Navigators in Health Insurance Exchanges

Presented on October 27, 2010
Tom Pender, House Research Department

The Patient Protection and Affordable Care Act 2010 (PPACA) requires health insurance exchanges to establish a program for awarding grants to "navigators." These grants are required to come out of the exchange's operational funds and not from federal funds provided to establish the exchange. Navigators will need to be certified and trained in time for the open enrollment in the fall of 2013 for coverage beginning January 1, 2014.

Navigator Eligibility and Standards

A potential navigator must demonstrate the following in order to be **eligible**:

- Existing relationships, or the ability to establish relationships with:
    - employers;
    - employees;
    - consumers (including uninsured and underinsured); or
    - self-employed individuals.

- Navigators may include:
    - Trade, industry, and professional associations
    - Commercial fishing industry organizations
    - Ranching and farming organizations
    - Community and consumer-focused non-profits
    - Chambers of Commerce
    - Unions
    - "Resource partners" of the Small Business Administration
    - Licensed insurance agents and brokers
    - Other entities capable of carrying out the duties and meeting the standards for navigators.

Standards for Navigators

- Shall not be a health insurance issuer
- Shall not receive any consideration directly or indirectly from any health insurance issuer in connection with the enrollment of any qualified individuals, or employees of a qualified employer, in a qualified health plan.
- Additional standards to be set by Secretary of HHS. (Regulations forthcoming)

Responsibilities of Navigators

Outlined in PPACA, the **responsibilities** of a navigator will be to:

- **conduct public education activities** to raise awareness of the availability of qualified health plans;

- **distribute fair and impartial information** concerning enrollment in qualified health plans and the availability of premium tax credits and cost-sharing reductions;
- **facilitate enrollment** in qualified health plans;
- **provide referrals** to applicable office of health insurance consumer assistance or health insurance ombudsman or other appropriate state agency, for any enrollee with a grievance, complaint, or question; and
- **provide information** in a manner that is culturally and linguistically appropriate to the needs of the population served by the exchange.

Utah Health Exchange and Massachusetts Health Connector: Use of Navigators/Brokers
Legislative Commission on Health Care Access – Exchange Work Group

Presented on October 27, 2010
Katie Cavanor, Senate Counsel

Utah Health Exchange

Primary Functions:

- Serves as a market organizer and distribution channel.
- Provides impartial information on health plans that are available in the market.
- Provides structure to the market to enable consumers to compare health plans and purchase coverage.
- Provides a standardized electronic application and enrollment system.

General Description of Exchange:

- Pilot exchange began in 2009 for small employers two to 50.
- Exchange is set up as a public agency (Office of Consumer Health Services) with two employees and an annual budget of $600,000 (initial appropriation of $600,000 used to develop software and the ongoing appropriation used to market the exchange and provide oversight). The office contracts with two vendors—one to market and enroll the employees from participating employers and one to collect the premiums from the employers and pay the insurance carriers and brokers.
- Employers sign up for the exchange by completing an online application. The application is then approved and the employer is notified of approval. The employer then determines the level of the contribution the employer will make towards the employees' health coverage. Once the employer has enrolled in a defined contribution plan, the employee uses the exchange to compare multiple health plans and pick the coverage that meets the employee's needs. The employee is instructed to complete an on-line individual health insurance application.
- Four health carriers are currently participating with 67 different health plans offered.

Broker Role:

Brokers are used to educate the business community and their employees about the benefits of the defined compensation marketplace.

- In order to participate in the Health Exchange a broker must be registered with the Exchange. To be registered, a broker must:
    - Be a licensed health insurance producer – with the Utah Department of Insurance
    - Be appointed with the majority of health carriers supporting the Exchange
    - Register with Health Equity (vendor that pays the broker compensation for the exchange)
    - Complete producer training – classes approved by the Utah Department of Insurance
- Initially employers were required to designate a broker as part of the application, but this is no longer a requirement as of September 2010 for the upcoming plan year beginning January 1, 2011. Employers are encouraged to work with a broker.
- If a broker is used, the broker assists the employer in obtaining and completing the initial application form, and once the employer is approved to enter the exchange, the broker can assist the employees with the enrollment process and interact as much as the employer/employees feel necessary. Once the employer group is signed up, the broker serves the employer account just as they would any other account working as a customer service intermediary between the employer/employee and the exchange.
- Brokers selected by the participating employer receive as commission $37 per participating employee per month. There is also an exchange fee of approximately $6 to cover the cost of operating the exchange. If a small employer group decides not to use a broker they are still charged the $37 but this amount goes to fund the customer interactive service center which is operated by one of the vendors and offers support 24/7 to groups participating in the exchange.

