Progress on Exchanges

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Social Insurance in a Market Economy: Obstacles and Opportunities National Academy of Social Insurance (NASI)

January 26, 2012, Washington DC



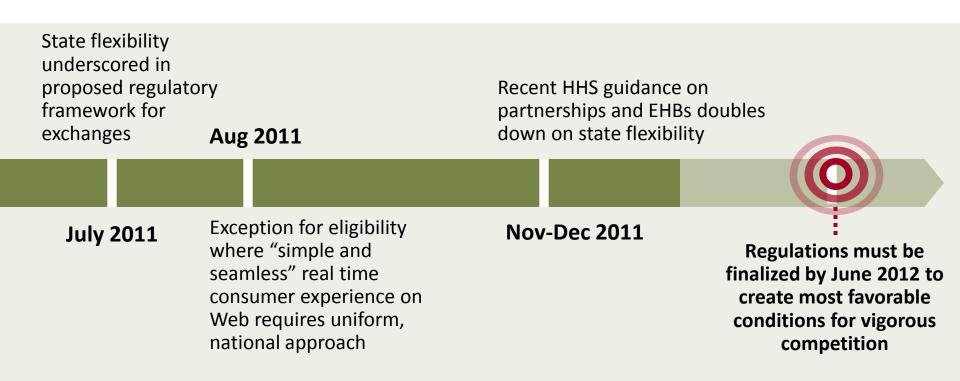
Overview

- **1** Setting the stage for 2012
- Political uncertainty through November election
- States making measurable progress anyway

- 4 Leading states will make the grade this year
- 5 Federal-state partnerships will be critical for many states
- 6 Reassessment and compromise will be necessary after the election

State Flexibility under Federal Standards

ACA puts states in driver's seat on exchanges, the new marketplaces of 2014



Progress Despite Uncertainty

- Supreme Court's March hearings will increase uncertainty leading up to June decision
- November election will keep ACA in play whatever happens with Supreme Court
- Politics will slow down legislative action in many states but...

- Most states will continue to lay groundwork for state-based exchanges with federal grants and technical support
- 49 states & DC received exchange planning grants in 2010 and 29 have followed up with implementation grants
- 15 of remaining 22 states have received grants to support upgrading their Medicaid eligibility systems under the ACA
- HHS has awarded over \$1 billion to 43 states & DC for exchange implementation and/or Medicaid eligibility upgrades
- More grants are pending and will be awarded in Feb 2012

Leading States Will Play Key Role

- Diverse group of states are moving toward full certification of state-based exchanges by Jan 2013
- Leading states include mix of red and blue states in all regions of the country
- States are reaching different policy decisions based on local market conditions and political preferences
- Leaders will supplement MA and UT with new and diverse models for other states to learn from

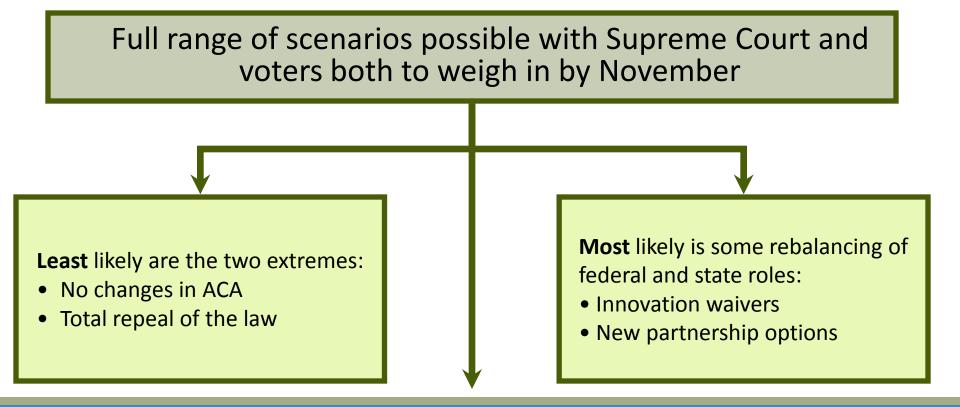
Number and quality of success stories will be key feature of post-election landscape

State-Federal Partnerships Will Be Needed in Many States

- Many states will not be ready for full certification in Jan 2013
- Some states will choose or default to a federally-facilitated exchange
- More states are likely to become partnership states under program launched last summer and still evolving in state-federal dialogues
- Recent guidance gives states multiple options for sharing eligibility function, where timing and logistical challenges are greatest
- Partnerships allow states to focus on insurer management, consumer assistance, and other traditional state functions

All federal or partnership states will retain the option to transition to a state exchange after 2014

Reassessment After the Election



- States likely to fight to protect and build on their progress
- Need for cost control and blocking power of minority party will keep everyone at the table

Questions?

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