

CA Health Benefit Exchange

Small Business Health Options Program (SHOP) - Design & Development

April 26, 2012



Agenda

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SHOP Exchange Design – Where We Are

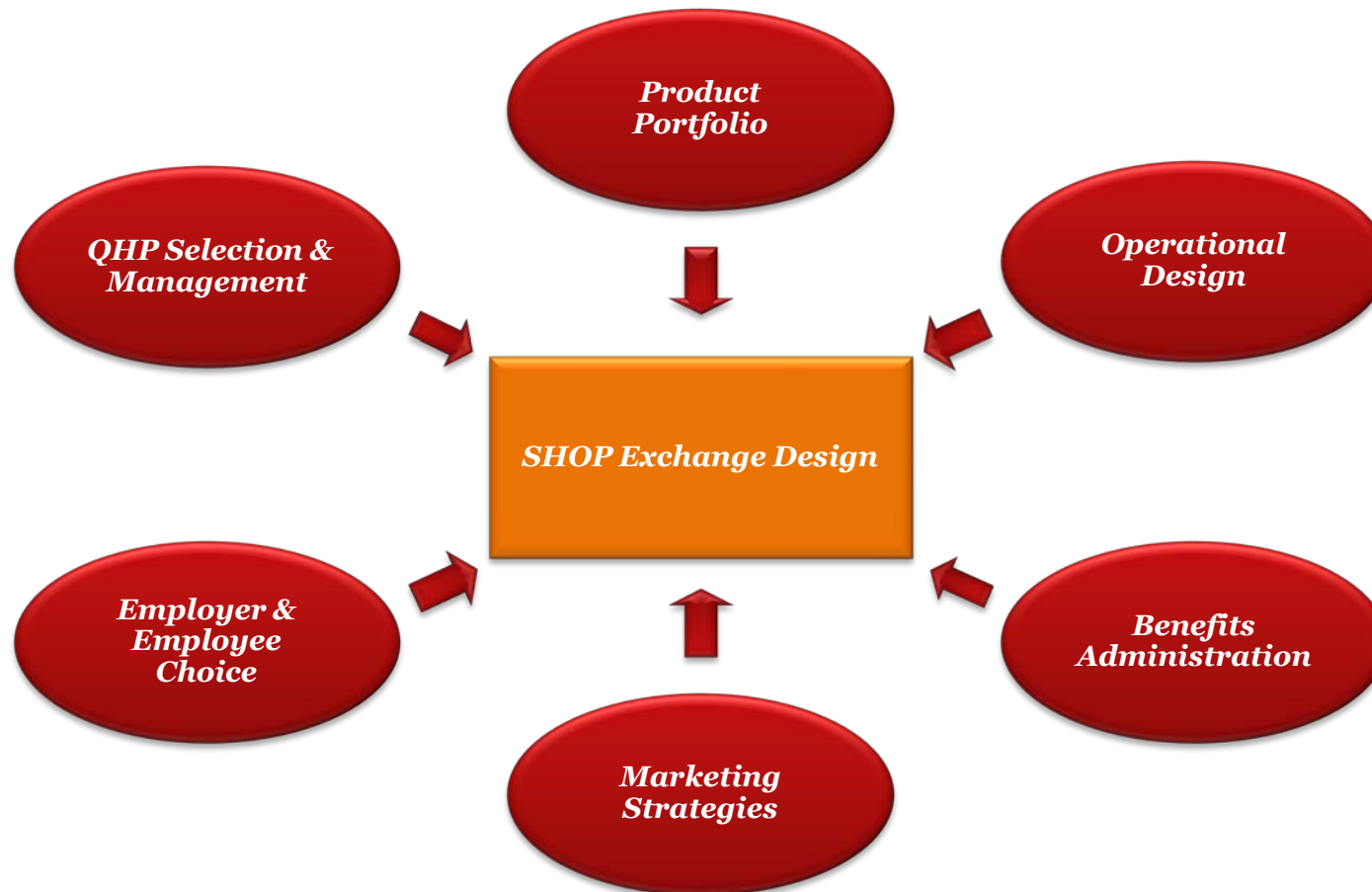
Design choices must balance the Exchange vision, stakeholder inputs, and existing market practices



SHOP Exchange Design - Landscape

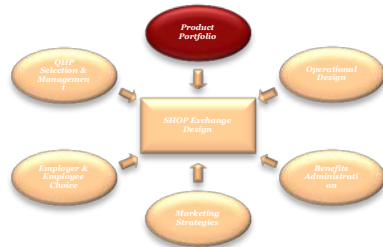
Many design decisions overlap between the Individual and SHOP Exchanges and some are unique to the SHOP