Massachusetts Health Connector

Primary Functions:

- Serves as a selective contractor – contracts with a select group of health carriers and offers a limited number of health plans that meet the plan design parameters established by the administrators of the Health Connector

- Conducts outreach and advertising efforts to inform public of the opportunities and responsibilities

- Meets a number of regulatory responsibilities, including the operation of the two exchanges:

  - CommonwealthCare (an exclusive distribution channel for subsidy eligible adults)

  - CommonwealthChoice (an alternative distribution channel for individuals and small employer groups)

General Description of the Exchanges Operated by the Health Connector:

- The connector began in 2006 and is set up as a quasi-public agency with a public governing board established by the legislature and 45 employees. CommonwealthCare was first launched in late 2006 and CommonwealthChoice began for nongroups in 2007. A pilot program was started through the Health Connector in 2009 and offered small employers a broad range of products.

- CommonwealthCare is a subsidized program for adults who are not offered employer sponsored insurance, are not eligible for Medicare or Medicaid, and who earn up to 300 percent of FPG ($32,084 for a family of four). Coverage is offered through five health plans. There are 185,000 members.

- CommonwealthChoice is an alternative distribution channel for unsubsidized nongroup and small employer groups connecting individuals and small employers. Coverage options are offered through seven participating health carriers. Together these plans represent about 90 percent of the commercial, licensed health insurance market. Each of the plans offered through the Health Connector by these carriers may be purchased directly from the individual carriers. There are 36,000 members—most of these are non-group members.

- Business Express program - small employers with 50 or fewer employees may purchase directly through the Health Connector's Business Express program and the Contributory Plan.

Broker Role:

- In Massachusetts approximately 90 percent of employers work through a broker. Most small employers purchase coverage outside of the connector.

- The Business Express program offers small employers the option of purchasing coverage through the use of a contributory plan option. This program may be purchased through a broker or the employer may access the program directly through

the Health Connector. Initially the connector limited the number of brokers who could offer this product. While this option is now available to all brokers less than 25 brokers have chosen to participate in the program. Through the program the employer sets a contribution amount and then the employees choose a health plan through the health plan options available through CommonwealthChoice.

- For brokers who participate in the program the commission was initially 2.5 percent of the total premium amount. This has since been changed to $10 per employee per month for employers with 1 to 5 employees and 2.5 percent of the total premium amount for employers with 6 to 50 employees. Commissions for these same plans sold outside of the connector tend to be higher, in the 3-5 percent of total premium range.

- There is no difference in the premiums in terms of whether a broker is used or not, but if a broker is not used then the amount of the premium that is contributed to the broker's commission is used by the connector for administrative costs.

- Brokers who participate in the program are provided with approximately four days of training on the program.

Minnesota Community Application Assistance Program (MNCAA)

Presented on October 27, 2010
Randall Chun, House Research Department

Note: most of the information in this section is adapted from presentation slides prepared by DHS.

1. General description

- Overall goal is to help people enroll in Minnesota health care programs by providing outreach and application assistance through participating community organizations. The program is authorized under Minn. Stat. § 256.962, subd. 5.

- A community organization can be nonprofit or for-profit, must have ongoing contact with an uninsured population, and must not already receive state or federal funding for application assistance.

- Insurance brokers are allowed to participate in the program, and must meet the same requirements as community organizations.

- Individuals can obtain assistance through any community organization that serves the county in which they live.

2. Levels of participation

- An organization can participate at one of three levels, with level 1 organizations subject to the most requirements and level 3 the fewest (see table that follows).

- A level 1 organization is referred to as a Minnesota Community Application Agent. A level 1 organization must, among other things, serve as an application site, assist individuals in completing the health care programs application form and in collecting all necessary documentation, offer the use of fax and copy services, and provide follow-up as needed until an eligibility decision is reached.

- A level 1 organization receives a $25 application bonus for each applicant who is enrolled in a Minnesota health care program. The organization is allowed to provide an applicant with a gift certificate or other incentive upon enrollment.

- A level 2 organization provides information and referrals for application assistance, and may help with a portion of the application form, but usually does not assist with the entire application process, and is not eligible for the application bonus.

- A level 3 organization helps with outreach and raising awareness in the community about Minnesota health care programs (e.g. through health fairs and group presentations), but does not assist with applications, and is not eligible for the application bonus.

3. Requirements for staff of level 1 organizations

- Staff members of a level 1 organization who assist with applications must be certified by DHS as an agent by completing one day of training. The term "agent" in this context does not mean an insurance agent or broker.

- Agents are required to submit completed applications by fax to the Resource Center (described below) within 25 days of the date of application, along with other required materials and verifications. Agents enter a three digit MNCAA identification number on each application that is submitted.

4. MNCAA Resource Center

- Provides various levels of support to community organizations participating in the program, with the most support being provided to level 1 organizations (see table that follows).

- Level 1 organizations, for example, receive the following support: training and presentations, site visits and technical assistance, access to a call center, outreach materials, and access to the MNCAA web site.

5. Program statistics (as of October 2010)

- 120 MNCAA partners providing application assistance (level 1 organizations). One insurance broker is enrolled in the program and has been participating since 2008.

- 200 community organizations provide information and referral (level 2 organizations).

- Since 2008: participating organizations have submitted 22,839 applications for 33,286 individuals; 14,771 applicants have been successfully enrolled in a Minnesota health care program; and $369,275 has been paid in application bonus payments to 80 organizations.

