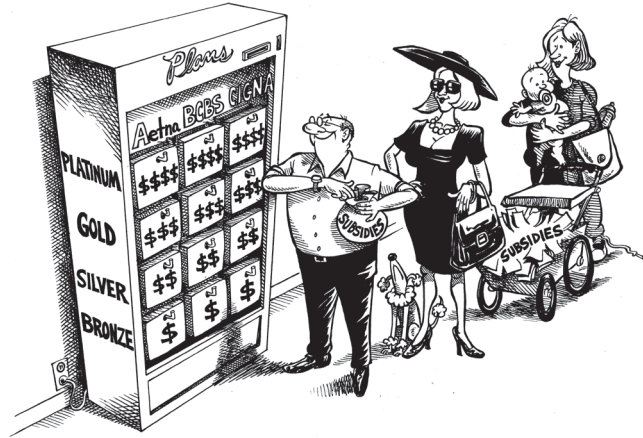


# Exchanges - HIRC Special Report —Fall 2011

## Health Exchanges Expand Access to Health Insurance



- Individuals and small businesses will be able to shop on the Exchange for standardized insurance coverage offered by qualified health plans
- Subsidies for individuals earning less than \$43,560 or family of four earning less than \$89,400
- Tax credits for small businesses
- Health plans must be certified to participate and must include "Essential Health Benefits"

## 'Essential Health Benefits' Explicitly Consider Costs

- Will rely on evidence-based, cost-conscious decisions to balance care and costs
- If cost is not considered, benefit packages will become unaffordable and individuals and small employers will not participate, negating the charter of Exchanges to expand access
- New and alternative treatments should provide *"increased health gains at the same or lower costs"*

***"Health benefits are a resource and no resource is unlimited."  
Institute of Medicine***

**Managed Markets  
& National  
Accounts Service**

### About HIRC

Health Industries Research Center (HIRC) conducts strategic market research on trends in health care, pharmaceuticals, and managed care businesses.



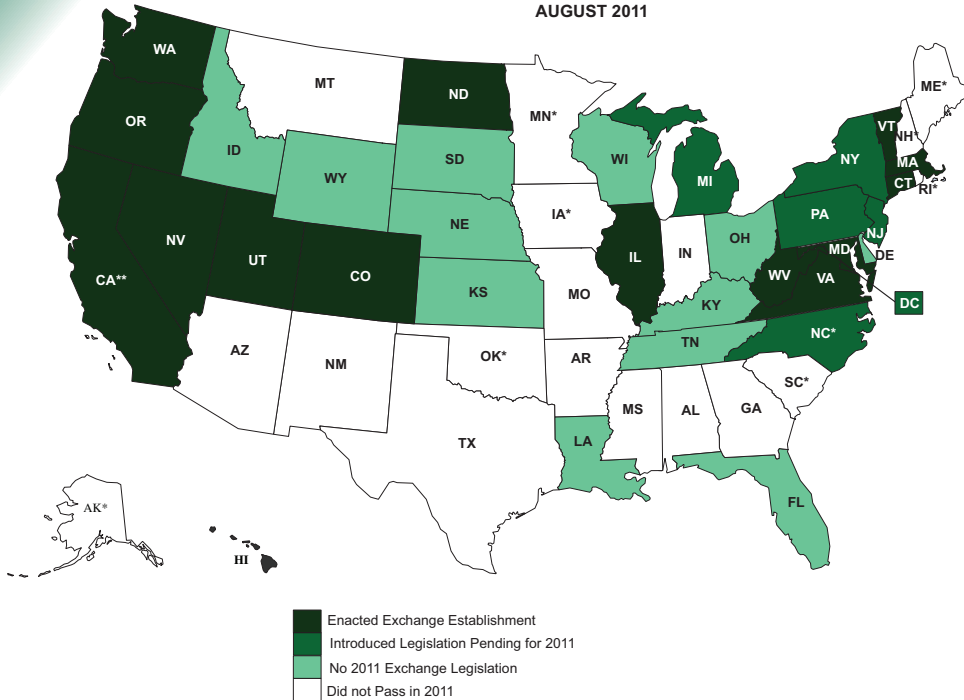
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## 15 States (32% of the US Population) Have or are Developing Exchanges

LEGISLATIVE STATUS OF STATE EXCHANGES  
AUGUST 2011



\*Indicates that it is a 2011-2012 carry over state and the bill can be reintroduced in the 2012 legislative session.  
\*\*California is the only state to pass exchange establishment in 2010.  
Source: National Conference of State Legislatures.

- States have tremendous leeway in establishing Exchanges
  - Active states contract selectively with limited qualified health plans and may add criteria for certification
  - Clearinghouse states aggregate information allowing all certified health plans to participate
- Federal plan for states that do not set up an Exchange
- Private Exchanges also forming

## Report Methodology and Availability

HIRC's analysis of Exchanges was prepared in the fall of 2011 through extensive secondary research. The complete findings are available in a Special Report which is available online to subscribers at [www.hirc.com](http://www.hirc.com).

## About HIRC's Managed Markets & National Accounts Service

*Managed Markets and National Accounts* is the most comprehensive research service available to help pharmaceutical firms assess performance and stay abreast of trends within a multitude of managed care, government and institutional markets. Surveys and interviews conducted with:

- *Health Plan Pharmacy Dir.*
- *Health Plan Medical Dir.*
- *PBMs*
- *Medicare PDPs*
- *Medicaid MCOs*
- *State Medicaid Directors*
- *Specialty Pharmacies*
- *LTC Consultant Pharmacists*
- *Hospital Pharmacists*
- *Retail Drug Chains*

Key reports include:

- *Ratings of Manufacturers on Contracting & Programs*
- *Customer Needs Assessment*
- *Pharma's Ratings of Customers*
- *Market Segment Situation Analyses*
- *Future Scenarios*
- *Headcounts & Organizations*

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