



Strategies for a Robust Partnership or Federally Facilitated Exchange: Same Priorities, Different Targets

With the election in the rear view mirror, states need to put their Exchange implementation in high gear and drive it forward. By 2014 all states must have an Exchange, health insurance marketplaces to help individuals and small businesses access quality health insurance, up and running. The only question now is which of the three possible [models for Exchanges](#)—a State Based Exchange (SBE), a Federal-State Partnership Exchange (Partnership), or Federally Facilitated Exchange (FFE)—states will choose to implement.

Due to the short time frame remaining before Exchanges start operating, most states now must pivot to either a Partnership or an FFE. Regardless of the path a state pursues, consumer advocates will continue to work for transparency, representation, quality and competition in their Exchanges. What will change are the advocacy strategies consumer advocates will need to use to win these priorities.

This brief highlights how advocacy strategies will shift if a state pursues a Partnership or an FFE model. While consumer goals are consistent across types of Exchange, each Exchange model will have different state and federal roles that require a fresh look at advocacy strategy.

The Intersection of Consumer Priorities and Exchange Models

Since the passage of the Affordable Care Act (ACA), consumer advocates have worked diligently to support the development and implementation of consumer-friendly SBEs. Advocacy work has focused on advancing a set of [consumer priorities for Exchanges](#). The top three priorities for advocates include:

- Consumer representation in decision making
- Exchange authority to ensure high quality, affordable health plans for consumers
- Consumer assistance to support clear transparency and choice

Consumer advocates have worked to advance these Exchange priorities on the state level; however, as 2014 nears, a new environment requires advocates to review the strategies they use to accomplish their goals.

The table below illustrates when the state versus the federal government will have an active role in Exchange design and implementation of consumer priorities.

Table 1: Consumer Priorities: What are the Lead Roles across Exchange Models?

| Consumer Priority | SBE | Partnership | FFE |
|---|-----|-------------|-----|
| Ensure consumer participation in governance | X | O | O |
| Authority to negotiate with health plans; Require QHPs to meet high standards | X | X | O |
| Ensure Navigators provide clear information to consumers | X | X/O | O |

X – State Lead

O – Federal Lead

State-based Exchange (SBE)

In an SBE, the state is the lead stakeholder in decision making regarding the Exchange. For example, state legislation may determine Board membership and set parameters around authority, conflict of interest and the role of consumers. While decisions are made within regulatory framework of the ACA set out by Center for Consumer Information and Insurance Oversight (CCIIO), states have clear authority in design information.

Federal-State Partnership Exchange (Partnership)

If a state pursues a Partnership model, the governor's office may choose to retain ownership of [plan management](#) and/or consumer assistance. This means the state may continue to play an active role in negotiating high quality plans and supporting transparent choices for consumers.

[Plan management](#) affects multiple consumer priorities, including the authority to contract for quality plans, certify qualified health plans meet high standards, guard against [adverse selection](#) and strengthen the Exchange insurance market overall. While many of these duties will often draw upon the existing capacities of state insurance departments, there are new required activities that will demand expanded capacity and unprecedented engagement with consumers. These include rate review and monitoring of essential health benefits.

[Consumer assistance](#), in the context of the Exchange, involves input on development and implementation of the Navigators program, as well as oversight of assisters and outreach. CCIIO has signaled they will work alongside states to support the consumer assistance work.

As illustrated in Table 1, in Partnerships the issue of governance is left to federal decision makers. This does *not* mean consumer advocates won't have a voice in how the federal government addresses governance. Rather, it introduces a new relationship between federal stakeholders and consumer advocates. The level of advocacy shifts from state-level work with state-level policymakers to direct advocacy to CCIIO. In some scenarios with politically difficult state environments, this shift may benefit consumers.

For consumer advocates working on a Partnership, it is important to remember that state and federal policymakers are both targets depending on the area of work. The biggest distinction between an SBE and a Partnership is that the state may only play a leading role in consumer assistance and/or plan management.

