



*a New Day for Federal Service*

## **Overview of the Multi-State Plan Program**

**Rob Shriver**

Assistant Director, National Healthcare Operations

U.S. Office of Personnel Management

December 2012

Dial-in: 888-323-5261 Passcode: 4844353

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Agenda

- Multi-State Plan Program (MSPP) overview
- Goals for MSPP
- Proposed MSPP rule
- MSPP application and timeline
- Next steps

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# MSPP Overview

Section 1334 of the Affordable Care Act (ACA) directs the U.S. Office of Personnel Management (OPM) to contract with private health insurance issuers to offer at least 2 multi-State plans (MSPs) to individuals and small businesses in each State through Affordable Insurance Exchanges (Exchanges)

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# MSPP Overview

## OPM's FEHBP Experience

- For over 50 years, OPM has successfully administered the Federal Employees Health Benefits Program (FEHBP)
- The FEHBP provides a variety of health insurance coverage options to Federal employees and their families
- OPM has been able to administer the FEHBP efficiently, keeping administrative costs low while negotiating over 100 contracts with health insurance issuers to provide coverage to some 8.2 million people
- The ACA generally requires OPM to implement the MSPP in a manner similar to the manner in which it implements the FEHBP contracting provisions
- The ACA also requires that OPM maintain separation between the FEHBP and the MSPP, including separate risk pools



A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# MSPP Overview

## Exchange Environment

- Beginning January 1, 2014, individuals and small business employees will be able to purchase health insurance coverage through the Affordable Insurance Exchanges in each State
- The U.S. Department of Health and Human Services is working with States to establish the Exchanges
- The Multi-State Plans will be offered on the Exchanges
- An MSPP issuer need not apply separately to individual Exchanges, because a Multi-State Plan offered under a contract with OPM is deemed certified to be offered in Exchanges
- OPM will work closely with States to avoid any disruption to the State's health insurance market

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# MSPP Overview

## Phased Coverage

The ACA allows for a phased-in approach to coverage. MSPs must be available in:

- 60% of States in the first year of participation (31 States);
- 70% of States in the second year (36 States);
- 85% of States in the third year (44 States); and
- All States and District of Columbia by the fourth year

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Goals for MSPP

- To ensure an additional choice of at least 2 high-quality products on Exchanges
- To promote competition
- To offer plans from the same issuer to families or small businesses that may reside or operate in more than one State
- To provide strong, effective contractual oversight
- To work cooperatively with Federal and State stake-holders to ensure a level playing field with Qualified Health Products being offered on the Exchanges

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule

- Level playing field
- Compliance with State law
- Phase-in: Statewideness
- Phase-in: SHOP Coverage
- Rate review
- Benefit plan material or information
- Internal appeals and external review
- Benefits Package
- Network adequacy
- Accreditation and quality reporting
- Medical loss ratio (MLR)
- Reinsurance, risk corridors, risk adjustment
- Cost sharing limits and cost sharing reductions
- Enrollment and eligibility



A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule Level Playing Field

- MSPs and MSPP issuers would be required to comply with State and Federal laws relating to 13 categories listed in section 1324 of the Affordable Care Act
- OPM aims to ensure:
  - A level playing field between MSPP issuers and other issuers in the individual and small group markets
  - Proposed standards for MSPs are consistent with applicable State and Federal standards for Qualified Health Plans (QHPs)
  - MSPs and MSPP issuers are not at a competitive advantage or disadvantage

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule

## Compliance with State Law

- OPM proposes that MSPP issuers must comply with other applicable State laws, except for those State laws that
  - Are inconsistent with section 1334 of the Affordable Care Act or implementing regulations;
  - Prevent the application of Part A of title XXVII of the Public Health Service (PHS) Act; or
  - Prevent the application of a requirement of title I of the Affordable Care Act
- OPM proposes, and seeks comment on, a dispute resolution process wherein States may request OPM to reconsider its determination about the applicability of State law.

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule

## Phase-in: Statewideness

- OPM is proposing to allow MSPP issuers to offer partial coverage in a State initially, as long as the issuer includes a plan for eventually offering coverage throughout the State
- OPM requests comment on whether an MSPP issuer should be required to offer coverage statewide no later than the fourth year of participation in the MSPP
- OPM also requests comment on whether to further relax the state-wide requirement



A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule

## Phase-in: SHOP Coverage

- OPM proposes allowing MSPP issuers additional flexibility to phase-in coverage through SHOPs:
  - MSPP issuers would be able to choose to offer coverage in the individual Exchange, and not the SHOP, throughout the duration of the phase-in period
  - MSPP issuers would be required to offer coverage on the SHOP in addition to the individual Exchange at end of the Phase-in period
- OPM solicits comments on its proposed approach to SHOP participation