SHOP Exchange Design Consideration Categories

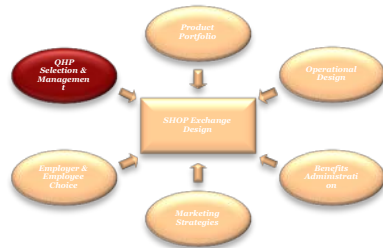


Key SHOP Design - Considerations Driving Options

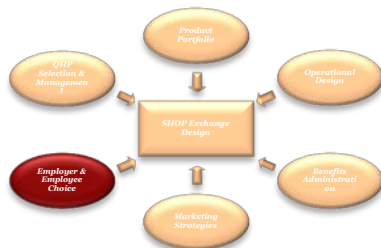
Standardization and alignment between SHOP and Individual Exchanges contribute to simplicity and affordability but limit flexibility and choice



- ☐ **Product choice**
- ☐ **Level of benefits standardization**
- ☐ **Type of supplemental benefits**



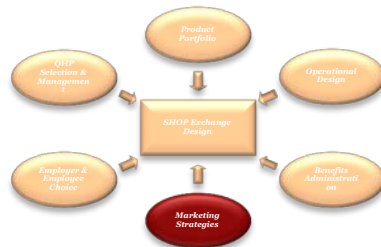
- ☐ **Potential QHP standards alignment** between SHOP and Individual
- ☐ **Plan participation** in SHOP vs. Individual Exchange
- ☐ **Methods to improve choice in under-served areas**



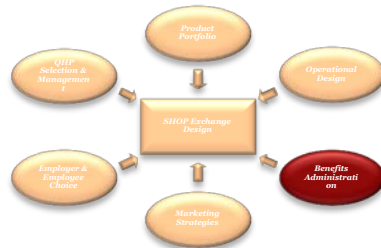
- ☐ **Degree of choice** offered to employers and employees

Key SHOP Design Considerations Driving Options (cont'd)

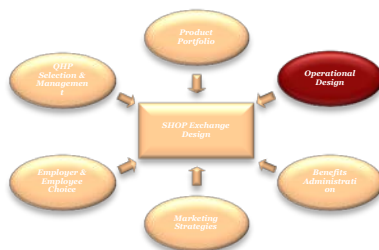
Ability to accurately identify and estimate likely SHOP participants allows for more effective marketing strategies, operational infrastructure, and plan pricing



- ☐ **Enrollment estimates** for the SHOP exchange
- ☐ **Marketing channels** targeted to small employers
- ☐ Broker and agents **payment structures**
- ☐ Role of Navigators



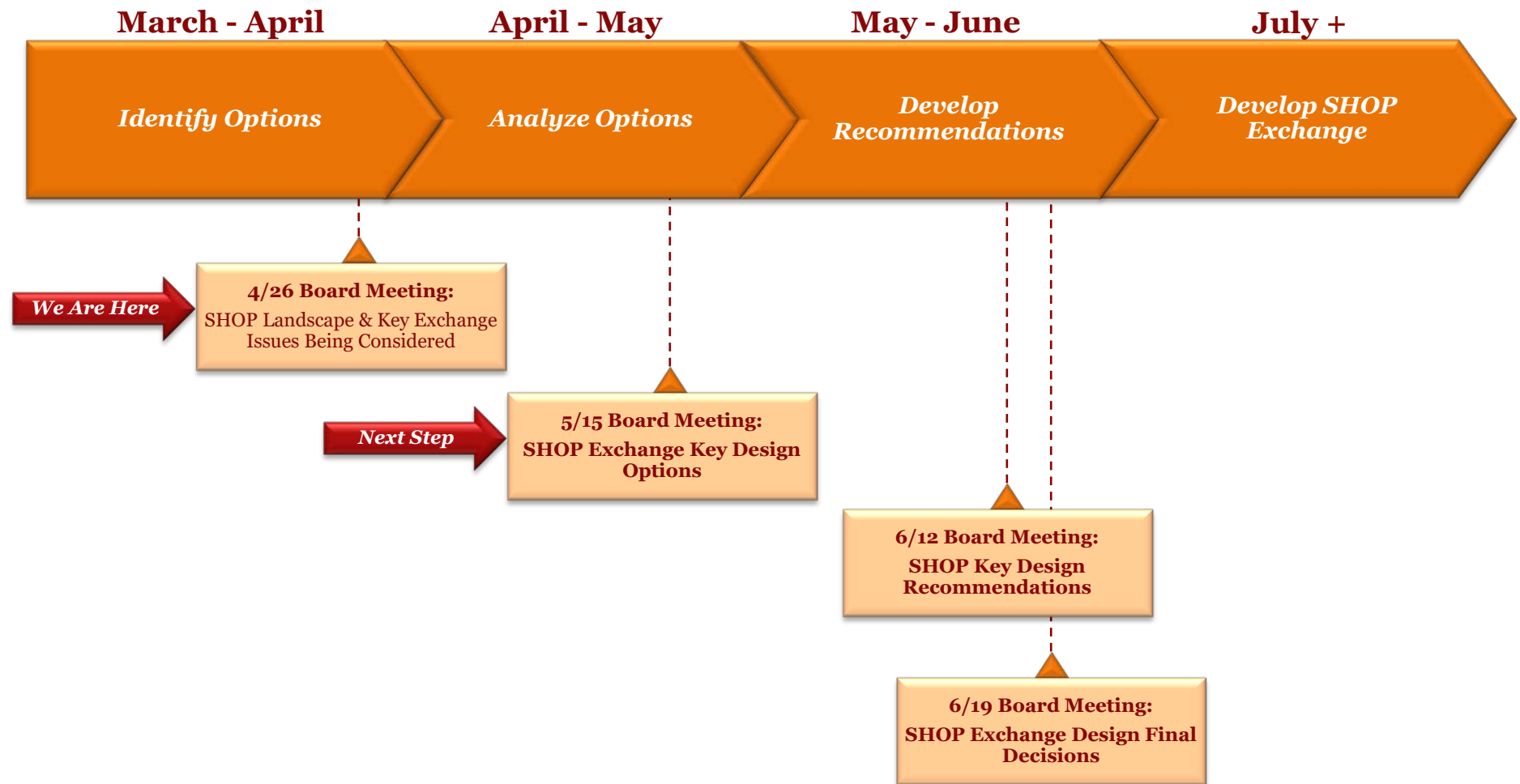
- ☐ Offering and managing **additional HR support services**



