



Building Exchanges to Get *Value*

State health insurance Exchanges offer a unique opportunity to help get the best value for scarce health care dollars. Value is about spending less for high quality care, not just getting more service or low premiums. Low premiums may not provide high value, and may instead indicate low quality and/or high cost sharing barriers to care. The National Committee for Quality Assurance (NCQA) can help build Exchanges that promote competition based on value to keep costs down and people healthy.

For over 20 years, NCQA has provided groundbreaking leadership in quality improvement and consumer protection through measurement, transparency and accountability. NCQA's Health Plan Accreditation reviews and reports how a plan works to improve care and services. We are achieving powerful results in transforming primary care into more effective and efficient Patient-Centered Medical Homes. We will soon begin driving broader health system transformation with "Gold Standard" accreditation for Accountable Care Organizations. With all this extensive experience, we are ideally situated to help states maximize Exchange options and strategies for promoting value.

Driving Competition Based on Value

States have the option to let all plans meeting basic standards participate in Exchanges, or selectively contract with only plans meeting high standards. Either way, States can structure their Exchange to drive competition based on value. NCQA can help States build Exchanges that support high-value plans by:

- Presenting plan choices in consumer tested and friendly formats that make it easy for people to choose high-value plans.
- Educating navigators and brokers to use information on total costs and quality to help Exchange shoppers find the best value.
- Creating tools to recommend high-value plans based on consumer preferences.
- Letting people who do not want to pick their own plan have a high-value plan selected for them.

Rating Health Plans Based on Value

Among the most important tools for promoting value is *how* State Exchanges meet requirements to rate health plans on both quality and price. NCQA can help:

- Calculate easily understood ratings that combine plans' quality and cost together.
- Educate consumers about insurance and how to shop for high-value coverage.
- Explain to shoppers what their total costs will likely be so low premiums do not lure them into plans with unaffordable cost sharing.
- Make it easy to see which plans provide high-quality care people want, like prevention and coordination, to avoid care they do not want, like preventable hospital stays and surgeries.

Accrediting Exchange Plans

NCQA's Health Plan Accreditation is the "Gold Standard" of plan accreditations. In fact, federal requirements for accreditation of health plans in Exchanges are based on NCQA's program. Unlike other accreditors, we verify, score and annually publicly report performance results, allowing apples-to-apples comparisons among plans. States that require their Exchange plans to have NCQA accreditation will get the strong consumer protections and continuous quality improvement that is required to meet NCQA's rigorous accreditation standards. We are currently working to strengthen and streamline our standards and processes to make NCQA accreditation an even greater value for State Exchanges.

Helping Exchange Plans Improve Value

State Exchanges will get better results over time with health plans that work to improve quality and reduce costs. NCQA can help Exchange health plans provide greater value with programs that improve how health professionals deliver care. For example:

- Health plans can encourage providers to implement patient-centered practices and models of care that are a part of NCQA Patient-Centered Medical Home Recognition. NCQA is by far the leader in helping primary care providers make this powerful transformation into what patients want primary care to be. Patient-Centered Medical Homes emphasize prevention and coordination with team-based care and extended access. They lower costs by keeping people healthier and reducing the need for hospital and emergency department care. Health plans can encourage enrollees to get primary care services from NCQA Recognized Patient-Centered Medical homes. Plans that do so will keep Exchange enrollees healthier and are more likely to offer premiums that are more affordable.
- Health plans can include NCQA Accredited Accountable Care Organizations in their networks. We will soon begin accrediting ACOs that demonstrate the ability to coordinate high-quality patient-centered care from medical homes to specialists, hospitals and beyond. NCQA Accredited ACOs will also likely keep Exchange enrollees healthier and premiums more affordable.

NCQA can also advise Exchange plans on other strategies to get better value. For example:

- NCQA supports "Shared Decision-Making" tools. These brochures, DVDs and websites use plain language to explain treatment option pros and cons for conditions where there is no one clear choice. This makes patients more engaged in their own care, more likely to comply with treatments, and more likely to choose less costly options. That gets better outcomes at lower cost.
- NCQA supports "Value-Based Insurance Design." VBID plans reduce barriers to proven prevention and chronic condition services, and encourage use of health professionals who get the best health outcomes. They also sometimes adjust cost sharing or networks to discourage enrollees from getting questionable services or seeing low-quality providers. Employers and States from Oregon to Connecticut are using VBID to get better value for scarce health care dollars.

Exchange plans that make the most of these tools and strategies will have healthier enrollees and more affordable premiums. To learn more about building your State Exchange to get better value, please contact NCQA State Affairs Director Kristine Thurston Toppe at (202) 409-5205 or toppe@ncqa.org.