6. Program funding

- Funding for the application bonuses is limited to the available appropriation.

- Funding appropriated for the 2010 to 2011 biennium was: $160,000 from the health care access fund and $360,000 from the general fund.

- The 2010 Legislature voided the governor's unallotment of the $360,000 general fund appropriation and instead eliminated the $360,000 FY 2010 to 2011 general fund appropriation for application bonuses.

- The current FY 2011 application for application bonuses is $160,000 from the health care access fund. This funding is being used only to provide application bonuses for new MinnesotaCare enrollees.

DHS-5964-ENG 9-09

Minnesota Community Application Agent (MNCAA) Program

The Minnesota Department of Human Services (DHS) works in partnership with community organizations. There are many ways for organizations to participate in reducing the number of uninsured Minnesotans.

Outlined below are the three levels of participation for community organizations. Each level of participation is defined by the amount of support provided by DHS and the resources dedicated by a community organization.

	Overview	Community Organization Role	DHS Support
Level I	A Level I organization is referred to as a Minnesota Community Application Agent (MNCAA) and must satisfy the highest level of expectations. A MNCAA's role in the community is to serve as an application site for those uninsured and needing assistance with the Minnesota Health Care Programs Application (HCAPP).	• Identify the uninsured • Assist potentially eligible uninsured with HCAPP • Assist applicant to collect all documentation needed • Offer use of fax and copy services • Follow-up as needed until an eligibility decision is reached	• $25 bonus for each applicant successfully enrolled • Training and presentations • Site visits and technical assistance • Call center for questions • Outreach materials • Access to best practices • MNCAA web site at www.dhs.state.mn.us/mncaa
Level II	A Level II organization provides materials and referrals for application assistance to any suspected or identified uninsured person they encounter. Some organizations may choose to help with a portion of the HCAPP, but usually do not assist with the entire application process.	• Supply uninsured with the HCAPP • Offer referrals to application sites in the community • Display materials about insurance options	• Presentations and site visits • Outreach materials • Access to best practices • Some call center support • MNCAA web site at www.dhs.state.mn.us/mncaa
Level III	A Level III organization helps to raise awareness in the community but does not assist with applications. These are people or agencies that spread information about Minnesota Health Care Programs through periodic awareness events in the community, health fairs and group presentations.	• Conduct periodic awareness events • Offer referrals to application sites in the community	• Presentations and site visits • Outreach materials • MNCAA web site at www.dhs.state.mn.us/mncaa

For more information about the MNCAA program or the three levels of participation:

Minnesota Department of Human Services – MNCAA Resource Center

Phone: (651) 431-4448
Toll Free: (866) 468-6648
Fax: (651) 431-7572
MN Relay: 711 or (800) 627-3529
E-mail: dhs.mncaa@state.mn.us

Other Enrollment Assistance Available to Minnesota Health Care Program Applicants

1. Minnesota Senior LinkAge Line

- A free statewide information and assistance phone service operated in all 87 counties by the Area Agencies on Aging.

- The program provides assistance in planning for and accessing long-term care services, including but not limited to, help in applying for Medicare and MA, and health insurance counseling.

- The program is also required to provide application assistance to Medicare enrollees who apply for a Medicare prescription drug program low-income subsidy, and who allow the Social Security Administration to transfer application information to DHS in order to allow DHS to determine eligibility for Medicare Savings Programs (under which MA pays for certain Medicare cost-sharing) or the regular MA program. Applicant information is also provided to the Senior LinkAge Line. Senior LinkAge Line staff attempt to call these individuals and provide assistance with completing the Minnesota health care programs application.

2. County human services agencies

- Counties administer MA and GAMC under the supervision of DHS, and have the option of also processing MinnesotaCare applications.

- Counties are required to accept and process applications, and periodically re-evaluate recipient eligibility. Counties are also required to assist applicants who have difficulty completing an application or obtaining required documentation.

3. Authorized representatives

- Applicants and enrollees may designate an authorized representative, such as a family member, friend, attorney, or health care provider, to act on behalf of the applicant or enrollee. An authorized representative, could, for example, provide assistance in completing a Minnesota health care programs application or renewal and obtaining required verifications.

Pros and Cons of Possible Exchange Options Regarding Navigators

Presented on October 27, 2010
Tom Pender, House Research Department

Option	Pros	Cons
Permit navigators to specialize in certain types of enrollees or certain types of products, such as in subsidized or unsubsidized enrollees, or in individual or group products	• Could lead to more competent advice based on specialized expertise. • Might attract more potential navigators.	• Could lead to a fragmented hard-to-navigate system. • Eliminates the one-stop shopping concept.
Structure grant payments to reward high performance, high-volume of assistance, or successful outreach to potential enrollees	• Could provide beneficial incentives to navigators	• Could lead to complex grant negotiations and limit participation by navigators.
Limit the number of navigators	• Would reduce costs of supervision, especially of low-volume navigators	• The selection criteria would be controversial