

REPORT OF THE  
STATE CORPORATION COMMISSION  
HEALTH BENEFIT EXCHANGE DIVISION ON

The Virginia Health Benefit Exchange Pursuant  
To Section 38.2-6516 of the Code of Virginia:  
2020 Reporting Period

TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA

COMMONWEALTH OF VIRGINIA  
RICHMOND

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**Report of the Virginia Health Benefit Exchange  
within the State Corporation Commission  
to the Virginia General Assembly  
Pursuant to § 38.2-6516, Code of Virginia**

**November 1, 2020**

## **Introduction**

On April 9, 2020, Governor Ralph Northam signed legislation creating the Virginia Health Benefit Exchange (Exchange) within the State Corporation Commission (Commission). The new [law](#) took effect on July 1, 2020, and is designed to facilitate the purchase and sale of qualified health plans and qualified dental plans to support the continuity of coverage and reduce the number of uninsured Virginians.

The shift to a State-based Exchange has begun in earnest. Virginia is now making the transition from its previous status as a Federally-facilitated Exchange to a State-based Exchange on the Federal Platform (SBE-FP) for Plan Year 2021, before ultimately transitioning to a full State-based Exchange by Plan Year 2023. Prior to Plan Year 2023, Virginia consumers will continue to use [www.HealthCare.gov](http://www.HealthCare.gov) to shop and enroll in Affordable Care Act health plans and access available financial assistance. Small business health insurance will also be available at <https://www.healthcare.gov/small-businesses/>.

Each year, by November 1, the Exchange, in collaboration with the Secretary of Health and Human Resources, must submit a report to the Chairs of the Senate Committees on Commerce and Labor and Finance and Appropriations and the House Committees on Labor and Commerce and Appropriations updating them on the following items:

1. Exchange operations and responsibilities;
2. An accounting of the Exchange's finances;
3. The effectiveness of the outreach and implementation activities of the Exchange in reducing the number of individuals without health insurance coverage; and
4. Other relevant information.

In fulfillment of this mandate, the Exchange presents this report for 2020. This year's version is limited in scope given the abbreviated reporting period. However, the central message is this: in just several months, the Exchange has completed all activities required to become operationally ready as an SBE-FP in compliance with federal and state requirements. Open enrollment for Plan Year 2021 will begin according to schedule on November 1, 2020.

## **1. Exchange Operations and Responsibilities**

### Blueprint Application

As part of its transition to a State-based Exchange, Virginia was required to submit a completed Blueprint Application to the United States Centers for Medicare and Medicaid Services (CMS) showing how it will meet the legal and operational requirements and implement and execute the required activities. Virginia submitted this application on July 27, 2020. On August 19, 2020, CMS

acknowledged Virginia's ability to perform consumer assistance and plan management. While in this transition status, the Exchange is using the federal platform for eligibility and enrollment functions.

### Administrative Structure

On July 1, 2020, the Commission created a new division, the Health Benefit Exchange Division, for the purpose of implementing the new law and operating the Exchange. Victoria Savoy has been named Division Director.

### Advice and Consultation

#### *Advisory Committee*

An Exchange Advisory Committee has been established to advise and provide recommendations to the Commission and the Exchange in carrying out Exchange purposes and duties. Both the Governor's Office and the Commission have completed their respective selection processes and announced their appointees. The Commission exercised its option under state law to appoint an additional two members. The Committee has been fully constituted and will hold its first meeting this fall.

#### *Stakeholder Consultation*

As part of its Outreach and Education plan, the Exchange is maximizing its diverse and wide-ranging stakeholder relationships in the lead-up to open enrollment through ongoing communication and collaborative policy discussions to shape Exchange operations. Stakeholder partners critical to Exchange development include consumers and consumer representatives, Navigators and Certified Application Counselor Designated Organizations (CDOs), insurance agents, qualified health plans, health care providers and other state agencies such as the Virginia Department of Medical Assistance Services and the Virginia Department of Health.

Through its initial stakeholder outreach efforts, the Exchange has identified over 300 relevant stakeholders. It has invited their suggestions for achieving a transparent and competitive marketplace; promoting consumer choice and education; assisting individuals with access to programs, policies, and procedures for securing coverage and educating them on premium tax credits and cost-sharing reductions; supporting the continuity of care; and reducing the number of uninsured. Stakeholders were also asked to identify any geographic areas or demographic groups that should be the focus of attention and targeted outreach and education efforts. Stakeholders have also been consulted as part of the Exchange Advisory Committee selection process.

### Consumer Assisters

The Exchange engages assisters to work with consumers, including Navigators, CDOs, and Certified Application Counselors (CAC). The Commission has developed a compliance agreement requiring CDOs designated by the Exchange to adhere to certain privacy and security standards and to implement required specifications for certifying individuals to perform CAC duties.

#### *Navigator Grant Program*

The Exchange oversees a Navigator program to help Virginians navigate, shop for and enroll in health insurance coverage through [www.HealthCare.gov](http://www.HealthCare.gov). On June 12, 2020, the Commission, on behalf of the Exchange, issued a Request for Applications for interested entities or individuals qualified under state and federal law to provide Navigator program services. On August 31, 2020, the Commission

awarded nearly \$1.5 million in grant funds to the Virginia Poverty Law Center and \$365,000 to Boat People SOS, Inc. The Exchange modified the Federally-facilitated Exchange's privacy and security standards agreement for use with Virginia Navigator grantees.

