



Kentucky's Healthcare Connection

Pay for Performance Summit

State Health Insurance Exchange & CO-OP Plans:
Performance Measurement & Value-Based Payment

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Overview: The Marketplace

Insurance Market

Open Enrollment

Outcomes

Opportunities for Quality
Improvement

Challenges

Future Direction

Overview of kynect:

- State-based Marketplace
- Submitted an Exchange Blueprint to Department of Health & Human Services (HHS) in December 2012
- Governance: State Agency
- Medicaid Expansion in May 2013
- Built a Completely Integrated System



Market Organizer

- No more than 4 plans per metal level
- No benefits in excess of EHB
- Must offer Silver, Gold, Child-only & Catastrophic
- Quality Improvement Strategy (QIS) Narrative Required

2014	2015	2016
Individual Market: 3 issuers	Individual Market: 5 issuers	Three Additional Issuers have expressed interest in entering the individual market
SHOP Market: 4 issuers	SHOP Market: 4 issuers	
Dental: 5 issuers	Dental: 5 issuers	

Open Enrollment Outcomes

Enrollment Totals

158,685

- New enrollees in 2015

108,905

- Qualified Health Plan enrollees

849,609

- Medicaid enrollees



Second Largest Decrease in Uninsured in the Country

- From 20.4% to 9.8%
- 52 % reduction in the rate of uninsured Kentuckians

States With Largest Reductions in Percentage Uninsured, 2013 vs. 2014

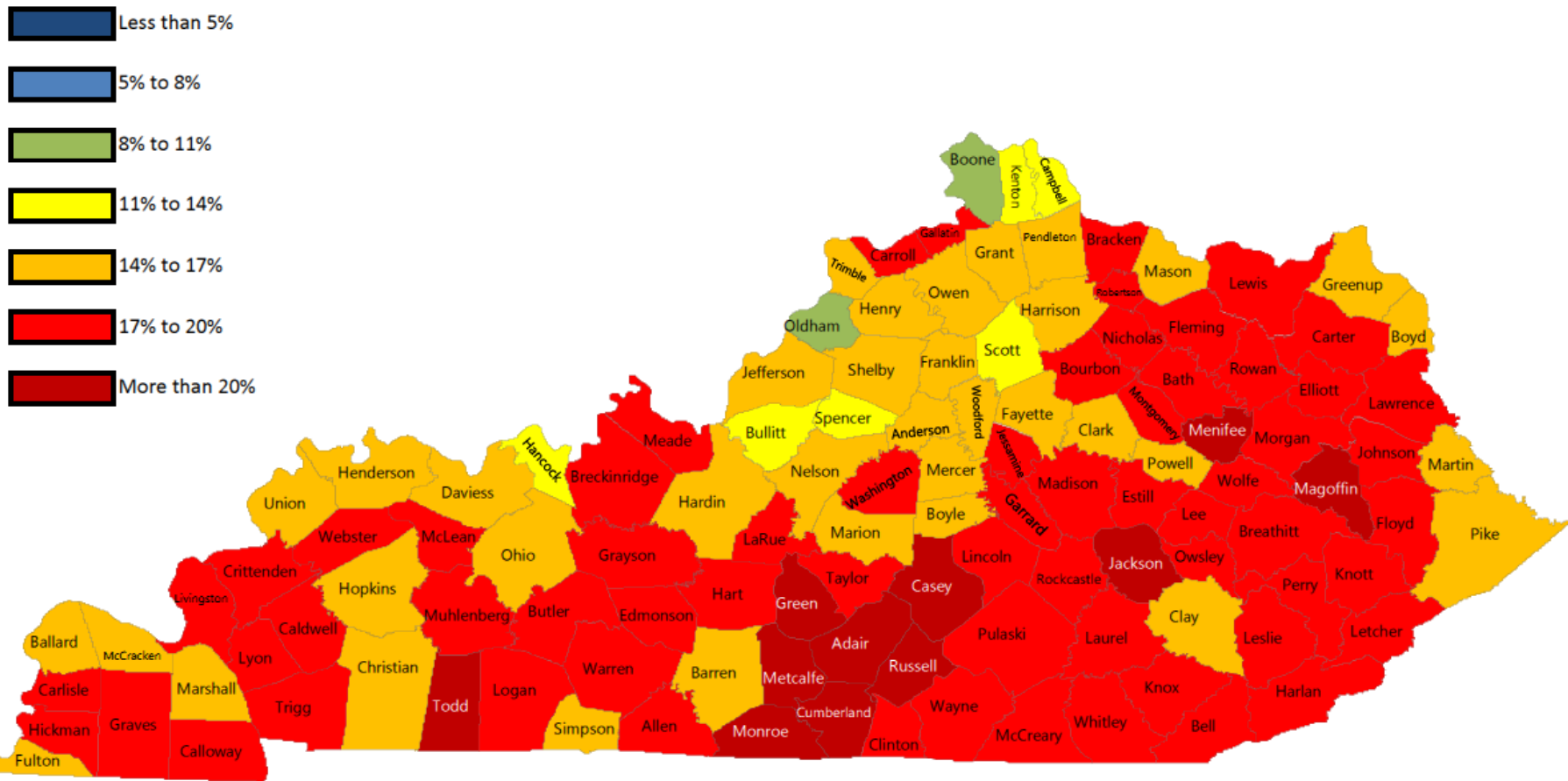
"Do you have health insurance coverage?" (% No)

