



THE FLORIDA SENATE

SELECT COMMITTEE ON PATIENT PROTECTION AND AFFORDABLE CARE ACT

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The Patient Protection and Affordable Care Act (PPACA) is a complex and comprehensive federal law that significantly impacts the health insurance market, the delivery of health care service, and our state's safety net programs. The Senate Select Committee on the Patient Protection and Affordable Care Act will evaluate what actions, if any, might be necessary to mitigate cost increases, preserve a competitive insurance market, and protect Florida's consumers.

The decision points under consideration by the Select Committee include the following:

Market Regulation: The federal law defines many regulations for health insurance.

- Should enforcement of these requirements be left to the federal government or should the State cooperate in this process?
- If state agencies such as the Office of Insurance Regulation (OIR) and the Agency for Health Care Administration (AHCA) cooperate with the federal government, what flexibility can the State exercise in the regulatory process?
- Should Florida insurance laws be revised to align with new federal rules and regulations? For example, should insurers selling coverage outside of the exchange be required to use the same open enrollment period as applies inside the exchange?
- Can the State operate a health insurance exchange at a lower cost than the federal government?
- If the State operates an exchange, which functions should be handled by the State?
- Should the State change the benchmark plan that is used to evaluate health insurance products sold in Florida? The current benchmark was set by default in accordance with federal law.
- Who should determine that an insurance product sold to Floridians through an exchange is offering the minimum essential health benefits required by federal law?

Consumer Protections: Under current state law, people buying health insurance in Florida are protected in a variety of ways.

- Who should protect consumers purchasing health insurance under the new federal law?
- Should the federal government or the State of Florida evaluate insurance premiums to determine that the rates are adequate to cover the expected claims and appropriate for the actuarial value of the plan?
- What method should be used to evaluate premiums? Should the evaluation be conducted at a statewide or regional level? How do these methodology choices affect premiums?
- Should the federal government or the State of Florida take action when an insurer selling policies to Floridians through the exchange becomes insolvent?
- Who, if anyone, should pay the claims of insolvent insurers if those insurers only sell inside the exchange?
- Should the federal government or the State of Florida be responsible for monitoring compliance with the medical loss ratios and the payment of any rebates owed to consumers?
- Should state agencies assist consumers by receiving complaints and resolving grievances?

Health Insurance Exchange: Under the federal law, an exchange—a marketplace for buying and selling health insurance—will be established for each state.

- Which of the three types of exchange—Federally Facilitated Exchange, Partnership, or State Based Exchange—will best serve Floridians?
- Exchanges are required to certify plans and monitor their performance in relation to federal standards. Would these functions be performed any differently or any better if done by a state agency?
- Exchanges are required to assist consumers by providing information and helping to resolve complaints. Will Floridians be better served if these functions are performed by a state agency?
- Exchanges must determine eligibility for various types of government assistance to obtain health insurance. Would Floridians be better served if these functions are performed by a state agency?

- Is there a state agency that could function as an exchange or would a new agency need to be created?
- Is there a private not-for-profit organization that the State could use as a partner to carry out the functions of an exchange?
- An exchange can include any qualified plan or limit participation to a few selected plans. If the exchange in Florida is operated by the federal government, how would this decision be made and by whom?
- Who should operate the exchange for Florida—the federal government or the State?

Medicaid & State Children's Health Insurance Plan (SCHIP): States have the option of expanding Medicaid eligibility to 138 percent of poverty and the SCHIP is slated for sunset in 2019.

- What are the short term and long term financial responsibilities that the State assumes if Medicaid is expanded?
- How will expansion affect the current statewide Medicaid managed care implementation?
- Does Florida Medicaid currently have enough health care providers to ensure new enrollees will be able to access the services they need?
- Are there actions the State can take to make it easier for entire families to enroll in one plan even if family members qualify for different types of government assistance?
- Should the State implement a Basic Health Program to provide health coverage for certain low income Floridians and legal immigrants that do not qualify for Medicaid?

Employer Impacts: The federal law penalizes employers who fail to offer the minimum benefits at an affordable cost for all fulltime employees.

- How will these federal requirements and other provisions of the PPACA affect Florida's employers? Will health benefit costs increase? Will the cost impacts affect job creation?
- What action, if any, can Florida take to mitigate cost increases?

- What is the future of Florida initiatives such as Florida Health Choices and flex plans? Can these programs still help Floridians to access affordable health care?
- What changes does the State of Florida as an employer need to make to the State Group Insurance plan?
- How should the State provide coverage for those part time employees who work 30 hours or more that will be required affordable insurance options?
- Are there coverage changes to the State Group Insurance plan necessary to comply with the PPACA?