



2014 FLORIDA HEALTH CHOICES Annual Report

THE HEALTH INSURANCE MARKETPLACE

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2014: The Year in Review

January and February: Limited Offerings

Florida Health Choices previously reported that Careington International Corporation was selected to provide a shop-and-compare marketplace for limited offerings such as discount medical plans and limited benefit plans. The design-and-test phase of this solution was the main focus in the early months of 2014.



March, April and May: Florida's Health Insurance Marketplace Open for Business

Florida Health Choices launched its first direct-to-consumer shop-and-compare platform for limited offerings on March 4. In the following months, the number and type of offerings expanded to broaden the options for consumers who could shop for discount medical and limited benefit plans. Today, there are nine brands and 21 separate shopping options to choose from. These initial offerings range from a no-cost prescription discount card to a \$29.95 monthly premier discount plan for families.

About Florida Health Choices

With a goal of increasing access to affordable, quality health care, Florida Health Choices is working to create a competitive market for health insurance. We provide employers, consumers, agents, associations and insurers with private exchange services.

Our Mission Statement

Florida Health Choices: Removing barriers between Floridians who deserve quality health care and the providers who want to make sure they get it. Easily and accurately.



2014 Marketplace advertisement

(2014: The Year in Review continued on page 2)

2014: The Year in Review (continued)



Florida Health Choices, Inc. was created by the Florida Legislature as a not-for-profit corporation. Shop, compare and enroll at www.myfloridachchoices.org.



June: Contract Termination

Florida Health Choices and Xerox State HealthCare, LLC, mutually terminated the contract for Third Party Administration Services two years into the five-year term.

July, August and September: Finding the Right Technology Partners

Beginning July 1, the corporation was looking for the right set of partners with which to launch the next phase of the Marketplace. This effort included consideration of more than 30 organizations providing private exchange services and 20 demonstrations or conference calls to evaluate the supporting technologies. Ultimately, Florida Health Choices invited bswift and Member Benefits to the negotiating table and awarded contracts.

October and November: Building the Solution

With new program partners on board, Florida Health Choices began the design-and-test phase of what would become its direct-to-consumer shopping platform loaded with comprehensive health insurance products for individuals and families. Florida Health Choices set January 2015 as the targeted start date with a soft launch in December. The shopping platform under construction would include six vendors offering comprehensive medical coverage and a seventh vendor with vision and dental products as an option. Depending on the county of residence, the shopper would find as many as 45 health plans to choose from.

December: Defending the Brand

Florida Health Choices' use of the slogan "the Health Insurance Marketplace" is well-documented, and it is the official slogan registered with the Florida Division of Corporations. In an effort to protect the brand and increase the effectiveness of an upcoming promotional campaign, letters were sent to several Florida-based organizations asking them to remove the slogan from websites and printed materials.

December: Second Marketplace Shopping Option Launched

Florida Health Choices quietly opened an opportunity for individuals and families to shop, compare and enroll in comprehensive health care coverage during the nationwide open enrollment period on December 29. A successful and glitch-free week was followed by the grand opening held on January 5, 2015. A promotional campaign also began that day with radio, video and social media advertising to increase awareness of the new shopping option.

Florida Health Choices Offers Exchange Services

In addition to its direct-to-consumer exchanges for individual, discount and limited benefit plans, Florida Health Choices offers the following private exchange services:

What are exchanges?

Online benefit exchanges are expected to rapidly replace traditional purchasing methods for both employers and individuals. This trend is fueled by advances in technology and recent standardization of product rules. Estimates show that 40 million Americans will select their benefit plan utilizing a private exchange by the year 2018. Another 31 million are expected to enroll through public exchanges established under the Patient Protection and Affordable Care Act.

Before jumping on the exchange bandwagon, it's important to understand the different types of exchanges. There are two major categories:

Public exchanges are created by law and provide government subsidies.

Private exchanges — though they may be created by law — do not provide government subsidies and, therefore, do not meet the definition of public exchange.

Within the private exchange arena, there is great variance in the types of exchanges with the most common distinctions being the type of insurance offered, the owner/sponsor of the exchange, and the types of users.