- ☐ **Operational process**
- ☐ **In/out sourcing**
- ☐ **Resources & timeline** estimates for Level II Grant Application



SHOP Exchange Design – Next Steps

The Board will be presented with an overview of key SHOP Exchange Design options and recommendations during the next two meetings to facilitate informed decision making






Appendix - SHOP Exchange Design Key Questions


Appendix – SHOP Design Key Questions

Design Category	Design Consideration	Key Questions
 <p>Product Portfolio</p>	<input type="checkbox"/> Product choice	<ul style="list-style-type: none"> • What types of products should be offered? • How many products should be offered?
	<input type="checkbox"/> Level of benefits standardization	<ul style="list-style-type: none"> • Should benefit plans be standardized or should variation be allowed? • If variation is allowed, what limitations will be applied?
	<input type="checkbox"/> Type of supplemental benefits	<ul style="list-style-type: none"> • What types of supplemental benefits should be offered (e.g., dental, vision, complementary medicine, disability, etc.)? • How should they be offered (e.g., should HBEX solicit proposals or should it just facilitate the offer of these benefits by participating plans)?
 <p>QHP Selection & Management</p>	<input type="checkbox"/> Potential QHP standards alignment between SHOP and Individual	<ul style="list-style-type: none"> • To what extent should QHP standards be aligned between SHOP and Individual?
	<input type="checkbox"/> Plan participation in SHOP vs. Individual Exchange	<ul style="list-style-type: none"> • To what extent should participation in the Individual Exchange be a condition of participation in the SHOP Exchange, and vice versa?
	<input type="checkbox"/> Methods to improve choice in under-served areas	<ul style="list-style-type: none"> • What mechanisms can be used to encourage plan participation in underserved geographies?

Appendix – SHOP Design Key Questions (cont'd)

Design Category	Design Consideration	Key Questions
	<input type="checkbox"/> Degree of choice offered to employers and employees	<ul style="list-style-type: none"> • Should employers be able to choose a single plan or tier level for all employees? • Should employees be allowed to choose their own benefit plan among all offered plans? • Should any limitations be applied to that choice?
	<input type="checkbox"/> Enrollment estimates for the SHOP exchange	<ul style="list-style-type: none"> • What is the expected enrollment in the Exchange? • How is it likely to build up over time? • What enrollment level is required to support financial sustainability?
	<input type="checkbox"/> Marketing channels targeted to small employers	<ul style="list-style-type: none"> • What marketing channels will best enhance SHOP enrollment?
	<input type="checkbox"/> Broker and agents payment structures	<ul style="list-style-type: none"> • How should payments to brokers and agents be structured to promote enrollment in the Exchange?
	<input type="checkbox"/> Role of Navigators	<ul style="list-style-type: none"> • What role, if any, should Navigators play in supporting SHOP enrollment?
	<input type="checkbox"/> Offering and managing additional HR support services	<ul style="list-style-type: none"> • Should additional HR support services be offered by the Exchange (e.g. FSA, HRA)? • Should the provision of HR support services by other entities be facilitated by the Exchange?

Appendix – SHOP Design Key Questions (cont'd)

Design Category	Design Consideration	Key Questions
	<input type="checkbox"/> Operational process	<ul style="list-style-type: none"> • What functions are needed for both the Individual and SHOP Exchanges, and what are the unique needs of the SHOP?
	<input type="checkbox"/> In/out sourcing	<ul style="list-style-type: none"> • What functions should be performed by the Exchange? • What functions should be outsourced? • If outsourced, should the function be performed by a regulatory agency or a vendor?
	<input type="checkbox"/> Resources & timeline estimates for Level II Grant Application	<ul style="list-style-type: none"> • What resources are required to build and operate the Exchange through 2014?