A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule Rate Review

- OPM proposes to conduct its own rate review process, but then to provide its rate review analysis to each State in which the MSP is operating
- Each State would have the opportunity to review the MSP rates under its own procedures
- OPM would work with the State to resolve any differences that may arise

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule

## Benefit Plan Material or Information

- OPM proposes to reserve the authority to review benefit plan and material information. This review would be in addition to any State-required review
- Contract and policy documents would be reviewed separately, as OPM has proposed excluding them from the definition of “benefit plan material or information”
- In section 800.113, OPM proposes allowing an MSPP issuer to state that OPM has certified a plan and will oversee its administration
- OPM solicits comments specifically on whether it is appropriate to exclude policies and contracts from the definition of “benefit plan material or information”

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule

## Internal Appeals and External Review

- OPM proposes that the MSP issuer must resolve internal appeals under the process applicable in each State under section 2719(a)
- OPM proposes to administer all MSPP external reviews similarly to the disputed claims process used in the FEHBP
- Process would provide enrollees an avenue of redress for all denied claims and ensure that the MSPP contract is administered equitably
- OPM would apply the same standards applicable to Qualified Health Plan in resolving these claims



A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule Benefits Package

- OPM proposes that MSPP issuers would have to offer a uniform benefits package for each MSP
- OPM proposes allowing potential MSPP issuers the option to offer a benefits package that is substantially equal to either the State EHB-benchmark plans or one of the three largest FEHBP plan options identified by HHS (three of the 10 benchmark options proposed by HHS under the EHB proposed rule):
  - BCBS Standard Option, BCBS Basic Option, and GEHA Standard Option
- OPM proposes that an MSPP issuer choosing an FEHBP benchmark would also have to comply with any State benefit requirements.
- OPM proposes standards for supplementing the proposed OPM-selected EHB-benchmark plans



A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule Network Adequacy

- OPM's standard mirrors the HHS standards in 45 CFR 156.230 and 156.235
- OPM proposes that an MSPP issuer would:
  - Maintain a sufficient provider network in the number and types of providers
  - Offer a provider network that is consistent with network adequacy provisions in § 2702(c) of the PHS Act
  - Offer a provider network that includes essential community providers in compliance with 45 CFR 156.235

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule Accreditation and Quality Reporting

- MSPP issuers would have to be accredited consistent with the requirements for QHP issuers
- OPM would have discretion to establish a timeline for accreditation for MSPP issuers not already accredited
- MSPs would have to comply with all Federal and State quality improvement and reporting requirements as defined in OPM's proposed rule
- We are requesting comments on the unique aspects of accreditation and reporting for MSPs as compared with accreditation of QHPs

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule Medical Loss Ratio (MLR)

- OPM proposes MSPP issuers will follow:
  - The MLR required under section 2718 of the PHS Act and HHS regulations
  - Any MSP-specific MLR that OPM may set in the best interests of MSP enrollees or that is necessary to follow State MLR requirements
- OPM has not proposed a national aggregate approach to MLR




A vertical strip of an American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule

## Reinsurance, Risk Corridors, Risk Adjustment

- OPM proposes that an MSPP issuer would have to participate in the transitional reinsurance, temporary risk corridors, and risk adjustment programs established pursuant to the Affordable Care Act and 45 CFR part 153
- OPM proposes that an MSPP issuer would have to follow any additional HHS or State standards for the transitional reinsurance and risk adjustment programs and additional HHS standards for the temporary risk corridor program



A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule

## Cost Sharing Limits and Cost Sharing Reductions

- HHS has proposed regulations that direct QHP issuers to offer silver plan variations to implement the reduction or elimination of cost sharing for eligible enrollees in a QHP
- OPM proposes that MSPP issuers would have to comply with applicable HHS requirements to offer such plan variations
- OPM proposes in § 800.107(e) that MSP plan variations would be submitted to OPM for review and approval

A vertical strip of an American flag is visible on the left side of the slide, showing the stars and stripes.

# Proposed MSPP Rule Enrollment and Eligibility

- MSPP issuers would have to meet the same standards as those that apply to QHP issuers under the Exchange rules in 45 CFR parts 155 and 156
- OPM seeks comment on any unique enrollment and eligibility issues that might affect MSPs

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# MSPP Application

- OPM is selecting issuers for the MSPP through an application process
- We published a draft application in September and are currently working through the comments we received on it.
- The final application will be available to complete online in early 2013



A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# MSPP Timeline

- **Early 2013:** MSPP application portal opens, OPM reviews and approves MSPP applications and begins contract negotiations
- **October 1, 2013:** Initial enrollment period begins
- **January 1, 2014:** Coverage starts
- **March 2014:** Initial enrollment period ends

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Next Steps

- Finalizing MSPP Application and Rule
- Launching MSPP Application Portal
- Continue to build relationships with Federal Agencies, States, Consumer Groups, and other Stakeholders