	% Uninsured, 2013	% Uninsured, 2014	Change in uninsured (pct. pts.)	Medicaid expansion AND state exchange/ partnership in 2014
Arkansas	22.5	11.4	-11.1	Yes
Kentucky	20.4	9.8	-10.6	Yes
Oregon	19.4	11.7	-7.7	Yes
Washington	16.8	10.1	-6.7	Yes
West Virginia	17.6	10.9	-6.7	Yes
California	21.6	15.3	-6.3	Yes
Connecticut	12.3	6.0	-6.3	Yes
Colorado	17.0	11.2	-5.8	Yes
Maryland	12.9	7.8	-5.1	Yes
Montana	20.7	15.8	-4.9	No
New Mexico	20.2	15.3	-4.9	Yes

Gallup-Healthways Well-Being Index

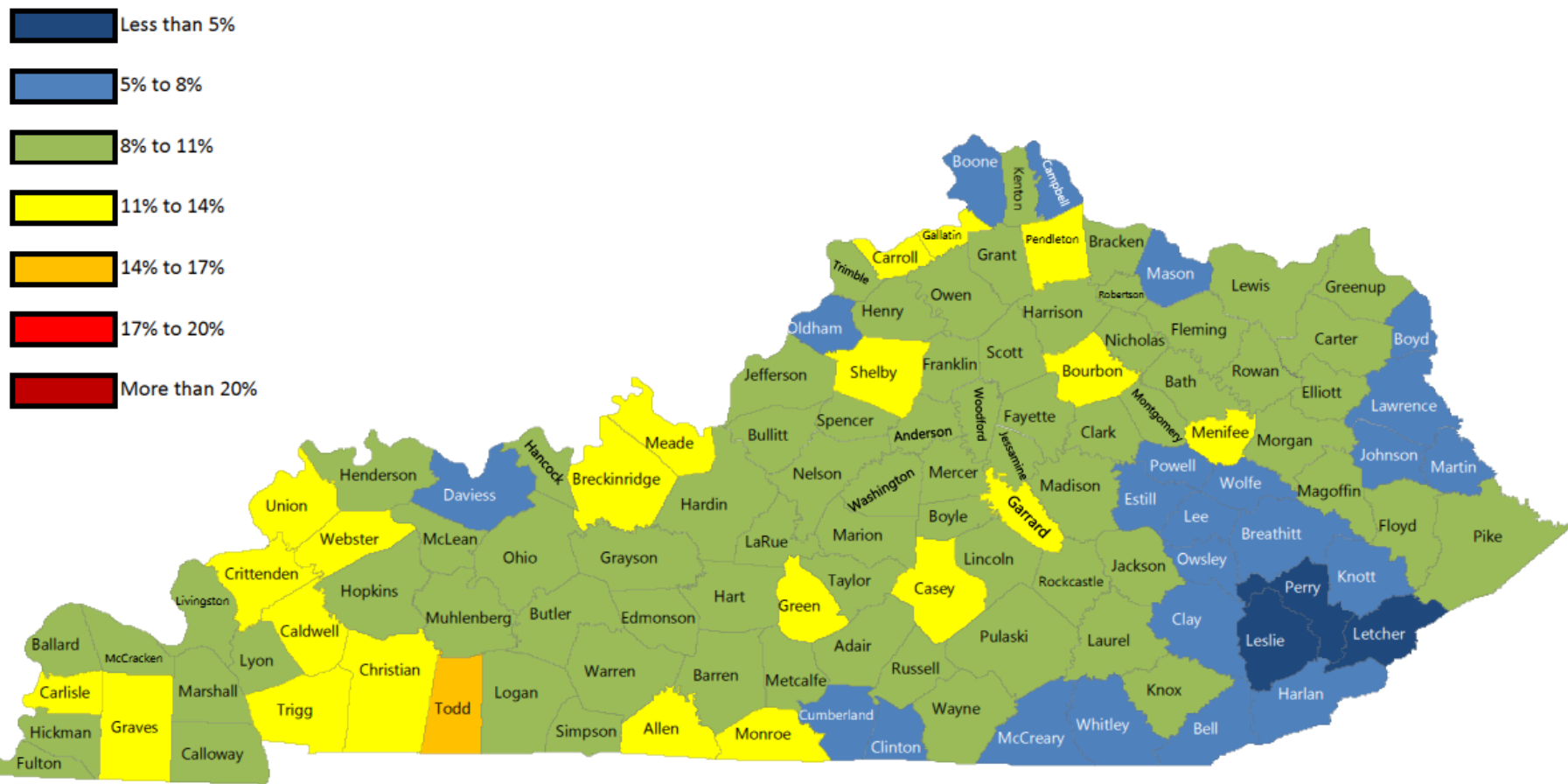


Percentage of the Population Under 65 that was Uninsured Prior to ACA
[2012 Small Area Health Insurance Estimates]





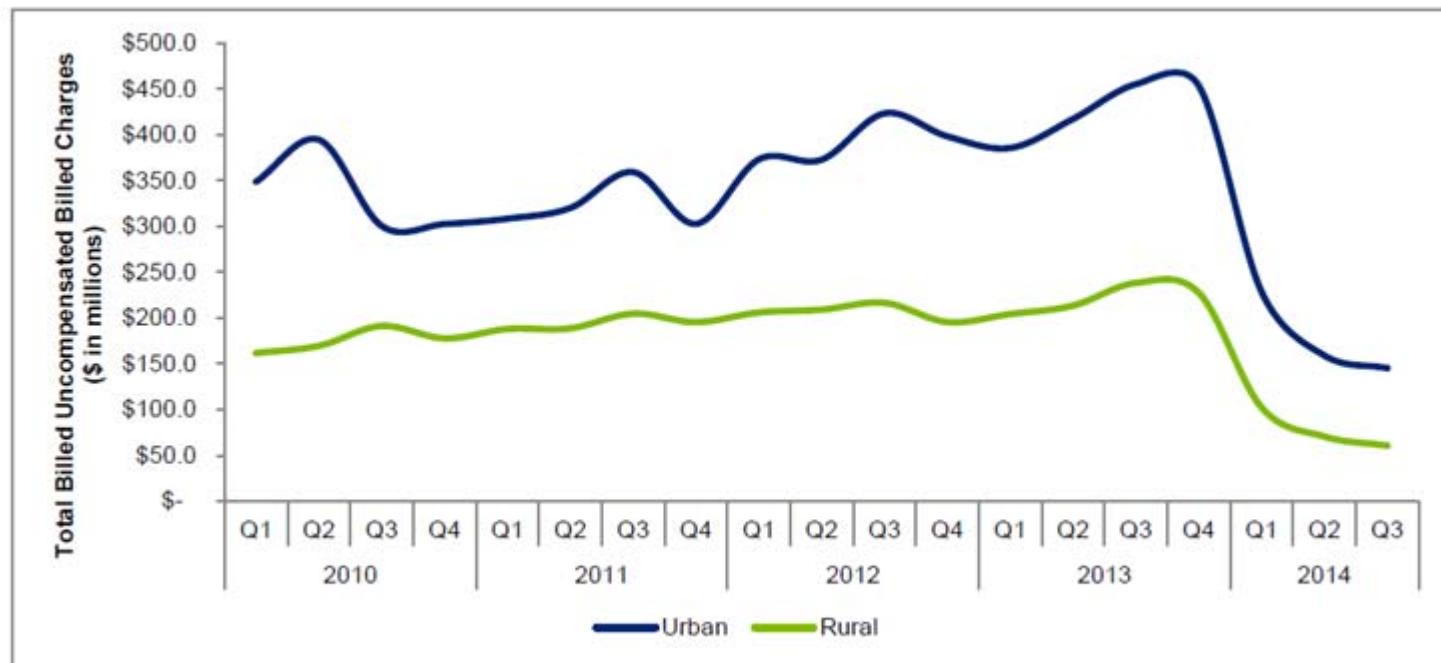
[Assumes 75% of New Enrollees were previously uninsured]



