting research, evaluation, and technical assistance involving diverse and low-income populations. AIR can help exchanges and their supporters:

1. **Effectively communicate complex information on health care cost, quality and coverage to enrollees:** Reach exchange enrollees—particularly those unfamiliar with insurance coverage and from vulnerable populations—and help them make informed choices that align with their values and preferences.

2. **Measure, monitor, and manage exchange performance in practical and relevant ways:** Provide exchanges with timely, accurate, and accessible information about exchange and qualified health plan (QHP) performance so that they can track and report their progress toward meeting major new responsibilities, such as helping individuals and small firms purchase coverage, coordinating with public programs, and determining purchaser eligibility for premium subsidies.

3. **Incorporate value-based purchasing principles into exchange offerings:** Develop strategic frameworks for the certification of QHPs that take into account existing and forthcoming guidance on essential health benefits; statutory requirements for QHP offerings (e.g., actuarial requirements); the state's vision of the role the exchange should play in the market (clearinghouse vs. active purchaser); and the tenets of value-based purchasing.

Whether exchanges are pursuing standalone operations or state-federal partnership models, success in these three areas will be central to their success and sustainability. AIR can work with exchanges and their supporters to develop a centralized knowledge base and resource repository they can adopt, tailor and implement to ensure success in these three key areas.

Additional detail is provided in the subsequent pages, including descriptions of products AIR could develop to support the exchanges.

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1. Effectively communicate complex information on health cost, quality and coverage to enrollees:

Background: Under the ACA, exchanges have significant communications responsibilities—including developing Web sites enrollees can visit to learn about and compare health plans (including price and quality), and creating electronic calculators that allow purchasers to see their out-of-pocket costs after premium tax credits are applied.

"Navigators" are expected to help exchanges meet these responsibilities, as will efforts such as Enroll UX2014's Web-based portal design project and the Coverage Facts Labels project aimed at developing plain language explanations for health benefits. Yet, these efforts alone will not be enough. The exchange target population is projected to be poorer, less educated, and more racially and ethnically diverse than the commercially insured population—and many new enrollees will lack familiarity with the basics of health insurance coverage. Accordingly, exchanges will need additional, targeted assistance to ensure consumers can access, understand and use the information appropriately.

Objective: To help exchanges present health cost and quality information in a way that allows the exchange target population to easily access, understand, and use it to make informed decisions that reflect their needs and preferences. Elements could include:

- Plain language equivalents of complex and potentially unfamiliar health care and insurance terms, tailored to low health literacy audiences and English learners
- Web-based portals that have been tested by the target population to ensure ease of use
- Input from key stakeholder groups and end users—particularly those from vulnerable populations—to guide development and improvement of tools and systems
- Displays of cost and quality information that allow users to easily make comparisons and coverage decisions that meet their needs

Relevant AIR capabilities: Based on years of experience working with a range of health care clients—including foundations, government agencies, and those in private industry—AIR has developed significant expertise in conducting outreach and communicating complex health care information to consumers (please see "The California Health Care Foundation" sidebar).

Potential Products and Services:

- An easy-to-navigate Web site that displays information about health plan options in a standardized format, allowing users to compare health plan price and quality
- A cost calculator or similar tools purchasers can use to compute their out-of-pocket premium costs after tax credits and cost-sharing reductions are applied

AIR Client Profile:

The California Health Care Foundation

Informing and educating employees about good quality care

AIR works with the California Health Care Foundation to develop and maintain the **Communication Toolkit**—a collection of materials employers and organizations can use to educate their employers and members on complex topics including finding good quality health care, making wise health care decisions, and being informed health care consumers.

The Communication Toolkit is the product of two years of extensive testing by AIR with employers, employees, unions, and other key stakeholders to determine the best ways to communicate key concepts underlying evidence-based health care. The materials in the toolkit can been adapted to fit communication goals, address specific employee or member populations, and accommodate available resources.

Companies like The Paramount Agricultural Company—a California-based company consisting mostly of bilingual or Spanish-speaking employees in rural areas—have successfully used the materials, in tandem with changes in benefits design, to drive behavior change including measurable declines in key areas of overutilization, such as emergency room use.

