



# Planning Review

Vermont Health Benefit Exchange

May 10 – 11, 2012

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# Introductions



- ◆ Lindsey Tucker, Director, Vermont Health Benefit Exchange
- ◆ Robin Lunge, Director of Health Care Reform, Agency of Administration
- ◆ Hunt Blair, Health Reform and HIT Coordination
- ◆ Justin Tease, Change Management Director, Exchange
- ◆ Rob Lowe, Business Process Director, AHS
- ◆ Patrick Holland, Managing Director (Wakely Consulting)
- ◆ Dave Gmelich, Director (KPMG)
- ◆ Doug Vrooman, Manager (KPMG)
- ◆ Alison Betty, Partner (GMMB)

# Overview: Exchange Vision



- ◆ One, seamless system
  - ◆ Beyond no wrong door → tailored, accessible, welcoming doors
  - ◆ One eligibility & enrollment system for all Vermonters
    - ◆ Starting with individual & small group in 2014; build off exchange portal with state portals for others over time
  - ◆ Administrative simplification in the system through standardization
    - ◆ In enrollment, range of benefits
    - ◆ Simplifies for employers, individuals, and providers

# Overview: Exchange Vision, cont'd



- ◆ Consistency of coverage
  - ◆ Move toward decoupling insurance and employment
  - ◆ Maximal portability and plan maintenance
    - ◆ Individual choice: same plans for individual & small business enrollees
    - ◆ Churn reduction
- ◆ Focus on health
  - ◆ Ensure wellness, health promotion, and public health activities easily accessible in Exchange
  - ◆ Connections with Blueprint for Health
  - ◆ Greater long-term investment from carriers in enrollees, with more stable enrollee population

# Overview: Exchange Vision, cont'd



- ◆ Comprehensive reuse and collaborative development strategy
  - ◆ Internal: reuse both business processes and software to replace existing legacy systems and procedures
  - ◆ External: plans to build and share with other states both operational and IT solutions for Exchange functions



Vermont's Health Benefit Exchange

# **Exchange Consumer & Stakeholder Engagement Activities**

# Exchange Consumer & Stakeholder Engagement Activities: Progress to Date



Vermont completed the following activities with HIX planning grant funds:

- ◆ Focus groups with uninsured Vermonters
- ◆ Focus groups with underinsured Vermonters
- ◆ Survey of small businesses
- ◆ Interviews with consumer advocacy organizations
- ◆ Interviews with brokers/agents
- ◆ Survey of Vermonters (statewide, n=1,000) and press release of results
- ◆ Interviews with stakeholders (carriers, brokers, consumer advocacy and small business organizations, providers)

Reports on these activities can be found on the DVHA HIX webpage:

<http://dvha.vermont.gov/administration/health-benefits-exchange>

Vermont officials also met informally with dozens of stakeholders, including issuers, provider associations, business associations, consumer organizations, chambers of commerce, and others.

# Exchange Consumer & Stakeholder Engagement Activities: Advisory Group



- ◆ Vermont established a HIX Advisory Group that has met 12 times since March 2011.
- ◆ Members of the Advisory Group represent the following constituencies:
  - ◆ Consumers
  - ◆ Providers
  - ◆ Issuers
  - ◆ Brokers
  - ◆ Legislators
  - ◆ Businesses

Minutes and documents from Advisory Group meetings are available here:

<http://dvha.vermont.gov/administration/minutes-documents-from-exchange-advisory-board-meetings>

# Exchange Consumer & Stakeholder Engagement Activities: Medicaid/HIX Advisory Committee



Act 48, Vermont's HIX authorizing legislation, establishes a joint Medicaid/HIX Advisory Committee as of July 1, 2012.

The Advisory Committee will be chaired by the DVHA Commissioner and will consist of at least 22 members, including:

- ◆ Commissioner of the Dept. of Health
- ◆ Issuer representative
- ◆ Beneficiaries of Medicaid or Medicaid-funded programs
- ◆ Individuals, self-employed individuals, and business representatives
- ◆ Advocates for consumer organizations
- ◆ Health care professionals

Link to statute:

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=33&Chapter=004&Section=00402>

*Note: Vermont is updating statute language to allow for broker/agent and large employer representation on the committee.*

# Exchange Consumer & Stakeholder Engagement Activities: Benchmark Survey



## Benchmark Survey (March 2012)

- ◆ Statewide, age 18+, n=1,004 via telephone
- ◆ 73% of Vermonters have not heard of the Exchange
- ◆ 75% of Vermonters are interested in using the Exchange; when they learn more, that increases to 86%
- ◆ 75% of Vermonters are comfortable using a website to pick an insurance plan
- ◆ Vermonters who would like assistance comparing plans or enrolling would prefer help in-person (59%), by telephone (47%) or online (30%)
- ◆ Vermonters are interested in getting help from: doctor's offices, clinics, community organizations, and health insurance companies

# Exchange Consumer & Stakeholder Engagement Activities: Stakeholder Outreach



## Stakeholder Outreach (March 2012)

- ◆ 15 interviews (with carriers, carriers, brokers, consumer advocacy and small business organizations, providers)
- ◆ Each lasted between 30 – 60 minutes, and covered several topics, including:
  - ◆ Important qualities of the Exchange
  - ◆ Challenges to and opportunities for development and implementation
  - ◆ Lessons learned from existing enrollment practices
  - ◆ Key audiences and how to reach them
  - ◆ Characteristics and roles of Navigators
- ◆ **Next Step:** GMMB-led focus groups with individuals and small business owners

# Exchange Consumer & Stakeholder Engagement Activities: Stakeholder Outreach – Key Findings



- ◆ Ideal Qualities in an Exchange as identified by stakeholders:
  - ◆ **Help when and where Vermonters need it.** Telephone or in-person assistance is essential for both individuals and small businesses, and should be tailored toward each. Stakeholders indicated that a strong Navigator program is going to be vital for those who don't have internet access and need help understanding their options.
  - ◆ **The right balance of choice and simplicity.** The Exchange should be simple to shop through and enable Vermonters to make more informed choices.
  - ◆ **Simplify the enrollment processes.** Stakeholders expressed the need to limit paperwork and streamline registration requirements as means to achieve a user-friendly interface.
  - ◆ **Transparency and clarity.** Stakeholders want plan descriptions and pricing to be very clear so that consumers can understand what the options are with no hidden details or fine print.

# Exchange Consumer & Stakeholder Engagement Activities: Stakeholder Outreach – Key Findings, cont'd



- ◆ Stakeholders identified the general population, the uninsured, small businesses and the self-employed as priority audiences.
- ◆ Most stakeholders suggested building upon the existing outreach infrastructure to communicate with individuals. Stakeholders suggested connecting with businesses through trusted channels with which they are already familiar and comfortable, and considering avenues they already use to access health care for their employees.
- ◆ Stakeholders identified certification and training, experience (with target populations and with the health system), and “people skills” as important characteristics of would-be Navigators.

# Exchange Consumer & Stakeholder Engagement Activities



## Draft Outreach and Education Plan

◆ The final outreach and education plan will be informed by research, stakeholder outreach, previous experience and legislative requirements.

◆ The draft plan will include:

- ◆ Goals
- ◆ Target audiences
- ◆ Inter-agency (state) communications
- ◆ Grassroots outreach and strategic partnerships
- ◆ Small business outreach and strategic partnerships
- ◆ Navigators
- ◆ Earned media
- ◆ Paid advertising (media plan as next step)
- ◆ Social media
- ◆ Evaluation measures

Next steps: Develop plan and budget estimates

# Exchange Consumer & Stakeholder Engagement Activities: State Employee Education Plan



## Draft State Employee Education Plan

- ◆ Across all agencies, state employees will play an important role in the Exchange, particularly in regards to communicating with Vermonters. State employee trainings will ensure that they are familiar with the Exchange and can share information with Vermonters.
- ◆ The final state employee education plan will:
  - ◆ Establish the goals of working with and/or through state employees
  - ◆ Identify audiences within the greater pool of state employees
  - ◆ Frame a “train the trainer” model and identify necessary materials and resources
  - ◆ Recommend over-arching state-wide agency communications to keep all employees informed on a regular basis

# Exchange Consumer & Stakeholder Engagement Activities: Bi-State Primary Care Association



## Grant agreement with Bi-State Primary Care Association (BSPCA)

*BSPCA is a non-profit representing Community Health Centers, free clinics, Rural Health Clinics, and other providers that target underserved populations.*