Uncompensated Care

- In the first three quarters of 2014, uncompensated care visits declined 55 percent over the prior year.

Figure 15. Total Billed Charges for Uncompensated Care – Rural and Urban



Increase in Provider Revenue & Primary Care Utilization

- \$1.16 billion in new revenues to health care providers in 2014.
- Hospitals alone received more than \$506 million.
- Provider revenue grew by more than 26% from 2013 to 2014.
- Pharmacy revenues were up 58%, primary care up 52%, and hospitals showed an average of 27% growth in receipts.

Table 14. Expansion Revenue by Provider Type, CY 2014

Provider Type	% of Total Revenue from Expansion	Total \$ Amount Paid from Expansion
Hospital	43.6%	\$506,561,000
Pharmacy	21.0%	\$243,579,000
Primary Care	21.1%	\$245,853,000
Other	9.1%	\$106,172,000
Medical Equipment	2.6%	\$30,732,000
Dental	1.6%	\$18,075,000
Behavioral Health Services	1.0%	\$11,836,000
Total	100.0%	\$1,162,808,000

After Two Open Enrollment Periods

- Successful IT Infrastructure
- Significantly more insured
- Individuals using healthcare
- Increased provider payment
- Decrease in uncompensated care
- Increased competition

This puts the Marketplaces in a very unique position to begin to really encourage quality and cost-effectiveness of health care in the individual and small group markets.



Marketplace Role

- Using selective contracting to drive quality and delivery system reforms
- Regulatory requirements
- Informing consumers about plan quality
- Collection data to inform quality improvement

Looking Ahead

- CMS Quality Initiatives
- Data Collection
- Website Architecture
- Value-based Purchasing & Plan Design



Implementation Challenges

- Operationalizing a Marketplace
- Limited competition (relatively)
- Emergence of new commercial insurers for which no quality data exists
- Sufficient enrollment to make quality measurement statistically significant
- Difficulty comparing pre-marketplace health plans with marketplace plans



Data Collection

- All Payer Claims Database
 - Will support business operations of the Marketplace including providing Marketplace with quality and cost data
 - Goals:
 - Statewide collection of cost and utilization data
 - Ease burden of reporting requirements
- Health Information Exchange
 - Encourage and support meaningful use of Health Information Technology



Future Direction: Performance Measurement

Participation in CMS Quality Initiatives

- Quality Improvement Strategy (QIS)
- Quality Rating System (QRS)
 - kynect will display federally developed quality ratings and enrollee satisfaction information in 2016 for PY 2017
 - KY issuers participating in 2015 Beta test
- Enrollee Satisfaction Survey System (ESS)
 - Health Insurance Marketplace Survey (Marketplace Survey)
 - Qualified Health Plan Enrollee Experience Survey (QHP Enrollee Survey)
 - Kynect participating in both Beta tests Summer 2015



