



Making Health Care Reform Work: The NJ Health Insurance Exchange



About NJ for Health Care

NJ for Health Care is a broad based alliance of over 70 health care, consumer, senior, student, disability, women's, labor, faith-based, civil rights and social justice organizations representing over 2 million New Jersey residents, working to bring guaranteed, high quality, affordable health care to all.

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Visit us: www.njforhealthcare.org



Important information on the New Health Care Law

- ✓ 32 million *more* insured
- ✓ Expands Medicaid eligibility to childless adults
- ✓ Does *not* make cuts to essential benefits in Medicare

NOW

- ✓ Enables young adults to enroll on their parents plan
- ✓ No pre-existing conditions exclusions
- ✓ Increased funding for Community Health Centers

UPCOMING

- ✓ Individual mandate
- ✓ Subsidies to help make health insurance more affordable

What is a Health Insurance Exchange?

- Competitive health insurance marketplace that gives consumers and small businesses:
 - More control
 - Better quality choices
 - Better protections
 - Large group discounts



What will an Exchange look like?

- An Exchange will have an easy to use website, similar to Orbitz or Consumer Reports.

The screenshot displays the Orbitz website interface. At the top, the Orbitz logo is on the left, and navigation links for 'Write A Review', 'My Trips', 'My Account', 'Traveler Update', and 'Customer Support' are on the right. Below the logo, a navigation bar includes 'Quick Search', 'Vacation Packages', 'Hotels', 'Flights', 'Cars', 'Cruises', 'Activities', and 'Deals'. The main content area features the 'ORBITZ MATRIX DISPLAY™' header and a promotional message: 'Save more on your San Juan trip'. Under 'My Search', there's a 'Need a hotel too?' prompt and a 'Find Flight + Hotel' button. The 'Find flights by:' section lists airlines: US Airways, JetBlue Airways, Multiple Carriers, American Airlines, Delta Air Lines, United Airlines, and Continental Airlines. A table shows flight options with prices: 'Non-stop' at \$1,232 total (\$1,278 total), and '1 stop' options ranging from \$377 to \$779. A '2+ stops' section is also present. Below the table, a note states: 'Fares are per person in US dollars, using e-tickets. Total fare includes airfare taxes and fees. Additional baggage charges may apply. Some itineraries require paper tickets with an additional charge. Changes after booking are subject to change fees.' The 'Sort flights by:' section offers 'Lowest price', 'Departure time', and 'Shortest flight' options. A highlighted flight is shown with details: 'Act fast! Only 1 ticket left at this price!', 'Select \$377 + \$59 taxes & fees = \$436 USD per person', 'NO BOOKING FEES', 'PRICE ASSURANCE', 'Leave Fri, Dec 16', 'US Airways 4505 operated by US Airways Express - Piedmont Airlines', 'Depart 6:59am', 'Arrive 7:53am', '1 stop', 'Economy | 54min | De Havilland Dash 8 Turboprop', 'Change planes. Time between flights: 1hr 47min', and 'US Airways 1071'. On the right, 'Sponsored Links' include 'Puerto Rico from \$149', 'San Juan Air Fare from \$49', 'Mendoza Flight Specials', and 'JetBlue Fall Fare Sale'.

Who can use the Exchange?

- Individuals, families, and small businesses have the option
- Legal immigrants and Citizens.
 - Everyone enrolling in the exchange must verify legal status.
- Members of Congress are required to use the Exchange



Subsidies/Tax Credits on the Exchange

Millions of Americans who haven't been able to afford coverage will get premium and cost-sharing subsidies according to a sliding scale beginning in 2014.

- Will lower health insurance costs for up to 1,652,000 New Jerseyans
 - 382,000 of whom are currently uninsured
- Premiums range from 2% to 9.5% of a person's income
- Available to people who:
 - Do not have affordable employer sponsored coverage, AND
 - Are earning up to 400% of the FPL
 - Around \$73,000 for a family of 3



What is a Health Insurance Exchange?

2014



Individuals

State Health Insurance Exchange

Web/application portal

IT Systems/database

Policy/Regulatory



Small Businesses

IRS
SSA

Public Programs



<133%



133% - 200%

Premium Subsidy



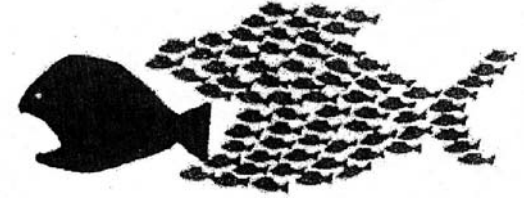
133%/200% - 400%

Qualified Health Plans



>400%

How will an Exchange bring down cost?



A Good Exchange will:

- **Negotiate on behalf of individuals and small businesses**
 - Pool together to bargain for cheaper premiums/better plans
 - Give us the same bargaining power as big business



Who will run the exchange?

A Good Exchange will have:

- **Qualified pro-consumer governing board**

- Consumer representation to ensure exchange is in our best interest
- Free of conflict from insurance industry and insurance salespeople
- People with real experience and knowledge, not just political appointees



How will the Exchange make purchasing insurance easier?

A Good Exchange will:

▪ Create a consumer friendly experience

- Reduce paperwork for individuals & small businesses
- Adopt a “no wrong door” approach
- Use easy to understand language
- Ensure cultural competency



How will the Exchange ensure there are no gaps in health care coverage?

A Good Exchange will ensure:

- **Seamless enrollment in Medicaid & NJ FamilyCare**

- Acknowledge people's life situations change
 - Lose jobs, get promotions, have children
- Exchange will communicate electronically with Medicaid & NJ FamilyCare
- Insurers that participate in Medicaid must also offer plans in the Exchange
- Consumers have option to buy Medicaid

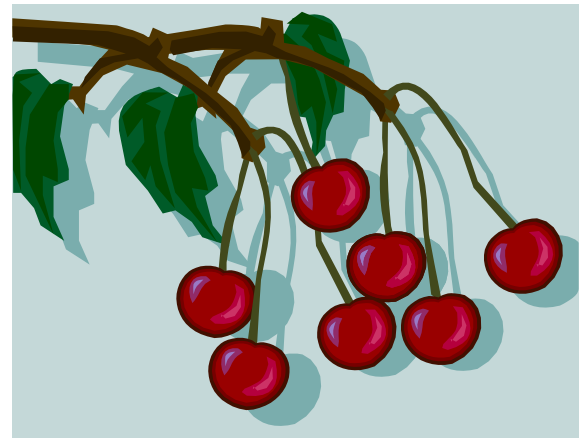


How can we protect the Exchange?

A Good Exchange will:

▪Protect against cherry picking

- Prevent insurance companies from segregating people by health status
 - ie. only sick people in exchange, healthy people out
- Same rules apply to plans in and out of the Exchange
- Ensure fairness for all consumers



It's All About Choices

NJ must establish an Exchange or the federal government will do it for us.

But...it's up to us to make sure it is a GOOD exchange

Do you want your exchange to:

1. Negotiate on behalf of individuals and small businesses?
2. Ensure a qualified pro-consumer governing board?
3. Create a consumer friendly experience?
4. Provide seamless enrollment in Medicaid & NJ FamilyCare?
5. Protect against cherry picking?

How can we make a good exchange a reality in NJ?

- Educate, educate, educate!
 - Public
 - Media
 - Policy Makers

- Timeline
 - NJ needs a plan by January 1, 2013
 - A NJ Exchange must be up and running by January 1, 2014
 - NJ Assembly has passed a bill A1930
 - Anticipated that the NJ Senate will move a bill this fall

- Get involved!

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Questions?

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