DVHA funds an Outreach Coordinator position at Bi-State that performs the following functions:

- ◆ Provides outreach and training to providers and agencies involved in enrollment
- ◆ Disseminates information on the ACA and the Exchange to Outreach Assistors in other organizations
- ◆ Conducts quarterly meetings around the state as a forum for Outreach Assistors to receive updates on progress to date, provide input to processes in development, and share best outreach practices

# Exchange Consumer & Stakeholder Engagement Activities: e-Vermont, Community Broadband Project



## Exploring Partnership to Focus on Digital Literacy

- ◆ e-Vermont is a program of the Vermont Council on Rural Development, launched to help rural towns realize the full potential of the Internet; works locally to ensure best use of online resources to strengthen rural communities
- ◆ e-Vermont partners have different areas of expertise, including technology in education, small business development, public libraries, municipal government, basic Internet education, and strengthening neighborhood communications

## Vermont's strategy to address rural digital literacy issues include:

- ◆ Development of a site design that is beginner friendly & dial up friendly
  - ◆ Ensure 508 compliance; draft website content at an 8th grade reading level; test the interface with target populations
- ◆ Providing public internet access throughout communities
  - ◆ E.g.,: Libraries, AAAs, CAPs, Resource Centers, etc.
- ◆ Providing assistance at public Internet access points
- ◆ Staffing up, not down, during a transition to online platforms

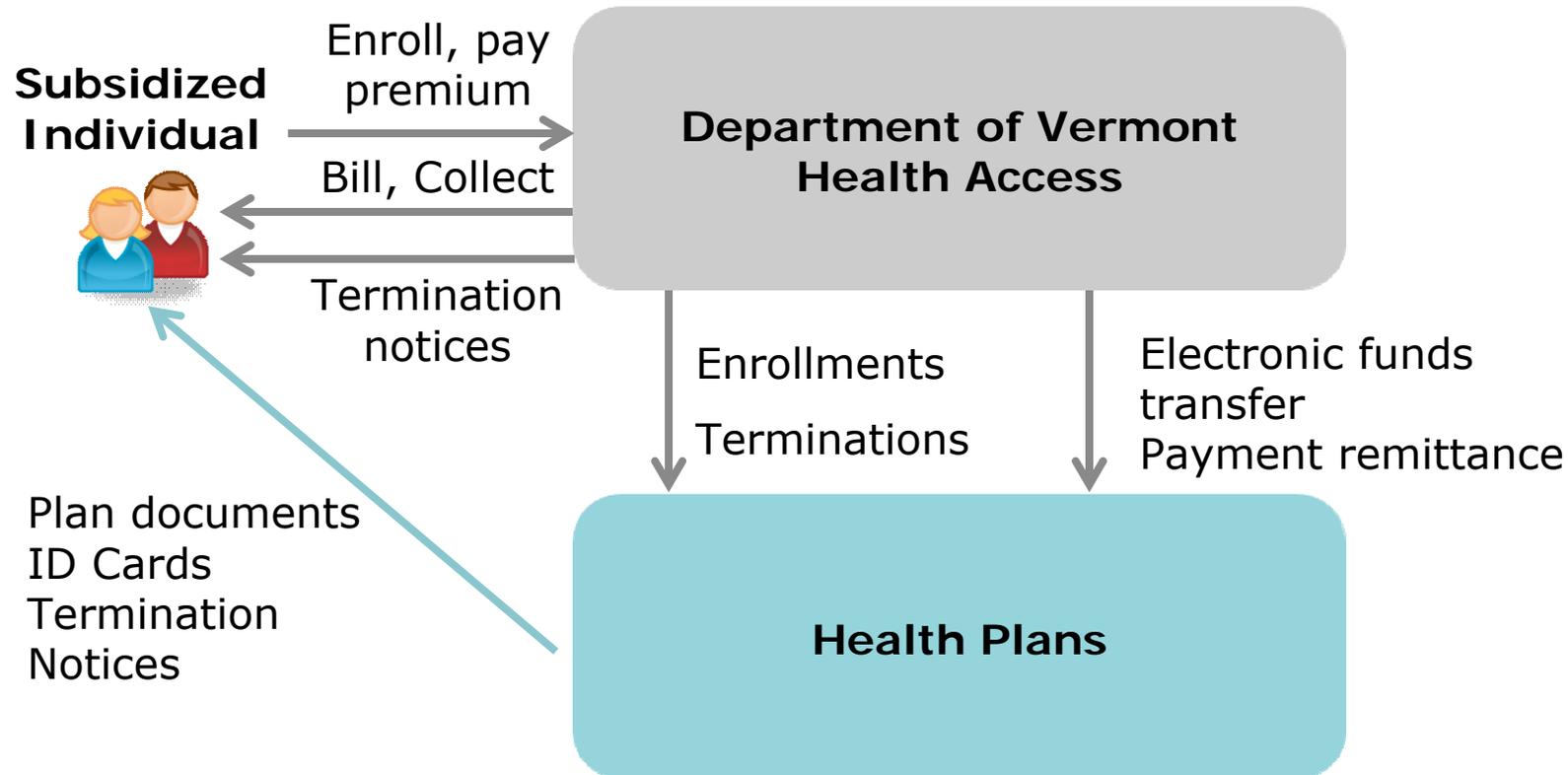
# Exchange Consumer & Stakeholder Engagement Activities: BCBS of Vermont



- ◆ Collaborative partnership with BCBSVT – local non-profit – to build on Catamount experience and plan for Exchange development.
- ◆ Exploration of lessons learned from Catamount
- ◆ Emerging issues in 2014
  - ◆ Coordinated IT Planning
  - ◆ Coordinated work flow management
  - ◆ File of record
  - ◆ Enrollment effective dates
  - ◆ Financial reconciliation
  - ◆ Exceptions management

The State also has a collaborative relationship with MVP Health Care through its Catamount program.

# Exchange Consumer & Stakeholder Engagement Activities: BCBS of Vermont, cont'd



Today's working partnership with BCBSVT re: Catamount (*BCBSVT slide*)

# Exchange Consumer & Stakeholder Engagement Activities: BCBS of Vermont, cont'd



The signs of a healthier Vermont

*Your first choice for health insurance*

For Graduates

**Catamount Blue**

"I'm covered on my parents' health plan now, as a dependent student. I was worried about health care after graduation. I do some pretty extreme biking. But then I heard about Catamount Blue— a Blue Cross Blue Shield of Vermont Plan for as low as \$60 a month — perfect for graduating seniors. I can count on Blue Cross Blue Shield now, on my parents' plan — good to know they'll be there for me when I'm on my own."

**BlueCross BlueShield of Vermont**  
An Independent Member of the Blue Cross and Blue Shield Association

www.bcbsvt.com

## Private/Public Marketing Partnership for Catamount

- ◆ "Grad campaign"
- ◆ On Campus "ambassadors"
- ◆ Focus groups
- ◆ Direct mail
- ◆ Banner Advertising
- ◆ Radio Spots
- ◆ Face book
- ◆ Event Marketing
- ◆ Liquor receipts
- ◆ ATM receipts
- ◆ State Lottery, Powerball, Megabucks



Vermont's Health Benefit Exchange

# Exchange Legal Authority

# Exchange Legal Authority: Act 48



**Act 48, Vermont's Exchange-authorizing legislation, became law in 2011. It defines the purpose of Vermont's Exchange as follows:**

- ◆ To reduce the number of uninsured and underinsured
- ◆ To reduce disruption when individuals lose employer-based insurance
- ◆ To reduce administrative costs in the insurance market
- ◆ To contain costs
- ◆ To promote health, prevention, and healthy lifestyles by individuals
- ◆ To improve quality of health care

Act 48 ensures that Vermont's Exchange will be in compliance with the Affordable Care Act. Link to Act 48:

<http://www.leg.state.vt.us/DOCS/2012/ACTS/ACT048.PDF>

# Exchange Legal Authority: H.559



**H.559, which passed the House and Senate in May, 2012 adds these provisions:**

- ◆ Retains definition of small employer as an employer with 50 or fewer employees
- ◆ Requires individuals and small groups to purchase insurance through the Exchange
- ◆ Merges the individual and small group markets
- ◆ Gives Exchange discretion to establish broker involvement in plan enrollment through the Exchange
- ◆ Includes Bronze plans in the exchange (reversal from Act 48)



