

PUERTO RICO HEALTH BENEFITS EXCHANGE (HBE) PLANNING PROJECT



FEBRUARY 2 2012

Scope of work per HBE planning grant application

- Conduct background research about Puerto Rico's uninsured and underinsured populations and current insurance market to understand the populations which could be served by an Exchange.
- Model the potential impact of the Exchange.
- Conduct necessary stakeholder outreach.
- Research, analyze, and make recommendations related to the Exchange's administrative structure, operations, and integration with existing government agencies and programs.
- Review Puerto Rico's current capabilities to manage key processes such as:
 - Eligibility and applications
 - Payment of premiums
 - Development of benefit packages
 - Oversight

About this project



Project Questions

1. What is the feasibility of building “all of the above” considering resource, time and funding constraints and Puerto Rico’s legal, political and economic environment?
2. If the answer to (1) is YES, “fill in the blanks” on what it will take to build “all of the above” at the level of detail required for the next phase of the project – Establishment grant application +

Exchange feasibility analysis

Key considerations and decision points

- Determining which elements of the ACA apply to Puerto Rico; for instance:
 - Not applicable to PR: “individual mandate”
 - Applicable to PR: most insurance market reforms
 - Not applicable to PR: “unlimited” funding for subsidies
- Benefits that must/should be covered by Exchange-based plans
- Setting eligibility to purchase Exchange-based plans
- Structure and magnitude/level of subsidies
- One vs. multiple Exchanges
 - Multiple Exchanges based on region, type of consumer (“individual” and “small group”), etc.
- Interaction with existing health care coverage and insurance systems
 - miSALUD
 - Private health insurance
 - “Alternative” providers of health care coverage products

Exchange feasibility analysis

Key considerations and decision points

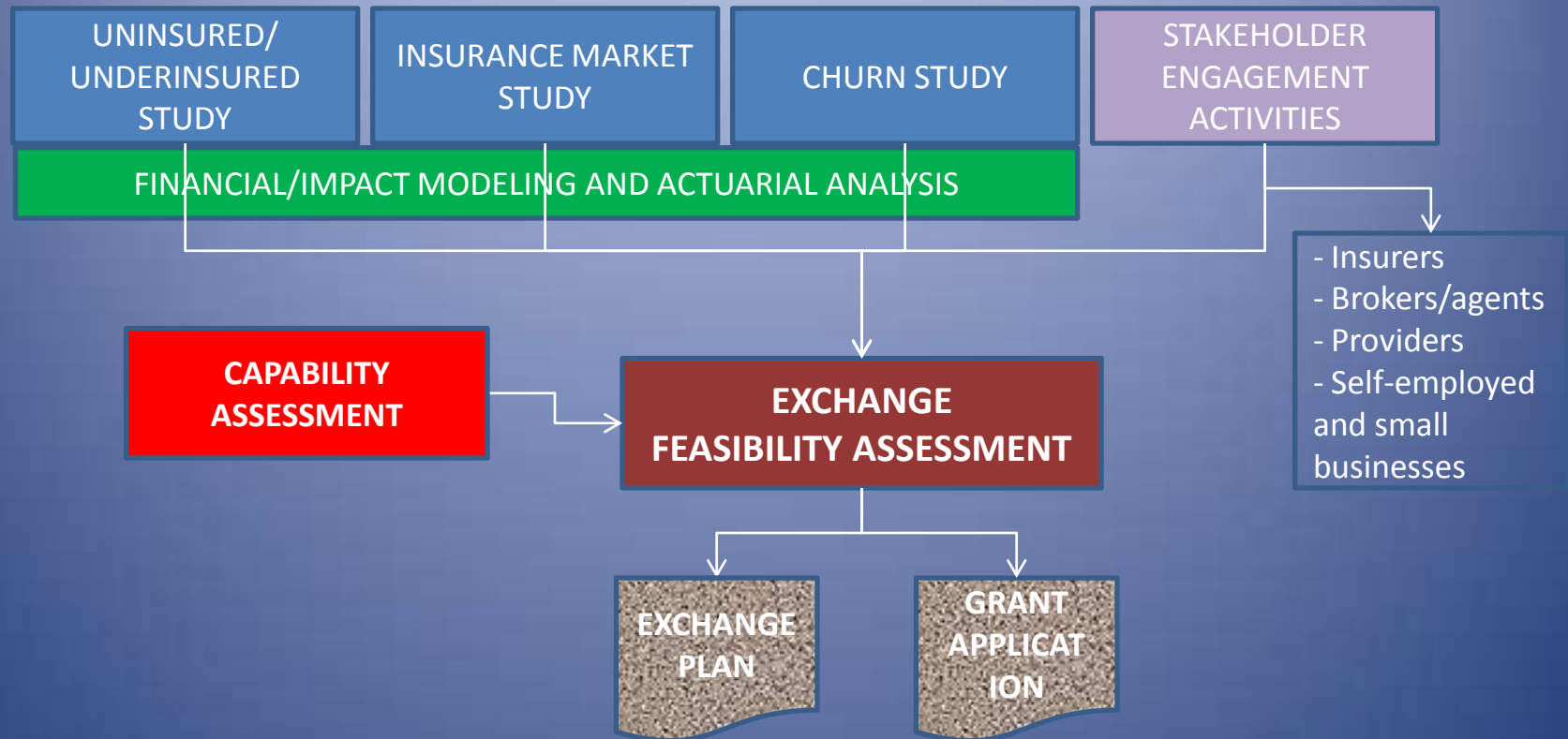
- How should the Exchange interact with the health insurance/health care coverage market?
 - Market Organizer and Distribution Channel
 - Selective Contracting Agent
 - Active Purchaser
- What is the optimal governance structure?
- What is the optimal way to build and operate the Exchange?
 - Build vs. buy
 - Employees vs. vendors
 - Personnel vs. Information systems (if systems, which systems?)
 - PR vs. Federal (for certain functions)
- What is the optimal Exchange management entity?
 - Single government agency or multiple agencies with designated roles
 - Single quasi-government entity
 - Single not-for-profit entity
- Partner with another jurisdiction?
 - Economies of scale benefit offset by operational and management complexity?

Exchange feasibility analysis

Key considerations and decision points

- Preventing adverse selection in the Exchange
 - Requirements
 - Risk management strategies
- Role of navigators, brokers and agents in the post-Exchange world
- Financial sustainability

Project approach and milestones



- Project Kickoff: December 2011
- Draft Plan: April 2012
- Final Plan: May 2012
- Establishment Grant Application: June 2012

Consulting team