- Assistance with how to display cost, quality, and benefit design information that the exchange target population can understand and use to make informed decisions
- Guidance on outreach and marketing, including use of Web site search engine optimization and social media (e.g.,Twitter, Facebook) to reach key segments of the target population
- Mobile health insurance exchange applications that allow users to easily "shop" for insurance
- Culturally and linguistically appropriate materials for public education activities and/or dissemination through exchange navigators

2. Measuring, monitoring, and managing performance in practical and relevant ways:

Background: Information on exchange and QHP performance will be critical to: (1) help small businesses decide whether to obtain coverage through the exchange and consumers decide which QHP best suits them; (2) inform exchange and QHP quality improvement efforts; and (3) assist with regulatory oversight (including exchange oversight of QHPs and state and federal oversight of exchanges). To meet these needs, CMS has commissioned standardized enrollee satisfaction data and quality ratings. This information will be available not just across QHPs within an exchange, but also across exchanges in different geographic areas, which may have different approaches to structure and governance.

However, in order for these data and ratings to be truly actionable, exchanges will need help collecting, aggregating, calculating and displaying key performance information in a timely and accurate manner.

Objective: To assist exchanges with collecting, aggregating, and displaying key performance metrics for QHPs such that data are available to inform consumer decision-making, quality improvement, and regulatory oversight. Elements could include:

- Systems and methodologies that allow for the aggregation of data from disparate sources and real-time calculation of key performance metrics
- Displays of key outreach metrics (e.g., number visiting the Web site, time spent on the Web site, pages consulted, number of "1-800" calls, use of electronic calculator)
- Summaries of key enrollment metrics (e.g., number of previously uninsured in the exchange and in each QHP, proportion receiving subsidies, previously uninsured, product selected)
- Reports of enrollee exchange satisfaction and health plan performance (from CMS commissioned data)
- Customized measures that assist the exchanges in assessing their own performance, including relevant benchmarks at the exchange and QHP levels
- Comparative displays of health plan and exchange performance
- Performance results by enrollee characteristics (e.g., age, race/ethnicity, health status, chronic conditions)

Relevant AIR Capabilities: AIR's expertise in this area is best demonstrated by a successful track record working with numerous clients to aggregate and collect data and produce timely, reliable, and actionable assessments and reports (please see "State Health Insurance Assistance Programs" sidebar).

Potential Products and Services:

- Standardized data aggregation methodology and systems infrastructure to aid with collecting and calculating metrics using data from different sources
- Web-based dashboard displaying QHP performance metrics across several dimensions (e.g., enrollee satisfaction, outcomes, etc.) that are automatically updated and presented in an easy-to-understand format
- Interactive map of exchange service area with ability to aggregate or "drill-down" to obtain key performance or enrollment statistics by region
- Summary that can be used to compare performance of QHPs within an exchange

AIR Client Profile:

State Health Insurance Assistance Programs

Improving CMS's Ability to Reach and Serve a Diverse Medicare Population through National Performance Reporting and deep-dive, state-level assessments

State Health Insurance Assistance Programs (SHIPs)—funded by the Centers for Medicare & Medicaid Services (CMS)—reach, educate, and counsel more than 45 million beneficiaries on Medicare and its related programs. To meet CMS and the SHIP programs' needs for reporting and performance assessment to drive continuous quality improvement, AIR designed and maintains a Web-based reporting system that allows:

- Information on individual Medicare beneficiaries and the provision of SHIP services to be entered and accessed in "real time" by SHIP staff
- Real-time reports of SHIP services to provide both a "snapshot" and the "big picture" of key and/or emerging issues affecting Medicare beneficiaries
- For comparative assessments between the State SHIP programs to identify top (and low) performers to facilitate the sharing of best practices and drive overall quality improvement across the network
- Reports to be generated for key stakeholders that provide information on the impact and value of SHIP programs to Medicare beneficiaries and their communities
- Deep-dive assessments within a state SHIP program to identify improvements and gaps in performance

AIR provides technical assistance to CMS and SHIP programs to support understanding and meaningful use of the National Performance Reporting data and reports. The data are also used by CMS and the National SHIP Resource Center—housed at AIR—to identify which resources and supports are needed to strengthen the overall performance of the SHIP network, thereby improving CMS's ability to reach and serve a growing, diverse Medicare population.