Vermont's Health Benefit Exchange

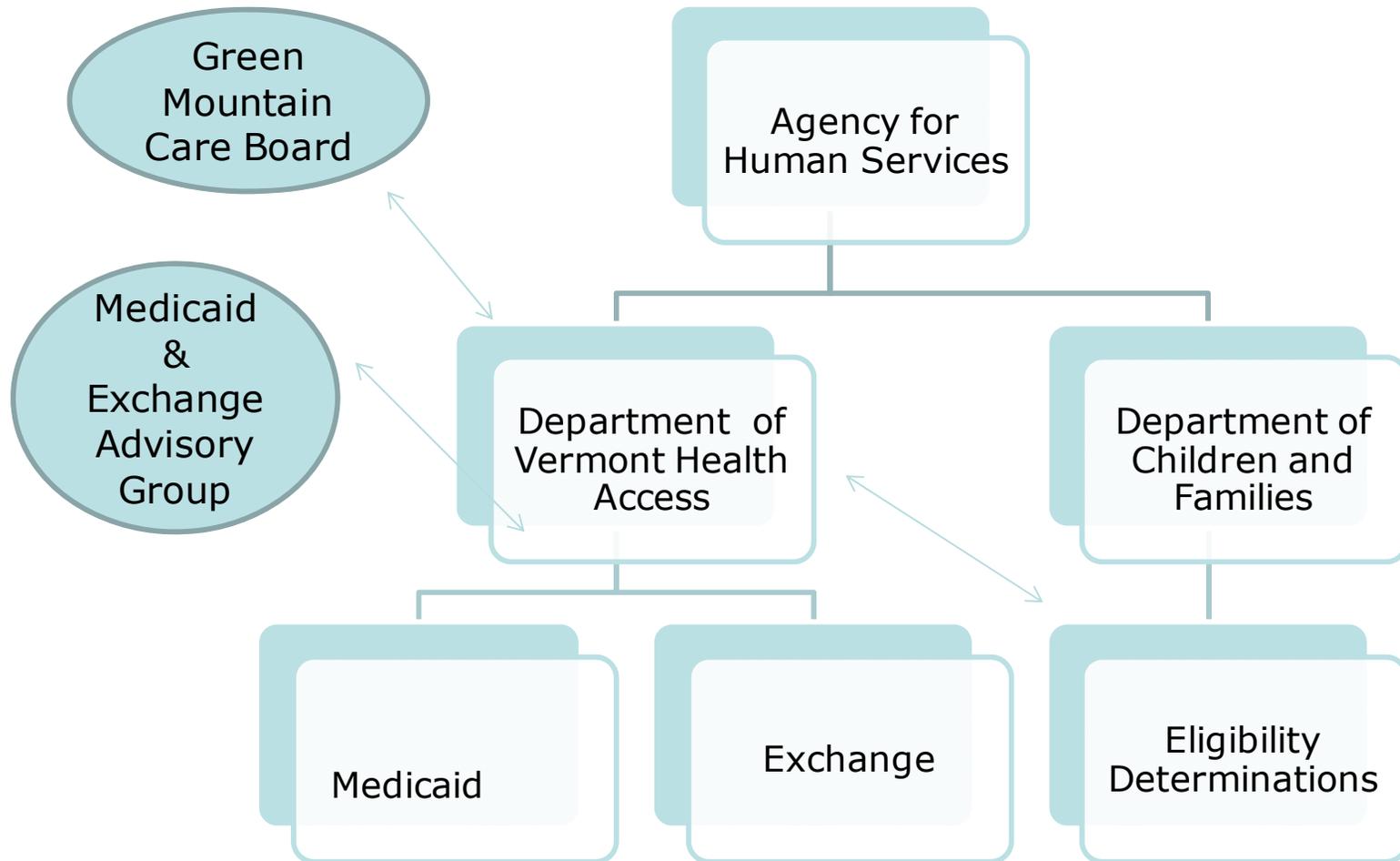
# Exchange Governance

# Exchange Governance: Key Points of Act 48 (2011)



- ◆ Exchange sits within the Department of Vermont Health Access (DVHA), Vermont's Medicaid agency
- ◆ New Deputy Commissioner of DVHA to be director of the Exchange
- ◆ Will leverage DVHA staff and infrastructure to work collectively on Medicaid and Exchange
- ◆ Dedicated Exchange staff for program & policy
- ◆ Combines mandated Medicaid and Exchange advisory committees into one joint committee
- ◆ A single administrative unit will determine eligibility for all of the state's health-benefits programs.
- ◆ Act 48 requires full integration plan (in process)

# Exchange Governance: Overview



# Exchange Governance: Rationale



## **Rationale for governance model structure:**

- ◆ Placing the Exchange, including small businesses, in a state agency allows leveraging of existing resources (e.g.,: infrastructure)
- ◆ Placing the Exchange in the Medicaid agency assures integration with other health care programs, creating a continuum of coverage
- ◆ State agencies are more accountable to the public than are non-profit entities
- ◆ State agencies are more likely to have lower administrative costs
- ◆ Vermonters, in general, trust state government, more so than most other states



Vermont's Health Benefit Exchange

# Market Research

# Market Research: Small Business Survey Findings



## Current Insurance Offerings

- ◆ 44% of businesses offer health insurance to full time employees and another 30% cover both full and part time workers. Of covering PT, 81% do not enroll.
- ◆ 28% offer employees a choice of plans while 72% only offer 1 plan from a single insurer.
- ◆ 51% describe their plan as comprehensive coverage while 46% offer high deductible plans and 3% offer catastrophic coverage only.
- ◆ 88% of businesses that offer insurance cover at least some of the cost of their employees' premiums.
- ◆ Almost all businesses (94%) have seen premiums increase in the last 3 years and 72% covered some or all of the cost of this increase.
- ◆ Market Decisions research: <http://dvha.vermont.gov/administration/hbe-uninsured-underinsured-report-03032011.pdf>

# Market Research: Small Business Survey Findings



## Communication

- ◆ 74% thought the state should be responsible for providing information about the Exchange to employers.
- ◆ 14% thought insurance brokers should be responsible for providing information.
  - ◆ 54% use brokers (25% DK) for their current insurance, 26% thought brokers would be important for accessing insurance through the Exchange.
- ◆ The most popular ways to communicate information to businesses about the exchange were through direct mailings and a website.

## Key Finding

- ◆ Many of the uninsured and underinsured currently have access to employer sponsored health insurance or work at employers that provide health insurance to full-time employees.



# Market Research: Focus Groups of Uninsured Vermonters

- ◆ Cost of even subsidized insurance is not affordable, “its more than rent or mortgage”.
- ◆ Insurance not “worth the money”, health care expenses don’t come near amount that insurance would cost.
- ◆ Most skeptical that subsidies will make insurance affordable to them.
- ◆ Most do not want to be forced to buy what they cannot afford.
- ◆ Many don’t like implications of plan names, Platinum, Gold, etc. Richer get better plans.
- ◆ Will look to internet first for info, want personal assistance to choose.

## Key Consumer Questions about Health Insurance

1. What will insurance cost me?
2. What will insurance cover? *Interested in coverage for the expenses that would normally come out of their pockets.*
3. What doctors can I use? *Don’t want to be restricted.*

# Market Research: Focus Groups of Underinsured Vermonters



- ◆ In financial trap – many must have insurance, expensive high deductible plans means some pay \$10-20,000 a year.
- ◆ More health insurance savvy.
- ◆ Know high cost of healthcare as they see and pay bills directly.
- ◆ Smart about buying to save.
- ◆ Some forgo necessary or recommended preventative care.
- ◆ Don't see much new /benefit for them from the Healthcare Act.
- ◆ Will look to internet first for info, want personal assistance to choose.

## Key Findings

1. Will readily consider alternatives to current insurance.
2. Informed and hard-nosed shoppers - will require high quality support.

# Market Research: Non-profit Interviews



- ◆ Experience demonstrates that cost coverage and eligibility of Govt. health plans are complicated and confusing to patients.
- ◆ One-on-one assistance is necessary to facilitate enrollment.
- ◆ For many-phone assistance OK, For others face-to-face.
- ◆ Navigator role is critical to success of insurance expansion.
- ◆ Navigator must be credible and neutral (no financial stake in what plan client chooses, brokers viewed as biased).
- ◆ Best Navigator would serve as an “advocate”, steering client to the best decision.
- ◆ Multiple sources of information are necessary , web, written and person-to-person. Web alone not sufficient.