Federally Facilitated Exchange (FFE)

In an FFE, the federal government is the lead decision maker; this differs from a Partnership where the state may continue to make some key decisions. In this scenario, both consumer advocates and the state will appeal to CCIIO for advancement of their priorities. Therefore, in the FFE, state government and consumer advocates should be seen as peer stakeholders.

Consumer advocates, particularly in politically challenging environments, have an opportunity to support federal implementation of an Exchange. Their previous state level work offers the federal government an outline of consumer's needs and existing advocacy capacity. The following section discusses how advocacy targets shift for advocates depending on the type of Exchange a state implements as they pursue a robust, consumer-friendly Exchange.

Identify Advocacy Targets

As advocates shift from pursuing consumer priorities in an SBE to working on a Partnership or an FFE, advocacy targets need to be altered. For example, when advocating for a strong SBE, consumer advocates worked to educate state legislators on the importance of consumer-led governance and inclusion of consumers in decision making and Exchange design. In a Partnership, advocates will expand this advocacy to include CCIIO as the federal government takes the lead on numerous Exchange activities. In an FFE, they will shift to solely focusing on the federal government.

In a Partnership Exchange, consumer advocates will need to remain attentive in their advocacy with state policymakers. The state can continue to play an important decision-making role – specifically related to plan management of qualified health plans (QHPs) and consumer assistance.

In an FFE, the state will not be an active decision maker. In many cases, the governor's office will be resistant to working with CCIIO. In other states, there may be more openness for governors to work with CCIIO on FFE implementation. In the latter scenario, it may be important to maintain or continue to cultivate relationships with state-level actors to stay attuned to Exchange implementation.

The table on the following page illustrates how advocacy targets shift for consumer priorities for each Exchange model.

Table 2: Advocacy Targets for SBE, Partnership and FFE Models

| Consumer Priority | Advocacy Target | | |
|---|-----------------|-------------|-------|
| | SBE | Partnership | FFE |
| Ensure consumer participation in Governance | LEG | State/CCIIO | |
| Authority to negotiate with health plans; Require QHPs to meet high standards | DOI/EXCH | | CCIIO |
| Ensure Navigators provide clear information to consumers | EXCH | EXCH/CCIIO | CCIIO |

LEG – State legislature

DOI – State department of insurance

EXCH – Exchange board or advisory councils

CCIIO – Center for Consumer Information and Insurance Oversight

State-based Exchange (SBE)

For an SBE, advocacy targets remain the usual suspects; consumer advocates will continue to direct their advocacy toward their state legislatures, departments of insurance and Exchange boards.

Federal-State Partnership Exchange (Partnership)

For a Partnership, advocates will need to shift their targets. For example, to ensure consumer participation in governance, advocates will need to appeal to CCIIO directly to convince them consumers and other stakeholders should be included in decision making.

However, with respect to advocates' priorities around high quality plans and consumer choice, advocates will continue to direct their advocacy to the state, depending on what activities a state chooses to retain in a Partnership. (As reminder, the state may opt to control plan management *and/or* consumer assistance.) Advocates will continue to leverage state-level strategies to advance their agenda; however, this will no longer be advocacy directed at state legislatures but rather departments of insurance, Medicaid and the governor's office. Additionally, advocates will also engage CCIIO regarding federally managed activities.

Federally Facilitated Exchange (FFE)

If a state has an FFE, consumer advocates will pivot to direct advocacy to CCIIO for consumer priorities. The first task for consumer advocates is to convince CCIIO that consumer representation in decision making is necessary for the FFE's success. CCIIO may not know key state-level consumer advocates, leaving consumer voice out of implementation conversations. Therefore, advocates need to position themselves as the "go to" for consumer feedback and

persuade CCIIO to have a meaningful input mechanism for all stakeholders. Consumer advocates need to be ready to play this role.

