

Health Care Reform

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Major Provisions of the Affordable Care Act

- **Individuals must purchase qualified coverage or pay a penalty**
- **Large Employers must offer minimum essential coverage or pay a penalty (delayed until 2015)**
- **Coverage will be available to individuals and small groups through insurance exchanges**
- **Financial assistance will be available for qualified individuals**
- **Extensive coverage protections added to most policies (guaranteed issue, free preventive care etc.)**

How Exchanges Work

Individual

Small group (SHOP)

Purchaser

Individuals

Small groups

**Tax Credit/
Subsidy**

Members below 400% FPL

Employers below 25 EEs

**Product
Levels**

Platinum **Gold** Silver Bronze Catastrophic

Platinum **Gold** Silver Bronze

Member Selects

Employer Selects

Carriers

Carrier A Carrier B Carrier C Carrier D

Carrier A Carrier B Carrier E Carrier F

Member Selects

Member Selects

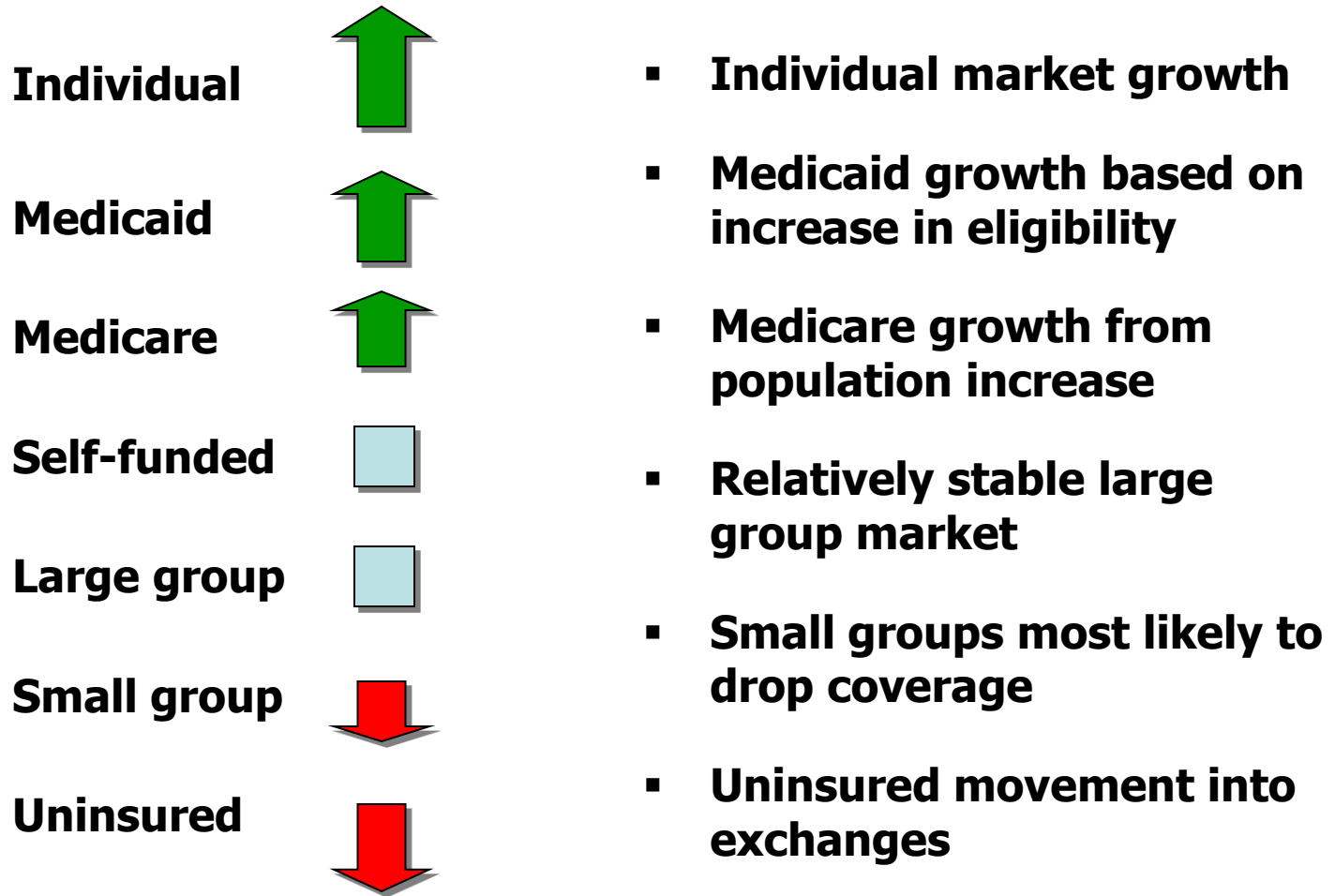
NY State of Health Launched October 1

- **Governed by Department of Health**
- **Call center through Maximus**
- **Five carriers offering individual products and three offering small group products in Rochester**
- **Carriers required to offer all metal levels**
- **All carriers must offer one standard product; can offer up to 2 non-standard**

Changes in the market landscape

- **Emerging individual market**
- **Population with unique and diverse segments**
- **Standardized benefits; price as focal point**
- **Change in employer approaches to offering coverage**
- **Potential shift from traditional sales channels to retail**
- **New carriers emerging**
- **Adverse selection concerns**

Market shifts will occur in enrollment



Potential Emergence of Retail Market

- **Employers may have reduced incentive to offer coverage given low cost of dumping**
 - But need to do the 'real' math – not as clear cut as it may seem
 - Balance against talent acquisition and retention
- **Affordability potentially increased through subsidies**
- **Influx of previously uninsured now buying direct**
- **Consumers have more choices**

Implications for Insurers

- **Responding to changing competitive landscape**
- **Solutions to changing employer needs**
- **Direct to consumer focus**
- **Differentiation beyond product**
- **Managing risk of new segment**
- **Stakeholder education and decision support**
- **Managing regulations and mandates**