## Key Finding

Effective navigators need to be well trained and knowledgeable and have the time (and motivation?) to provide effective one-on-one consultation.

# Market Research: Insurance Agent Interviews



- ◆ Typically represent more than one, or all, insurers.
- ◆ Consider role as consultative - helping fit a plan to the employers needs and budget.
- ◆ Provide onsite enrollment and service (acting as intermediary) between customer and insurance company.
- ◆ One-one-one assistance of individuals and small businesses is often required.
- ◆ Those that serve smaller of small business expect exchange to compete directly. Expect that larger customers may continue to want services of agent.

## Key Finding

Agents serve the bulk of Vermont's employed and employers, and are currently the primary mechanism for information about plan options, information about complying with regulations and for customer support if customer/insurer communications fail.



Vermont's Health Benefit Exchange

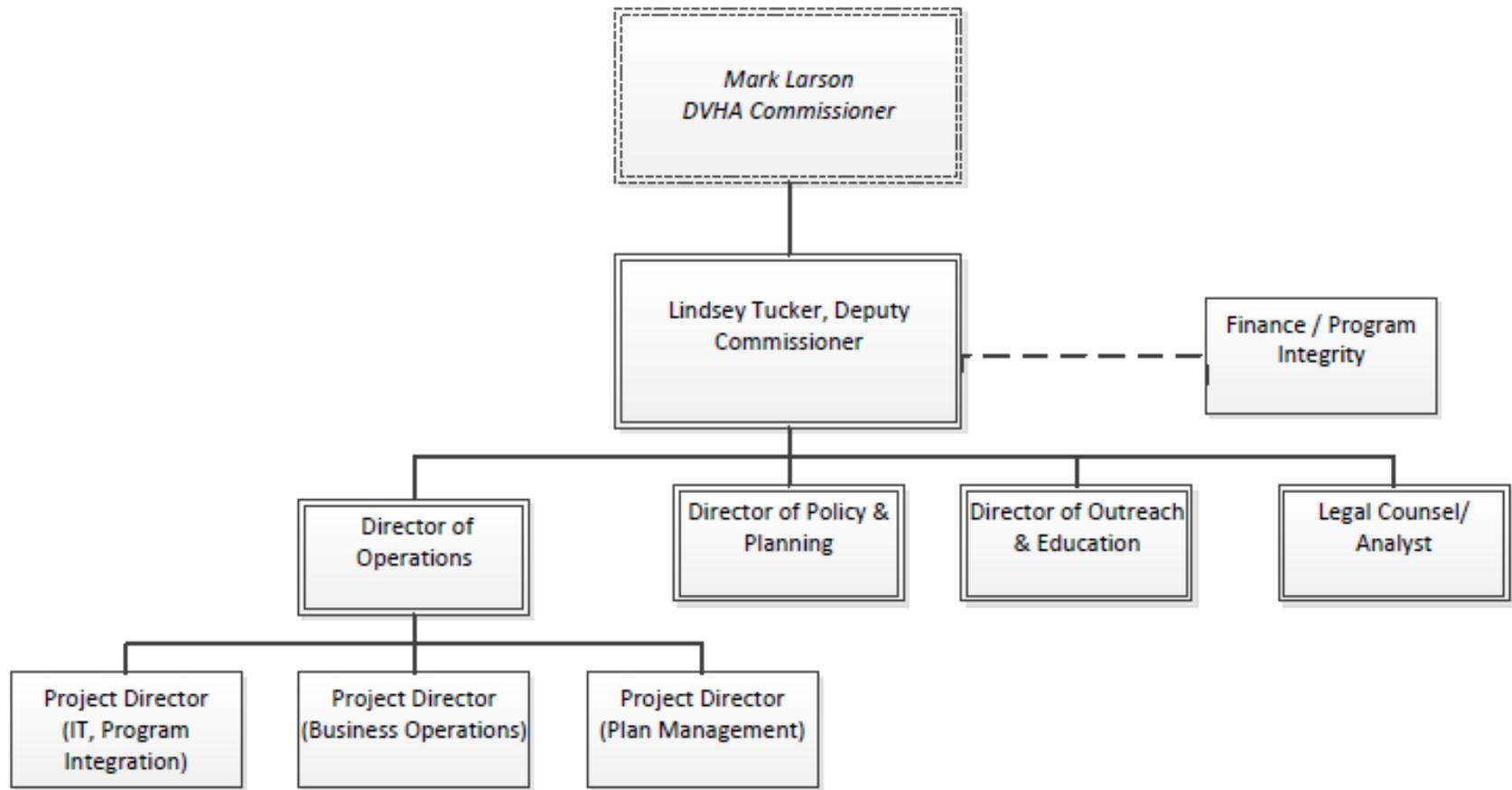
# **Exchange Administrative Activities**

# Exchange Administrative Activities: Org. & Human Resources Overview



- ◆ Per Act 48, 2011, the Vermont Health Benefit Exchange is located within the Department of Vermont Health Access (DVHA) (see Organization Chart – next slide)
- ◆ Act 48 created a new deputy commissioner position within DVHA to lead the Exchange work
- ◆ Lindsey Tucker, M.S. appointed in December 2011 to fill that role

