



**National
Business
Group on
Health**

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Creative Health Benefits Solutions for Today, Strong Policy for Tomorrow

May 9, 2011

Mr. Joel Ario
Director
Office of Insurance Exchanges
Center for Consumer Information and Insurance Oversight
U.S. Department of Health and Human Services (HHS)
Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Joel:

Thank you for taking the time to meet with us today. The design and execution of the exchanges are key to ensuring that all Americans have access to affordable, high quality health insurance. At the same time, exchanges can use their quality standards to play a significant role in controlling health care costs and implementing delivery system and payment reforms for the benefit of all. Exchanges can focus on value and reduce the total costs of coverage and care for all people and all payers, while improving the quality and safety of health care.

As you know, the National Business Group on Health represents approximately 330, primarily large, employers (including 66 of the Fortune 100) who voluntarily provide health benefits and other health programs to over 50 million American employees, retirees, and their families.

First, exchanges, employers and health insurers need to move very fast to enroll people in the plans of their choice in the Fall of 2013 and for employers to effectively communicate with their employees. Second, a tremendous amount of money and productivity will be wasted if the states, employers, health insurers and exchanges have to invent everything themselves. While states can choose to implement their own exchanges, the federal government should make all guidance; standards; uniform terms; adaptable, model administrative tools; and effective and efficient approaches to solving all of the operational issues of the exchanges available as quickly as possible in order to ensure uniformity and standardization and reduce waste, duplication and confusing variation.

In particular, we offer the following additional recommendations:

- HHS should give information to employers about the content and other requirements for the model notices and details about the processes involving employers' interactions with the exchanges as-soon-as-possible. Long lead time (at least 9 months of lead time) will help employers be ready to communicate with employees and their ability to answer employees' questions.
- HHS should adopt consistent national standards in the exchanges' interactions, information sharing, and transactions with employers.
- HHS should establish a single "secure portal," rather than permitting 50 separate ones, for state exchanges and employers to voluntarily send pertinent information back and forth—giving employers the ability to pick up the information and load it into their payroll systems, take deductions and pay funds back into the exchanges if/when they participate and help determine employees who are specifically eligible for exchange coverage in "real time"—similar to the interactions and benefits coordination between the exchanges and employer plans with the earlier employer Medicare Secondary Payer voluntary data sharing agreements (VDSA) under the IRS/SSA/CMS Data Match project. Such a system will reduce the administrative burden for employers and the exchanges. It will also help avoid duplicate payments and improve service to both employers and exchange participants.
- HHS should allow employers who do not contribute at least 60% towards coverage costs or other employers to voluntarily submit the lowest cost coverage option for employees' and employees' required contributions under their employer-sponsored plans during their annual open enrollment periods in the Fall rather than in July. Employers face potentially substantial administrative costs for submitting information outside of their normal open enrollment periods and diminished staff resources during the summer months due to vacations, paid-time-off, etc.
- Exchanges should adopt national standards in other areas where state variation adds no additional value and may actually add costs.
- States should require the National Committee for Quality Assurances' (NCQA) highest accreditation standards - "Excellent" - in order for plans participate in the exchanges, providing a transition period of 2 years if this standard would result in limited choice of plans in the model exchange.
- States should permit all plans meeting the high national quality standards to participate in the exchanges.
- HHS should ensure that exchanges assume strong roles as active purchasers, not only for the exchange enrollees, but to align with other purchasers in the community to help providers become more effective and efficient in care delivery.
- HHS should require independent actuarial assessment of the soundness of exchanges' participation rules, requirements for exchange plans and financial calculations.

We would be pleased to host a phone call between you and your staff and members of our Center for Health Care Transitions (CHT), which was established by the Board of Directors in July 2010 to be the voice for innovative, large employers on matters related to the new health care legislation. The CHT focuses on ensuring that legislation and regulations affecting employers, especially large employers, are implemented in the most effective and efficient way possible; and that the law addresses the issues of controlling health care costs and implementing delivery system and payment reforms. **Our next CHT meeting is on June 14, 2011 from 3:30pm-4:30pm. We would also be happy to arrange a phone call according to your schedule.**

Please contact me or Steven Wojcik, the National Business Group on Health's Vice President of Public Policy, at (202) 558-3012, to set up a time to speak to the CHT. We look forward to continuing our work with you to make the exchanges a success.

Sincerely,



Helen Darling
President

cc: Mr. Steve Larsen, Director, CCIIO
The Honorable Donald M. Berwick, M.D., Administrator, CMS
Ms. Marilyn B. Tavenner, Principal Deputy Administrator, CMS
Ms. Nancy-Ann DeParle, Deputy Chief of Staff, The White House
The Honorable Kathleen Sebelius, Secretary, U.S. Department of Health and Human Services
State Governors
Mayor of the District of Columbia
State and DC Insurance Commissioners
Ms. Therese M. (Terri) Vaughan, Chief Executive Officer, National Association of Insurance Commissioners
Mr. Dan Crippen, Executive Director, National Governors Association