In an FFE, advocates will need to develop new strategies to engage federal decision makers; some ideas and examples are listed below. Additionally, there is an opportunity to develop cross-state relationships and a common agenda with other consumer advocates residing in FFE states to take to CCIIO together.

Legitimize Advocates Role in Exchange Development in an FFE or Partnership

#1 Get a Seat at the Table or Set It.

As states shift to a more federally focused Exchange model, advocates should be thinking about ways to involve CCIIO and create a friendly space for federal stakeholders to engage. The state is no longer the only player – CCIIO is now actively making decisions that will affect consumers in your state.

Through coalition work over the past two years, advocates have built peer relationships and worked collaboratively to engage a variety of stakeholders in and outside of state government. Even in states where Exchange work is stagnant, advocates have developed forums to voice concerns about consumer inclusion in Exchange development. State advocates should communicate with CCIIO to ensure they know this forum for consumer engagement and feedback already exists, and that there is a seat for them at the table. National consumer advocates can help reinforce the idea that consumers are necessary for success.

Following a consumer-supported Exchange bill that stalled in the Legislature, New Hampshire advocates have continued their conversation with other partners and policymakers. Currently, consumer advocates are planning to convene a variety of stakeholders, including the state and CCIIO, later in the year. The desired outcomes are to design what an FFE or Partnership Exchange model looks like for New Hampshire and to establish a feedback loop with CCIIO. Consumer advocates in New Hampshire are identifying themselves as the “go to” contact CCIIO needs to consult for consumer-related concerns by engaging CCIIO directly and creating a space for them at the table. This is a great first step in branding consumer advocates as important partners in successful Exchange implementation.

#2 Building State Agency Relationships is Key.

Departments of Insurance, Medicaid, and governors’ offices are key players in Exchange development on the state level. Consumer advocates must continue to develop their state relationships even when the state pursues a Partnership or an FFE.

For example, in Michigan after an effort to pass legislation for an SBE failed, the state started pursuing a Partnership Exchange. Throughout, advocates have been actively engaged in talks with the governor’s office and state agencies about Exchanges. Even if a governor disagrees on priorities, state agency relationships may be cultivated and could benefit future implementation.

To build relationships with state agencies, Michigan advocates met with the Department of Insurance several times during the development of the essential health benefits (EHB) package. While the department was initially slow to respond to advocates' concerns, the advocates were successful in amending the process to include an additional public comment period. The process, while not producing a perfect outcome, was a first step in educating the department on the growing role of consumer advocacy and cultivating a new relationship with the department. As 2014 approaches, state agencies like Medicaid will take on expanded roles regarding the Partnership Exchange. Building relationships with state agencies related to Exchange work creates inroads to begin conversations as states implement Exchanges.

#3 Integrate Consumer Voice into the Process.

Finally, institutionalizing consumer voice is a top priority. Consumers should have a voice in Exchange implementation and continue to provide feedback as the process unfolds in their state, even in a Partnership or an FFE. Traditional tools include open meetings, publicly available information and public comment. The greatest tool, however, is for advocates to be active, established participants in planning and implementation decisions.

[Arkansas](#) has emerged as a leader in developing a Partnership Exchange. Exchange development, spearheaded by the [governor's office](#), offers a model of consumer inclusion. As the state develops its capacity for plan management and consumer assistance, consumer advocates are working members of planning bodies and advisory committees and are advancing consumer priorities. Participation in Exchange planning workgroups at the state level creates models for more formal communication between CCIIO and advocates.

Realizing an Exchange

As some advocacy targets shift and strategies are reconfigured, consumer advocates are able to draw on their state level experiences to engage CCIIO. As states move to Partnership or FFE models, consumer advocates must be nimble to adapting their state strategies to include key federal decision makers.

In the end, the strategies will need to be tailored to the political realities advocates face. Consumer advocates have proven themselves capable and skilled at adapting to their environment—and the pivot to a Partnership or an FFE is just another turn along the road to running an Exchange.

**Authored by,
Eva Marie Stahl, Policy Analyst**