# Exchange Administrative Activities: Org. & Human Resources DRAFT Organizational Chart

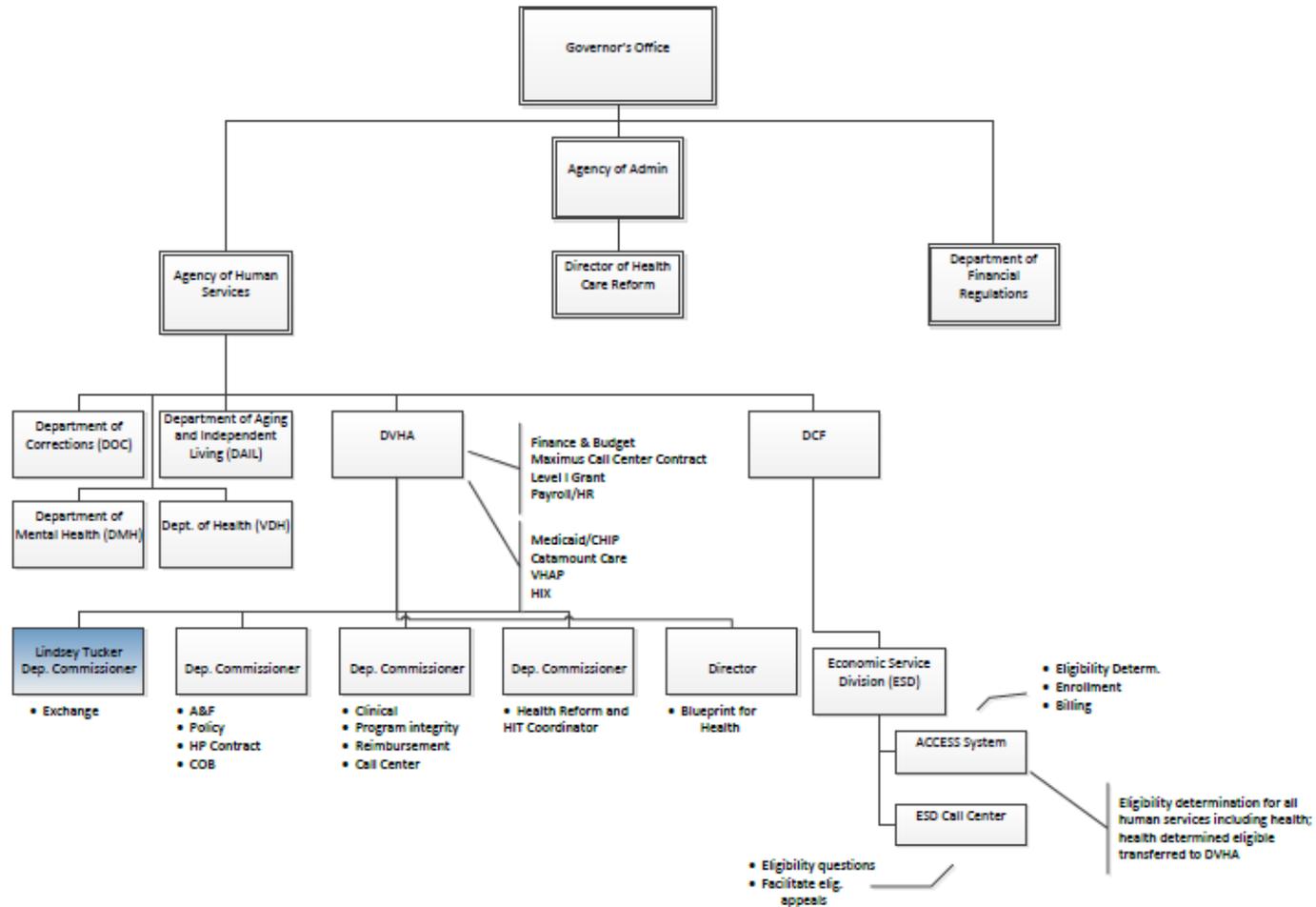


# Exchange Administrative Activities: Org. & Human Resources Leveraging State Resources



- ◆ Locating the Exchange within state government allows Vermont to leverage existing state resources for certain exchange functions. Examples include:
  - ◆ Financial Management – DVHA
  - ◆ Call Center – DVHA
  - ◆ IT Project Management – Agency of Human Services IT
  - ◆ Eligibility support – Department for Children and Families
  - ◆ Risk Leveling – Department of Financial Regulation (DFR)
  - ◆ Plan Management/QHP Certification – DFR

# Exchange Administrative Activities: Org. & Human Resources Vermont Agency Organization Chart



# Exchange Administrative Activities: Org. & Human Resources Next Steps



## Next Steps

- ◆ DVHA senior leadership working with Wakely Consulting to finalize:
  - ◆ Total resource needs of exchange
  - ◆ Leveraging opportunities across Department of Health Access divisions and state partner departments and agencies
  - ◆ Incremental needs for exchange

# Exchange Administrative Activities: Finance & Accounting/Cost Management



- ◆ Contract with Wakely Consulting Group to estimate future level II costs as well as operational cost projections. Costs will be incorporated into long-term Vermont Health Enterprise operating and maintenance budget and be cost-allocated among all benefiting programs.
- ◆ Wakely has completed an assessment review of current financial systems and will recommend any changes to ensure compliance with the Exchange Financial requirements.
- ◆ The Exchange Level I and Level II budgets are (and will be) included in the Vermont Health Enterprise IAPD. Approved costs will be allocated in accordance with that plan (when approved.) Cost allocations by project will be reviewed and approved through the IAPD.
- ◆ The State of Vermont complies with all federal and state financial policies and procedures and completes an annual Single Audit.
- ◆ The State of Vermont has an approved Cost Allocation Plan with the HHS-DCA. The plans are updated and reviewed on a quarterly basis (<http://humanservices.vermont.gov/departments/office-of-the-secretary/cost-allocation-plan>)

# Exchange Administrative Activities: Finance & Accounting/ Cost Management, cont'd



## Cost Management, Level 1 Establishment Grant

- ◆ Obligated to-date \$5,532,338
- ◆ Unobligated \$12,558,029 (\$10,100,000 IT budget which will be captured in the Jumbo IAPD projects)
- ◆ Estimate at Complete \$18,090,367

	Budget				Expenditures		
	Appropriated	Obligated	Unobligated	Projected	Total	(App) Available	(Pro) Avail
Pers Total	\$ 2,444,406	\$ 1,905,440	\$ 538,966	\$ 2,444,406	\$ 42,988	\$ 2,401,419	\$ 2,401,419
Op Total	\$ 235,961	\$ 158,682	\$ 77,278	\$ 235,961	\$ 3,984	\$ 231,977	\$ 231,977
Procurement Total	\$ 15,410,000	\$ 3,468,216	\$ 11,941,784	\$ 15,410,000	\$ 37,528	\$ 15,372,472	\$ 15,372,472
<b>Grand Total</b>	<b>\$18,090,367</b>	<b>\$ 5,532,338</b>	<b>\$ 12,558,029</b>	<b>\$ 18,090,367</b>	<b>\$ 84,499</b>	<b>\$18,005,868</b>	<b>\$18,005,868</b>



Vermont's Health Benefit Exchange

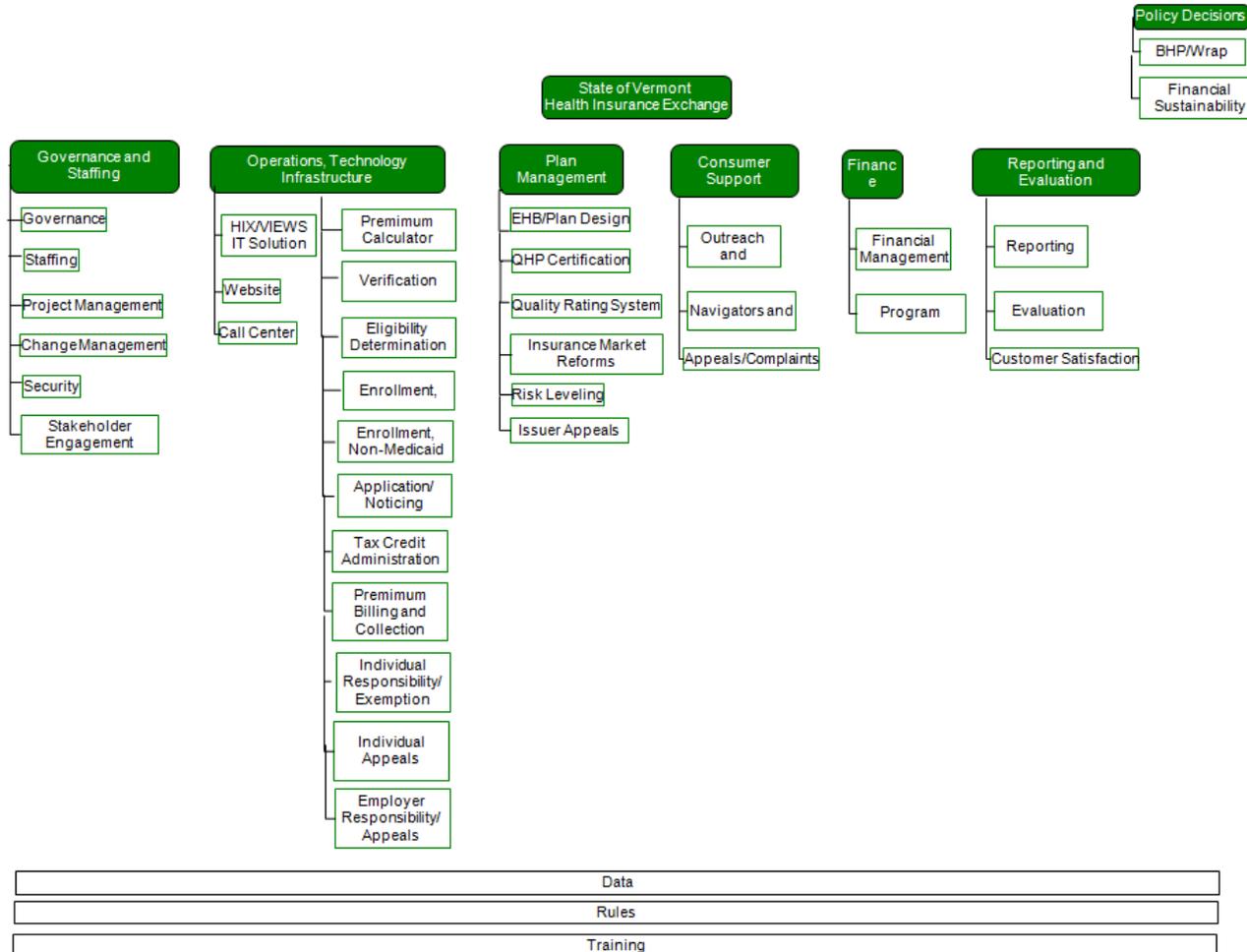
# Project Summary

# Project Summary: Overview



- ◆ Vermont Strategic Plan 2012 Goals
  - ◆ Reduce health care costs and cost growth;
  - ◆ Assure that all Vermonters have access to and coverage for high quality health care (health care includes mental and physical health and substance abuse treatment);
  - ◆ Support improvements in the health of Vermont's population; and
  - ◆ Assure greater fairness and equity in how we pay for health care.
  