### *Certification and Training*

The Exchange has also published a list of frequently asked questions covering certification, training and registration requirements. It is overseeing and administering the certification of individual Navigators. Additionally, the Exchange is creating a CAC program through proposed rulemaking issued September 4, 2020, to designate CDOs to certify assisters as CACs. The Commission has worked with CMS to address transitional issues surrounding timeframes for the certification of Navigators and CACs and the designation of CDOs which certify CACs. As a result, on or after November 1, an individual must not act as a Navigator or CAC without completing all applicable Exchange certification, training and/or registration requirements. Assisters will be required to use the Federally-facilitated Exchange's training for Plan Year 2021.

### Consumer Outreach and Education

#### *Outreach Plan*

The Exchange has prepared an outreach plan to reach its target population of uninsured, underinsured, underserved, and marginalized populations, including those eligible for Medicaid and FAMIS. Under this plan, current health plan enrollees will be directed to [www.HealthCare.gov](http://www.HealthCare.gov) to reenroll or update their account for Plan Year 2021. Medicaid- and FAMIS-eligible populations will be encouraged to go directly to [www.CoverVa.org](http://www.CoverVa.org) for enrollment and recertification. Because of the Covid-19 pandemic, Exchange outreach for the foreseeable future will not be based on in-person assistance as has been the case previously. The Exchange has solicited and will continue to solicit feedback from its sizeable group of stakeholders in developing relevant messaging and marketing activities.

Effective communication prior to and during the upcoming open enrollment will be straightforward, frequent and timely. The communications plan will ensure that Virginia consumers know where to go to shop for and enroll in health insurance coverage; educate consumers about their health insurance options; maximize the use of one-on-one personal assistance, available virtually or via telephone, with Navigators, CACs and insurance agents; and make outreach and education information available in accordance with specified accessibility standards.

The Commission has contracted with a third-party (i.e., NDP) for the creation of an advertising campaign to leverage strategic and tactical aspects of digital and traditional elements during open enrollment. The campaign is targeting the uninsured and underinsured using census data to direct outreach in Virginia counties and cities that have higher percentages of uninsured, as well as populations in the top three languages spoken by non-English proficient populations in Virginia.

With an investment of \$200,000, the Commission is also partnering with NDP in developing creative assets to reinforce awareness and drive behavioral change.

#### *Education*

Consumer education is a key component of Exchange activities. The Exchange has established and is maintaining an up-to-date website to communicate coverage options and available consumer assistance and associated services. It also directs users to [www.HealthCare.gov](http://www.HealthCare.gov) to apply for and enroll

in coverage. Written in plain language, the information meets general accessibility standards and those for individuals living with disabilities or having limited English proficiency. Meetings of the Exchange Advisory Committee will be announced in advance via the website, with materials such as meeting minutes posted there as well.

The Exchange has also set up and is operating a toll-free telephone hotline to respond to consumer inquiries, provide eligibility and enrollment information, and direct them to [www.HealthCare.gov](http://www.HealthCare.gov) and other applicable sites

#### Legal Agreements

On August 30, 2020, the Exchange and CMS executed a Federal Platform Agreement since the Exchange will be operating on the federal platform. The Exchange also executed an Information Disclosure Agreement to support authorized sharing of data between CMS and the Exchange.

#### Open Enrollment Readiness

On September 30, 2020, CMS provided the Exchange with a letter acknowledging the completion of the 2021 Open Enrollment Readiness Review. CMS performed the review of the Exchange's system functions and business processes to assess its ability to handle consumer assistance and plan management functions.

## **2. Exchange Finances**

The Exchange has informed CMS that it has the appropriate authority to generate revenue to fund its operations through assessment fees, federal grants, or funds appropriated by the Virginia General Assembly for operational sustainability in accordance with the Affordable Care Act. The Exchange has used existing agency resources to create a budget and management plan.

#### Budget

The state budget includes \$8.22 million and \$13.25 million, respectively, to fund State Health Benefit Exchange plan management functions for FYs 2021 and 2022. For those same years, the state budget appropriates \$103,671 to fund existing Federal Health Benefit Exchange plan management functions. Since the Exchange Division's budget is proprietary, specific line items have not been included.

#### Working Capital Advance

The state budget authorizes the Secretary of Finance to approve a Working Capital Advance of up to \$40 million over ten years to fund Exchange start-up and other implementation costs -- \$6 million of which was approved on June 5, 2020 and drawn down by the Commission on July 1, 2020. Current anticipated drawdowns are expected to be \$32 million over four years.

## **3. Effectiveness of Outreach and Implementation Activities**

An estimated 7.9% of Virginians were without medical insurance in 2019 – equaling 658,000 uninsured Virginians.<sup>1</sup> This represents a 0.9 percentage point decrease from 2018, or 73,000 fewer uninsured. Not accounting for the Covid-19 pandemic, the percentage of uninsured in Virginia is at its lowest level in at least 10 years. However, some uptick in the percentage of uninsured is expected. As of March 1, 2020, more than 260,000 Virginians were enrolled in qualified health plans in the

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<sup>1</sup>See HI-05\_ACS at <https://www.census.gov/data/tables/time-series/demo/health-insurance/acs-hi.html>.

individual market, and another 325,000 enrolled in small group coverage.<sup>2</sup> Most of those covered in the small group market were not enrolled in qualified health plans.

Since open enrollment does not begin until November 1 – the date of this report – the Exchange is not yet able to assess the effectiveness of initial outreach and implementation activities in reducing the number of uninsured Virginians. The Exchange will provide a full accounting in the next annual report covering the period November 1, 2020 through October 31, 2021.

#### **4. Other Relevant Information**

The Exchange has completed the transition activities necessary to operate as an SBE-FP in accordance with its approved Blueprint Application.

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<sup>2</sup> Source: iSite Supplemental Health Care Exhibit –Number of covered lives by market for 2014-2019.