3. Incorporating Value-based Purchasing Principles Into Exchange Offerings

Background: HHS recently released guidance on essential health benefits (EHB) that gives the states the responsibility of determining QHP certification requirements. Under this guidance, each state must establish a benchmark plan to be used as a basis for certification that covers all ten categories of benefits required by the ACA. States can choose one of its three largest small group, state employee or federal employee health benefits plans, or the largest HMO operating in its commercial market to serve as a benchmark plan.

Cost sharing can vary for the selected benchmark plan. The minimum level of coverage that satisfies the individual mandate will cover 60 percent of the cost of care, on average, while enrollees will pay the other 40 percent out-of-pocket. Defining the benchmark plan for the initial 2014 offering is a critical decision, but certainly not the final word given that the benchmark plan will need updating over time. The Institute of Medicine, in an October 2011 report, recommends the use of public deliberation to inform ongoing adjustments to EHB packages.

To ensure participating QHPs provide products that truly encourage higher value care, each state will need assistance developing exchange certification requirements subject to the above criteria and consistent with the needs of its population. In addition, the ability of an exchange to *truly* drive low cost, high quality care in a service area will depend in part on how well each state's stakeholders and enrollees understand value-based design and how it works.

Objective: To develop a strategic framework for the certification of qualified health plans (QHPs) that offers activities that support value—ranging from small steps for states with less experience purchasing based on value and a "clearinghouse" approach to more significant activities for states with more experience that are adopting an active purchaser philosophy. Elements could include:

- Value-based benefit designs that encourage use of high-value treatments and services, sensitive to the context of each exchange
- Network designs (e.g., narrow networks, tiering and centers of excellence) that encourage high-value provider choices, sensitive to the context of each exchange
- Coverage approaches that speed access to promising but unproven medical technologies yet prevent their proliferation (especially to subpopulations for which they may be less effective or harmful)
- Market-based incentives that reward quality in different areas including outcomes, readmissions, patient safety, wellness, and reducing disparities
- Creation and dissemination of messages and tools to help enrollees and stakeholders understand value-based design and how it works
- A shared decision-making component that ensures involvement of the patient in treatment decisions, particularly for preference-sensitive conditions

Relevant AIR Capabilities: As a premier research organization, AIR can provide clients with the services required to effectively incorporate and reinforce value-based purchasing principles (please see "The Robert Wood Johnson Foundation" sidebar).

Potential Products and Services:

- Summary of the use and known impact of benefit designs, network designs, coverage policies, and quality-based incentives to improve clinical outcomes and/or reduce costs
- Guidance on value-based benefits, network design, and coverage policy
- Identification and implementation of public deliberation methods to help define and update essential health benefits
- State-specific feasibility assessment of how the exchange's anticipated role in the market, perspectives of key stakeholders, and status of other value-based purchasing initiatives in the state will impact implementation of value-based criteria for the certification of QHPs
- A review of shared decision-making initiatives and their outcomes, with state-specific recommendations regarding adaptation and implementation

AIR Client Profile:

The Robert Wood Johnson Foundation

Conducting and applying research to inform value-based purchasing initiatives

AIR's work on two of The Robert Wood Johnson Foundation's key programs—Aligning Forces for Quality and Maryland's quality based reporting system—not only helps inform community-wide and state-wide value-based purchasing initiatives, but nation-wide efforts as well.

AIR supports the Aligning Forces for Quality program—The Robert Wood Johnson Foundation's signature effort to lift the overall quality of health care in targeted communities around the United States –by conducting research on how consumers perceive certain benefit and network designs. AIR and representatives from the Aligning Forces communities are working with their local employers to apply the findings from this research and communicate and implement benefit designs that drive behavior change among employers and employees and reward high-value health care.

AIR also works with The Robert Wood Johnson Foundation to evaluate the Maryland Health Services Cost Review Commission's quality based reporting (QBR) program, a newly launched pay-for-performance (P4P) initiative. AIR is identifying the impacts of the program on health care cost, quality and disparities—and formulating recommendations that will be used to improve the overall performance of the QBR system. These findings will also be used to inform public and private purchasers who are contemplating similar systems (including the nationwide Medicare Value-based Purchasing system) and—to the extent possible—identify opportunities to reduce disparities in care for minority and low-income patients across the United States through quality based reporting.