- ◆ **Exchange Goal:** a health benefit exchange integrated within the Health Services Enterprise that will simplify health insurance purchasing, reduce administrative waste and complexity
  
- ◆ **Next Step:** GMMB to work with state on Exchange mission/vision statements

# Project Summary: Exchange Operations Overview



# Project Summary: Design Goals



## **Agility**

- ◆ Reduce the time to develop and deploy functionality

## **Reuse**

- ◆ Reuse functionality and share data and logic across human services areas to improve efficiency and scalability

## **Scalability**

- ◆ Ensure that the solution can be scaled up and out to handle potential volume increases

## **Expandability**

- ◆ Ability to accommodate future federal and/or state initiatives

# Project Summary: Design Strategies



- ◆ Actively exploring opportunities for leveraging Oregon's architecture
  - ◆ Intent is to leverage architectures, strategies and similar COTS products (e.g.,: Oracle stack)
- ◆ Promoting reuse and collaborative build with other intrastate business needs and systems
- ◆ Acquisition and implementation of highly configurable COTS products (Oracle)

# Project Summary: Design Strategies, cont'd



- ◆ Procurement of resources from external organizations experienced in developing and deploying similar solutions
  - ◆ Vermont has engaged Gartner to conduct an assessment of Oregon's approach and Oracle SOA solution to:
    - ◆ Determine alignment with Vermont's current Oracle suite
    - ◆ Identify a design, development and implementation plan for realizing the Medicaid and HIX vision for the Vermont Health Services Enterprise
  - ◆ KPMG to provide assistance in the development of a Vermont Health Insurance Exchange (HIX)/Vermont Interactive Eligibility Workflow System (VIEWS) architecture that seeks alignment with both CMS MITA 3.0 and Exchange Reference Architecture guidance

# Project Summary: Design Strategies, cont'd



- ◆ Gartner has also been contracted to provide assistance in the following areas:
  - ◇ Determination of organizational level of readiness
  - ◇ Functional and non-functional requirements validation
  - ◇ Alternative analysis of the architecture and design of the solution
  - ◇ Development of a procurement roadmap and strategy
  - ◇ Procurement assistance
  - ◇ Quality assurance oversight

# Project Summary: Reusability Approach – External



- ◆ Vermont has decided to mirror Oregon’s Oracle-based HIX solution. Oregon is developing their HIX solution on the same Oracle SOA stack that Vermont owns.
- ◆ Vermont has begun to collaborate with Oregon to reuse as much of their architecture configuration as possible.
- ◆ Vermont doesn’t currently hold licenses for all of the software that Oregon has licensed, but Vermont plans to pursue those licenses.
- ◆ Oregon currently hosts with Oracle Cloud Services; Vermont plans to also host with Oracle Cloud Services, which will enable Vermont to accelerate its environment configuration process.

# Project Summary: Reusability Approach – External, cont'd



- ◆ Vermont has also had initial conversations with Rhode Island – and is looking for similar relationships with other states – about potential operational reusability. Topics that have been mentioned for possible future conversation include:
  - ◆ Shared data center operations, whether hosted locally or not
  - ◆ Shared call center operations
  - ◆ Shared premium management operations
- ◆ Vermont has not committed to accepting or rejecting the reuse of any of these operational items at this time.

# Project Summary: Reusability Approach – Internal



- ◆ Vermont's Agency of Human Services plans to use its SOA components in other projects within its enterprise
- ◆ Vermont's HIX solution will be launched in Vermont's new eligibility and enrollment system, VIEWS (Vermont Integrated Eligibility and Workflow Solution)
  - ◆ VIEWS will use these SOA components
- ◆ Eligibility and enrollment processes for health care will be re-used as appropriate for porting TANF, SNAP, LIHEAP, and other programs into VIEWS
- ◆ DFR's rate and form filing, licensure, and quality review procedures will be reused for Exchange purposes

# Project Summary: Development Lifecycle Model



Soa Lifecycle Model

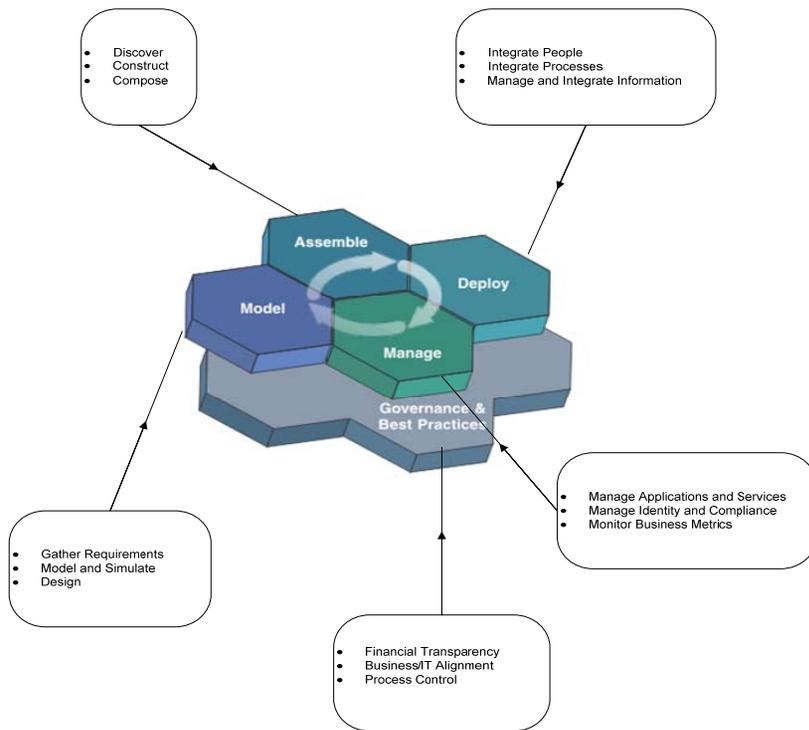


Fig. A  
SOA Lifecycle Model

- ◆ **Model** – business requirements are gathered, simulated and optimized.
- ◆ **Assemble** – consumes the business processes and assembles the newly created composite services with existing services.
- ◆ **Deploy** – placement into the service bus environment.
- ◆ **Manage** – monitors applications.
- ◆ **Governance** – provides oversight and guidance for the entire process

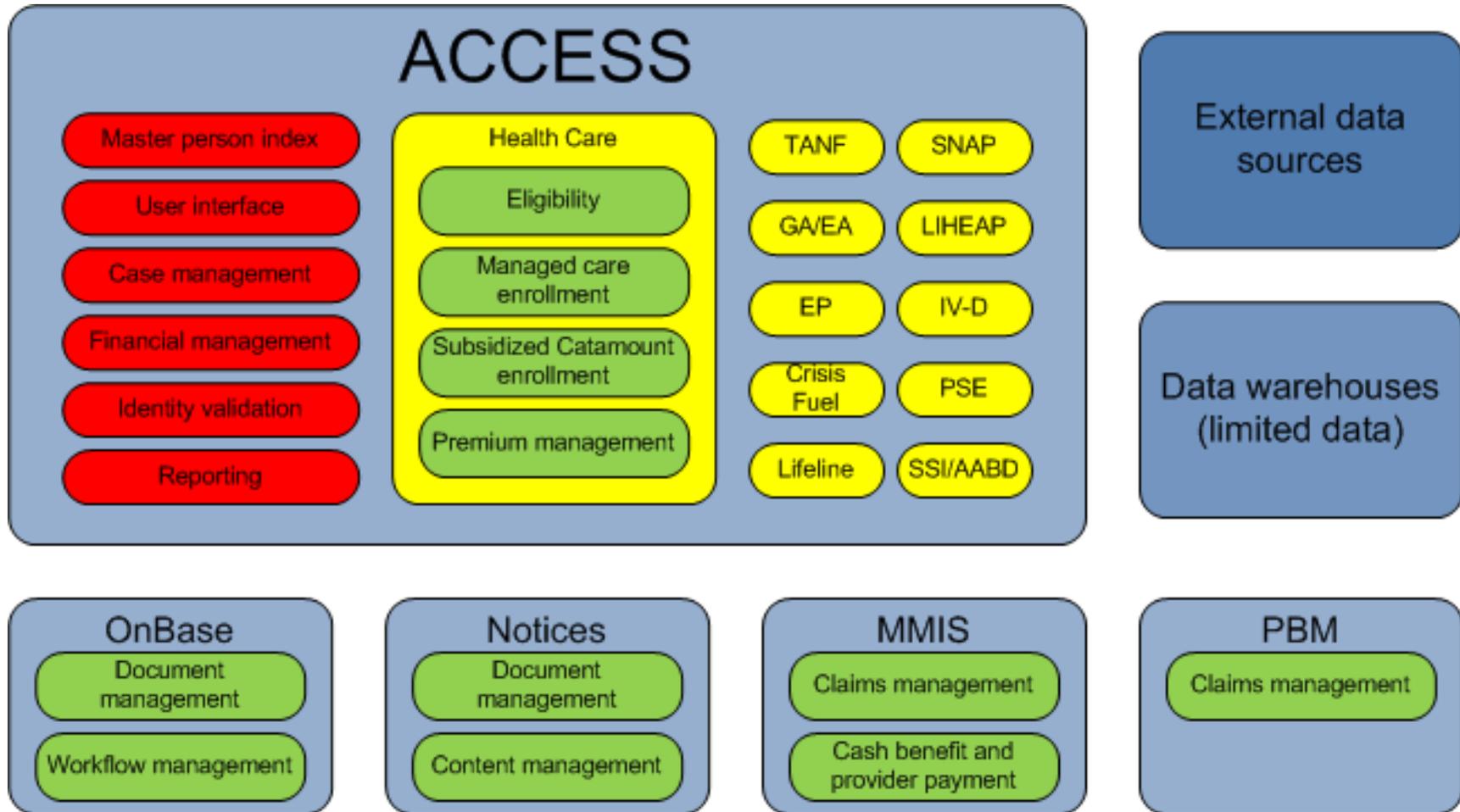
# Project Summary: Agile Programming Model