Florida Employer Exchange (FLEX)

Employers are increasingly considering the Defined Contribution approach to managing employer health benefits. Recent market reforms can be combined with an exchange to help control employer benefit costs and increase worker engagement in their health care choices.

Single Insurer Exchange (SIX)

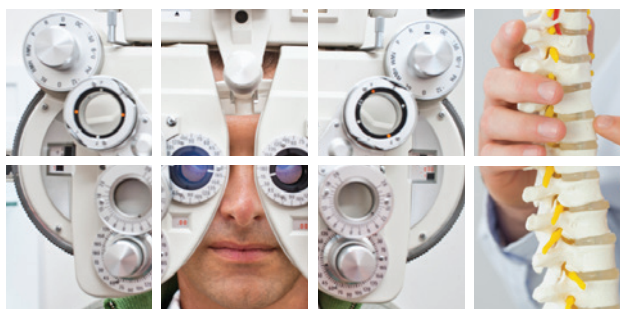
In a recent study, respondents were highly positive about the adoption of single-insurer exchanges. Seventy-five percent of respondents predict the majority of health insurers will offer a private single-insurer exchange by the end of 2016, and 93 percent believe most health insurers will have their own single-insurer exchange by 2018.

Agency Private Exchange (APEX)

The sponsorship and operation of a private exchange is increasingly being conducted by an insurance broker. As exchange purchasing platforms can be expensive to build and operate, especially on a small scale, private exchange operations are frequently the domain of large, multi-state brokers with the financial resources to develop their own. Florida Health Choices works with Florida insurance agencies of all sizes to establish custom-branded private exchanges.

Association Private Exchange (AEX)

Although associations have often provided their membership with an array of incentives for joining and maintaining membership in an association, the online presentation of health insurance options in a coordinated fashion with easy shopping and check-out functionality can streamline the user experience and improve the take-up rate for offered products.



2015 Board of Directors

OFFICERS & MEMBERS

Durell Peaden, Chair

Sherri Meadows, Vice-Chair

Gordon Thames, Secretary/Treasurer

Charles Clary

Daniel Diaz Leyva

Myron Rolle

Edward "Butch" Simpson

EX-OFFICIO

Jeff Dykes, Designee, Department of Management Services

Liz Dudek, Secretary, Agency for Health Care Administration

Jack McDermott, Designee, Office of Insurance Regulation

How Does the Marketplace Work?

FREQUENTLY ASKED QUESTIONS ABOUT THE MARKETPLACE PROGRAM

Q: What is the Marketplace?

A: In Florida, the Health Insurance Marketplace is a web-based shopping experience that allows easy access to and side-by-side comparison of health care products and services.

Q: Is this the same as “HealthCare.gov” operated by the federal government?

A: No. Florida’s Marketplace is not the same as “HealthCare.gov.” The federal exchange located at HealthCare.gov can provide subsidies to a small percentage of Floridians who qualify based on their income. Most Florida residents are not eligible for the financial assistance offered by HealthCare.gov but are still required to have health insurance. The Marketplace created by the State of Florida is not affiliated with the federal government and does not provide insurance subsidies.

Q: Does Florida’s Marketplace have an essential set of benefits?

A: There are no mandates as to the products and plans offered in the Health Insurance Marketplace. However, our comprehensive health care offerings do include the essential health care benefits as required by law.

Q: What products and services will be offered?

A: Currently, the Health Insurance Marketplace offers comprehensive coverage, limited benefit plans, and discount medical plans for individuals and families. Florida Health Choices also offers private exchange services for employers, associations, insurers and agents.

Group health plans and prepaid service contracts can be offered at a later date. Payroll services, medical savings accounts and other insurance options that are helpful to employers may also be offered in future phases.

Florida Health Choices will continue to examine the overall health and insurance markets in Florida with an eye toward any segments that can be supported without over-reaching sustainability. Additional expansions to support other vendors and products will coincide with consumer need, vendor interest and demonstrated commitment to Marketplace participation.

Q: How do I shop the Marketplace?

A: Visit www.myfloridachchoices.org and select the product or service you are interested in.



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