

The Patient Protection and Affordable Care Act

Regence on Reform

Presented to Idaho Health Care Task Force

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- We're nonprofit.
- Committed to serving individual and group customers since 1946.
- We pay taxes (\$1.7 million last year).

Post reform world

The “whys” of health care reform haven’t changed:

- **Access:** Approximately 50 million uninsured
- **Cost:** Spending will nearly double – reaching almost \$4 trillion and totaling \$1 out of every \$5 we spend - in less than 10 years. *(Centers for Medicaid & Medicare Services, March 2009)*
- **Quality:** US ranks 37th in the world in quality of health care
- **Patient Experience:** Everyone has a story

Immediate Reform Impacts

- **Benefit Changes** for plans issued or renewed on or after 9/23:
 - Added Preventive Services with no cost sharing
 - No pre-existing exclusions for under 19
 - Extended child coverage up to Age 26
 - Removed overall lifetime maximum
- **Early Retiree Reinsurance Program**
 - Regence helped large employers submit applications to HHS and will support ongoing data analysis and reporting necessary for federal refunds.
- **Web Portal**
 - November target for displaying Idaho individual products

Immediate Reform Impacts

- **Appeals and EOBs**
 - New requirements for level of appeals
 - New EOB data requirements (e.g., more detailed claims information to each member and linguistics)
- Varying degree of **rate increases** by line of business
- **Market confusion** as we all work with incomplete or late-developing guidance

Future Reform Impacts

- Plan designs and value-added services will focus on **preventive and wellness**
- Employers may choose **different coverage funding options**
- **Medical Loss Ratio and Refunds**
 - Starting in 2011, plans must meet a MLR of 80% for individual and small group business, and 85% for large group business
 - NAIC debate about what expenses and revenue to include in the MLR calculation
- **Different arrangements** with physicians and hospitals

Future Reform Impacts

- **Uniform** plan documents and definitions (2012)
- **Federal rate review** of non-GFPs (2010 ...)
 - “Reasonable” rate increases not yet defined
- **Exchanges** (2014)
- **Guarantee issue** / individual mandate (2014)
- Additional **rating rules** (2014)

So where is Regence in all of this?

- We share the community's concern over the high cost of health care.
- We have been active and vocal supporters of health care reform for several years, both at the state and federal level and are committed to implementing federal reform as quickly and efficiently as possible.
- We continue to work with our partners in the provider community to find ways to lower costs and continually strive to improve efficiencies within our own organization.
- Our bottom line: to make health care more affordable and understandable for individuals and their families.

For more information

www.regence.com

www.WhatsTheRealCost.org