We intend to use an Agile Programming model to complement the SOA lifecycle and the need for Rapid Application Deployment. The summary features include:

- ◆ Customer satisfaction by rapid, continuous delivery
- ◆ Working software is delivered frequently
- ◆ Working software is the principal measure
- ◆ Late changes in requirements can be accommodated
- ◆ Daily cooperation between business & developers
- ◆ Face-to-face conversation
- ◆ Projects are built around motivated individuals
- ◆ Continuous attention to technical excellence
- ◆ Regular adaptation to changing circumstances

# Project Summary: Current System



# Project Summary: Current vs. Proposed System Scope



- ◆ Vermont intends to implement its HIX solution and replace its existing health care E&E solution in the new VIEWS system
- ◆ Vermont also intends to implement an enterprise master person index which will be utilized across systems within the Agency of Human Services; the master person index will be used solely for health care functions for the foreseeable future.
- ◆ The portion of the HIX infrastructure that is identical, or is nearly identical, to the Medicaid E&E infrastructure will be procured as a single component
- ◆ The VIEWS project will not incorporate other benefit programs at this time, but will in the future

# Project Summary: High-Level Functional Requirements



- ◆ Online access (a web portal)
- ◆ Either certify QHPs or collect data about QHPs from the certifying source
- ◆ Provide QHP information
- ◆ Provide for multiple types of open enrollment periods
- ◆ Create a rating system for QHPs
- ◆ Conduct surveys with results posted publicly
- ◆ Provide a calculator for tax credits and cost of coverage
- ◆ Determine mandate exemption eligibility
- ◆ Provide employee choice of plans for small businesses
- ◆ Determine eligibility for public health care programs
- ◆ Provide an automated case management solution
- ◆ Accommodate a solution for premiums management
- ◆ Integrate with external data sources (e.g.,: Treasury, IRS)
- ◆ Integrate with existing legacy systems including the MMIS and PBM
- ◆ Integrate with ACCESS

# Project Summary: Current vs. Proposed System Summary of Changes



System	Summary of changes
ACCESS	Health care eligibility, case management, and premium management functions would be stripped from ACCESS. It is currently unclear whether ACCESS would still be used for health care data storage.
OnBase	OnBase would no longer be used as a case management workflow solution. However, OnBase potentially could retain use as a document management system.
MMIS	At this time, the MMIS would continue to operate as is. The MMIS will be scheduled for replacement as part of a separate project.
PBM	The PBM will continue to operate as is.
Notices	This system will be retained if necessary, but it would be much preferable to use a modern, integrated, more maintainable notice software solution.

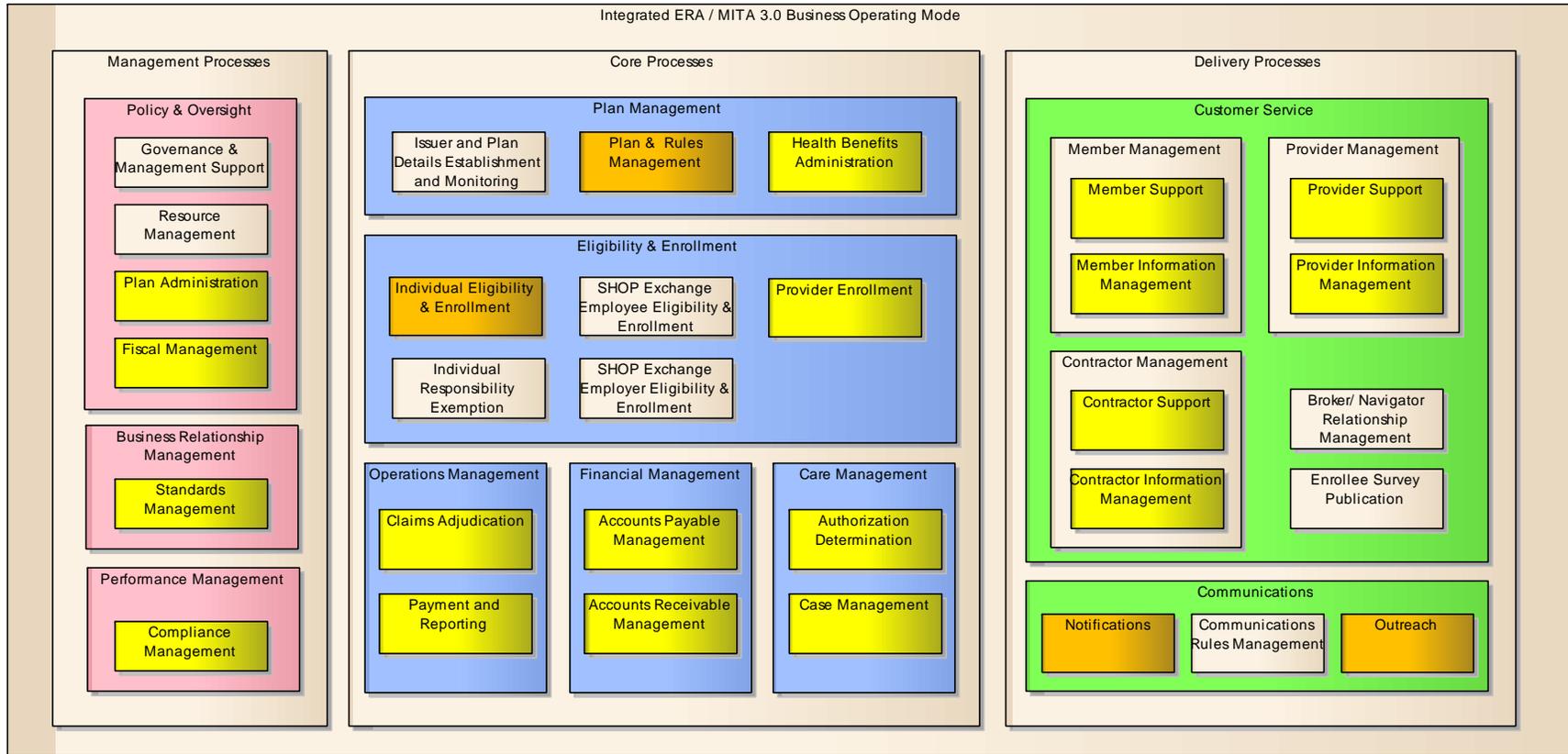
**Next Steps:** Current KPMG IT GAP Analysis to assess reuse potential of certain existing state systems; results of the assessment may impact the nature and scope of solution selected

