



**BlueCross BlueShield  
Association**

An Association of Independent  
Blue Cross and Blue Shield Plans

1310 G Street, N.W.  
Washington, D.C. 20005  
202.626.4780  
Fax 202.626.4833

## Testimony

Before the

**Subcommittee on Oversight and Investigations  
Energy and Commerce Committee  
U.S. House of Representatives**

on

**PPACA Enrollment and the Insurance Industry**

Presented by:

**Frank E. Coyne  
Vice President, Office of the President**

May 7, 2014

## **INTRODUCTION**

Thank you Chairman Murphy, Ranking Member DeGette, Chairman Upton, Ranking Member Waxman and members of the Oversight and Investigations Subcommittee for this opportunity to testify today on enrollment in the new Exchange marketplaces.

I am Frank Coyne, Vice President, Office of the President of the Blue Cross and Blue Shield Association (“BCBSA”) – a national federation representing the 37 independent, community-based, and locally operated Blue Cross and Blue Shield companies (“Plans”) that collectively provide health care coverage for 100 million members, one in three Americans, in every U.S. ZIP code. Blue Cross and Blue Shield Plans offer a variety of insurance products to all segments of the population, including large employer groups, small business, individuals and government programs.

I am responsible for oversight of BCBSA’s participation in the Multi-State Plan (MSP) Program administered by the Office of Personnel Management (OPM).

## **OVERVIEW OF TESTIMONY**

My testimony today focuses on:

- 1) BCBSA participation in OPM’s Multi-State Plan program; and
- 2) Enrollment figures to-date in Blue Cross and Blue Shield MSP plans.

## **OPM MULTI-STATE PROGRAM STRUCTURE AND TERMS**

The Affordable Care Act (ACA) authorizes OPM to contract with at least two entities, at least one of which must be a not-for-profit, to offer products on the state and Federal Exchange marketplaces phased-in over a 4-year timeframe. Under this program, called the Multi-State Plan Program, OPM certifies health plans in conjunction with States, for placement on the Exchanges.

For the individual market, the MSP plans are to be phased in, with products available in 60 percent of states by 2014, 70 percent by 2015, 85 percent by 2016, and 100 percent by 2017.

For 2014, MSP individual market products are required in 31 states.

The MSP Program is regulated under provisions of the ACA and OPM's MSP Program regulations. The MSP Program operates on a "level playing field" with plans adhering to the same federal and state requirements as all other qualified health plans (QHPs). For example, our MSP plans adhere to the same local essential health benefit (EHB) benchmarks as QHPs. Issuers may apply to be certified to offer MSP products, and the application process is similar to the Federally-Facilitated Marketplace (FFM) application process. To be eligible, an entity must be an health insurance issuer, or a group of issuers with common ownership or a common service mark. The Association fits the latter case.

In addition, OPM has developed a standard contract for the Issuers that meet its requirements.

In our case, the Association is party to the contract, and our Blue licensee Plans have agreements with us to fulfill many aspects of the contract, such as customer enrollment, benefits and claims administration, and customer service, among other activities.

The contract contains a requirement to report enrollment information to OPM. In order to fulfill this requirement, we ask our Plans to report on their MSP enrollment to us, and we convey enrollment information to OPM.

### **BCBSA PARTICIPATION IN THE MULTI-STATE PLAN PROGRAM**

Blue Cross and Blue Shield Plans traditionally offer consumers across the country a wide variety of coverage options. For 2014, OPM certified Blue Cross and Blue Shield Plans to offer MSP products in 30 states and the District of Columbia. The total number of MSP plans offered exceeds 150.

Our participation in the MSP Program is part of our longstanding commitment to providing consumers with a variety of health plan choices so that they have access to affordable plans that best meet their healthcare needs.

### **ENROLLMENT IN THE MULTI-STATE PROGRAM**

Consumers' interest in the Multi-State Plan Program has been significant. As of April 1, 2014, a

---

total of 283,783 individuals have selected an MSP plan.

## **CONCLUSION**

Blue Cross Blue Shield is committed to working with OPM and Members of the Subcommittee to ensure consumers continue to have access to broad range of affordable plans. I appreciate the opportunity to discuss Blue participation and enrollment in the MSP Program, and I look forward to your questions.