Future Direction: Performance Measurement

Website Design

- Health Plan Report Cards
 - What to include, how to display
 - Federally developed quality ratings & enrollee satisfaction information
- Include Additional State Metrics
 - Accreditation agency, type, status
 - Grievances, complaints & appeals
 - Medical loss ratios
 - Financial information about the plan
 - Quality & efficiency of providers “inside” the health plan
- Decision Tools
 - Should allow consumers to make meaningful comparisons
 - Data should integrate quality, cost, provider choice



Future Direction: Website Design

2015

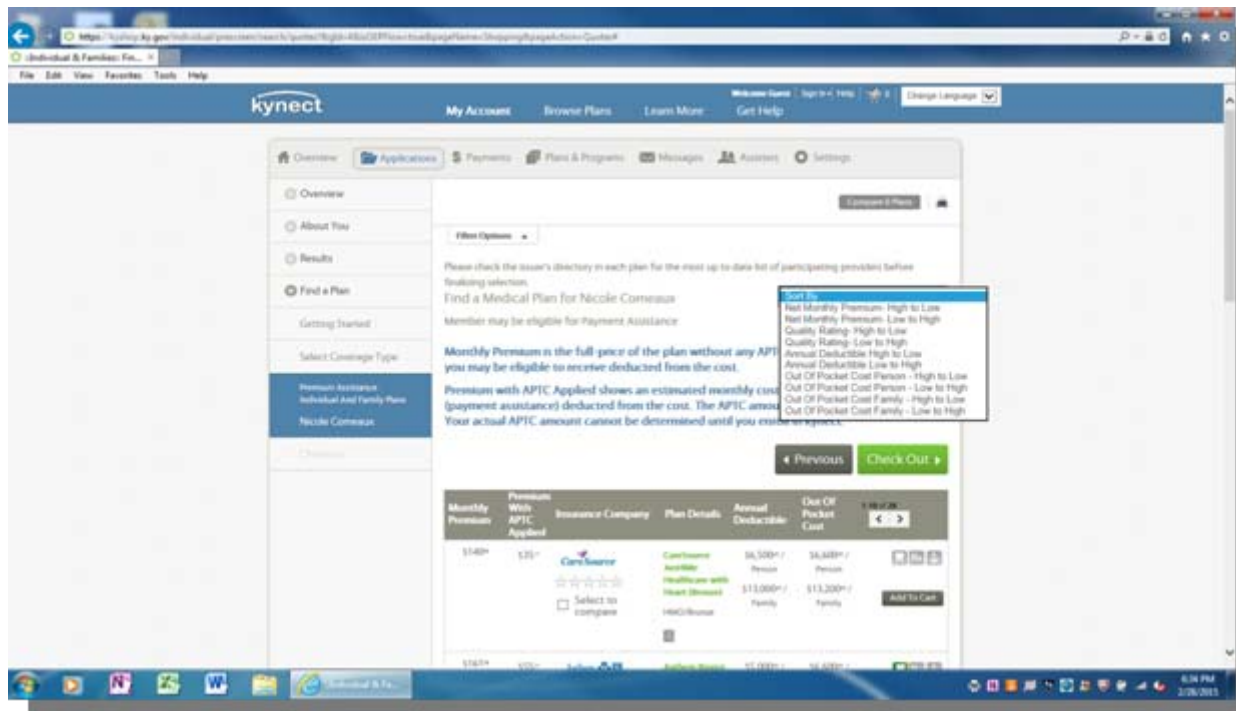
Focus groups, website
usability review,
design sessions

2016

Training agents,
kynectors, & call
center

2017

Plan Year – Display
ratings & additional
tools



Future Direction: Value-based Payment

Value-based Plan Design

- Channeling patients toward more effective services to control costs while improving health outcomes.
- Incentivizing use of certain providers by charging lower deductibles, copayments, and coinsurance amounts.
- Lowering beneficiary cost sharing or out-of-pocket spending to increase medication adherence





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