

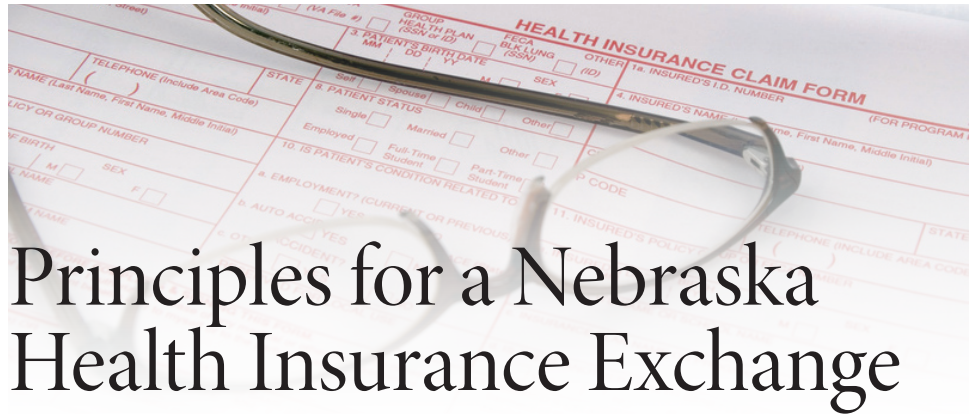
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ADVOCATES FOR A  
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# Principles for a Nebraska Health Insurance Exchange

The Patient Protection and Affordable Care Act (ACA) encourages states to establish new marketplaces, called “Exchanges,” that are meant to serve as a place where individuals and businesses can shop for coverage with the help of easy-to-understand information on all their options. The Exchange will facilitate access to tax credits or Medicaid coverage that will directly reduce the cost of insurance for thousands of Nebraska families. The development of a health insurance exchange in Nebraska will be a historic step towards providing quality affordable health care to all Nebraskans. The Exchange should not only serve as the means by which currently uninsured and underinsured individuals may obtain coverage, but it will also facilitate and improve coverage options to those Nebraskans who currently have insurance.

The State of Nebraska has a great deal of flexibility to craft the Exchange within the broad standards laid out in the ACA. The way in which the Exchange is structured will have a profound effect on how well the Exchange works for Nebraskans. As a result, the planning process is critical. The following benchmarks will best guarantee the longevity and quality of a health insurance Exchange in Nebraska.

## Transparency and Coordination of the Planning Process

- Exchange planning, implementation, and governance should all function transparently and should be receptive to consumer input.
- Stakeholders, including consumer advocate groups, should play an integral, active, and ongoing role in the planning process of the exchange.
- All appropriate state agencies and departments that should be engaged in the exchange planning process must establish open lines of communication among themselves and with the Legislature in order to efficiently coordinate the planning.
- Communications between the state agencies, departments, and the Legislature in the planning process should be transparent, open, and accessible to every extent possible, to stakeholders and the public so they might better inform the process.

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## Principles for a Nebraska Health Insurance Exchange

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### Exchange Governance and Conflicts of Interest

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- The Exchange should have a strong and independent governing board that reflects the intended focus of the Exchange on consumers and insurance plans that offer value to those consumers.
- The membership of the governing board of the Exchange must include mandatory and significant consumer representation, along with geographic, gender, and ethnic diversity. For example, the governing board should include representatives of low-income Nebraskans, rural Nebraskans, members of racial or ethnic minority groups, people who are subject to age rating in the Exchange, Nebraskans with behavioral health needs, Nebraskans with physical disabilities, representatives of patients with cancer and other chronic diseases, and small business owners.
- Steps should be taken to avoid conflicts of interest on the Exchange governing board.

### Access to the Exchange - No Wrong Door Structure

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- The ACA requires that consumers must be able to go to a single website and use one application to find out whether they and their family members are eligible for premium tax credits, Medicaid, or the Children's Health Insurance Program (CHIP), and then to easily enroll in coverage.
- Due to the unique urban and rural makeup of Nebraska, steps should be taken to facilitate outreach and enrollment assistance to all residents. In addition to web-based enrollment, consumers should be able to apply for coverage (and to be assisted in doing so) at physical locations such as community health centers, libraries, churches, fairs, and other community locations.
- The Exchange should provide appropriate language services to meet the needs of individuals who do not speak English or who have limited-English proficiency.
- The Exchange should be designed to streamline the process for Nebraskans who, due to fluctuations in income, transition between public coverage programs like Medicaid and private coverage through the Exchange. To help minimize changes in coverage, Nebraskans should be eligible for Medicaid and CHIP for a minimum period of time, such as 12 months. This is an ideal opportunity to incorporate Health Information Technology within the Exchange to increase efficiencies and minimize disruptions.

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## Navigators

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- Navigators—created by the ACA to help consumers and employers learn about, and enroll in, coverage options—should be selected based on their ability to put consumer and employer interests first, without conflicts of interest.
- Navigators specifically must exhibit qualities and expertise that would allow them to serve uninsured and underinsured consumers well.
- Because of their unique responsibilities, the following should be allowed to serve as Navigators: community- and consumer-focused nonprofits; trade, industry, and professional associations; ranching and farming organizations; chambers of commerce; unions; Small Business Administration resource partners; those experienced with low-income, Medicaid, ESL populations; or licensed insurance agents and brokers.

## Providing Value for Nebraskans' Premium Dollars

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- The Exchange should take an active role in making sure that only health plans that provide good value and good service to consumers are permitted to sell coverage through the Exchange.
- Information provided by the Exchange should facilitate good decision-making among Nebraskans about which health plans will best meet their needs. The Exchange governing board needs to strike a balance in the number of plans offered to ensure choice while making sure that residents are not overwhelmed by too many plan options that cannot be easily compared.

## Actively Prevent Adverse Selection

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- Robust steps should be taken to limit adverse selection in the Exchange. Adverse selection will occur if healthier, lower-cost individuals are enrolled in plans outside the exchange while unhealthy, higher-cost individuals are enrolled in the exchange. If that occurs, the cost of exchange coverage will be higher than the cost of plans offered outside the exchange.
- The goal is to spread the risk and lower costs for everyone. Nebraska should take measures to ensure that plans outside the Exchange do not set rates artificially low to attract the lowest cost, healthiest enrollees.
- Insurance plans sold outside the Exchange should comply with all of the same consumer protection requirements that health plans inside the Exchange must meet.
- Nebraska should also make sure that brokers do not have incentives, such as higher commissions, to steer residents into coverage outside the Exchange.



## Principles for a Nebraska Health Insurance Exchange

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- The Nebraska state insurance commissioner shall have the means and authority to monitor the health insurance market outside the exchange and take appropriate action(s) to mitigate adverse selection

### **Accountability and Continued Input**

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- After Exchange implementation, a formal feedback loop should be available to consumers and their representatives so that any problems with Exchange functioning can be reported and addressed.
- Regular monitoring of the Exchange should take place to ensure that insurers are providing accurate information about the health status of their populations and that risk is actually being pooled across all of an insurer's plans as the ACA requires.