# Project Summary: Proposed System Architecture

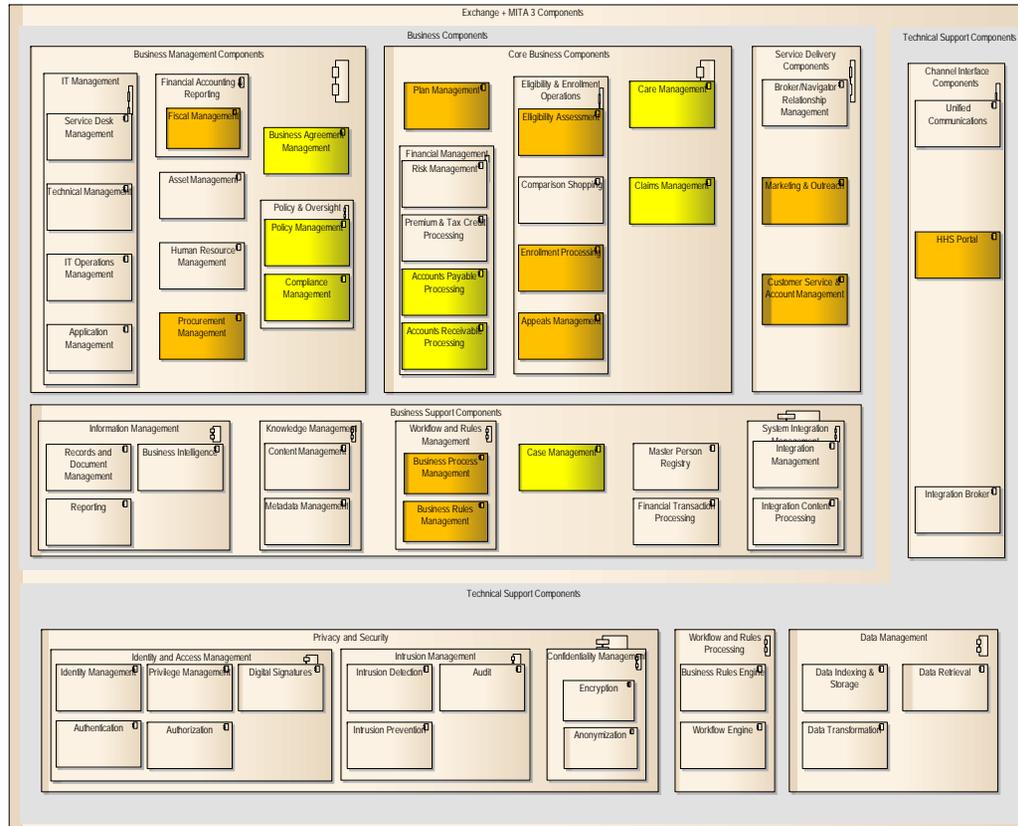


- ◆ A sample reference architecture is displayed on the next three slides. Three views are shown:
  - ◆ Operating Model
  - ◆ Application Component Model
  - ◆ Deployment Model
- ◆ These architecture models are under review as part of current efforts to create a target architecture for Vermont
  - ◆ Example: removal of MMIS functionality, given that MMIS will remain in operation in the near future
- ◆ We seek to fully align the target architecture will be fully aligned with MITA 3.0 and the CMS ERA

# Project Summary: Proposed System Operating Model



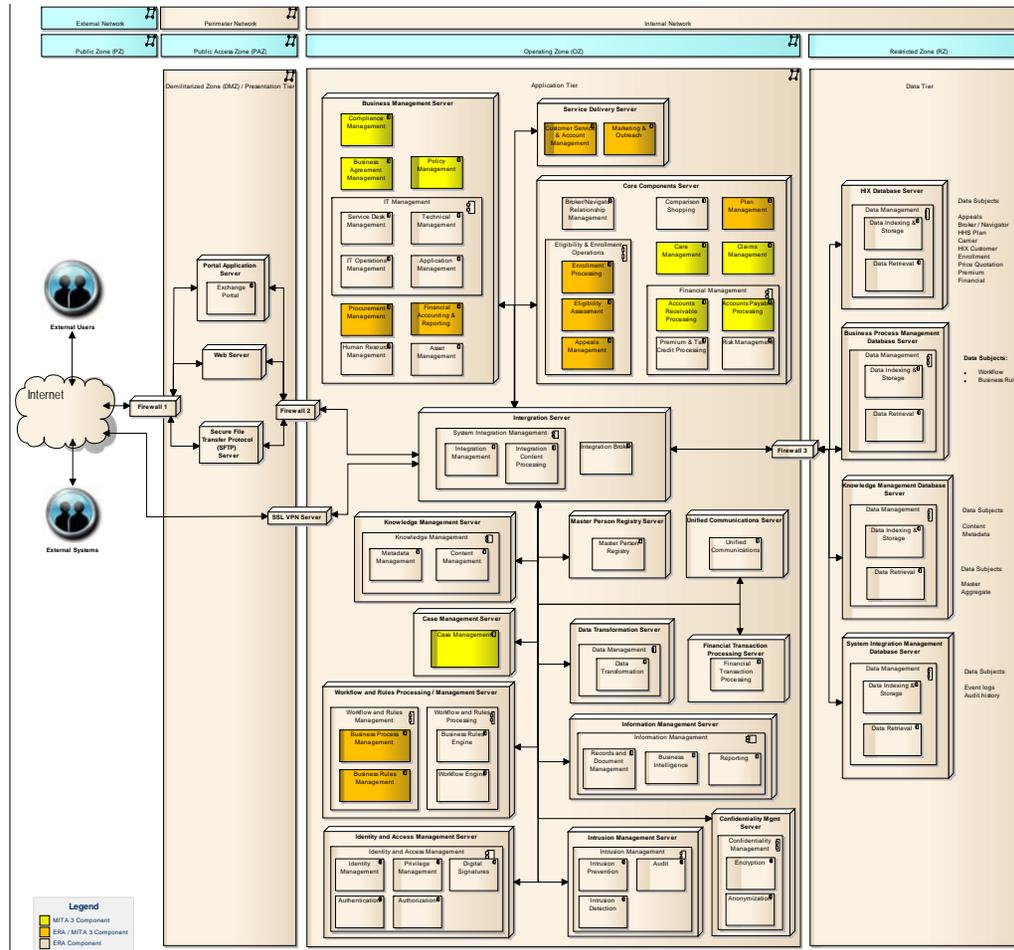
# Project Summary: Proposed System Application Component Model



**Legend**

- MITA 3 Component
- ERA / MITA 3 Component
- ERA Component

# Project Summary: Proposed System Deployment Model



# Project Summary: Proposed System Software Candidates Already Purchased



Model Entity	Software Licensed
DMZ	Web Center Suite and Web Gate
Business Management Server	Governance and Risk Compliance Manager Business Activity Manager
Integration Server	Oracle Service Bus
Service Delivery Server	Web Center Suite
Core Components Server	Development and configuration coding Financial module under consideration
Knowledge Management Server	User Productivity Kit and Oracle Tutor
Case Management Server	Oracle CRM
Master Person Registry Server	Oracle MDM Suite
Unified Communications server	Service Bus and Connectors
Data Transformations	Oracle MDM Suite and service bus
Financial Processing Server	Under consideration
Workflow and Rules Processing	Oracle BPM and OPA
Information Management Server	Business Activity Manager Business Intelligence Publisher
Identity and Access Management Server	Oracle Identity and Access Manager
Data Tier	Oracle 11G RAC
Intrusion and Confidentiality Management	Cisco Products, Audit Vault

# Project Summary: Proposed System Software to be Purchased



Model Entity	Software To Be Purchased
DMZ	
Business Management Server	
Integration Server	
Service Delivery Server	
Core Components Server	Oracle SOA/Middleware/Webcenter Pillar
Knowledge Management Server	
Case Management Server	Siebel CRM Pillar
Master Person Registry Server	Oracle Master Data Management Pillar
Unified Communications server	
Data Transformations	
Financial Processing Server	TBD
Workflow and Rules Processing	
Information Management Server	
Identity and Access Management Server	Oracle Identity Management Pillar
Data Tier	Business Intelligence and Oracle Database and Options Pillars
Intrusion and Confidentiality Management	

\* Information obtained from the Software Gap Analysis artifact.

# Project Summary: Security Infrastructure



- ◆ Vermont will approach the HIX as we do other Medicaid-related services per 45 CFR 95.621 requiring:
  - ◆ System Security Plans (SSP) based on NIST 800-18 (Vermont uses the CMS SSP template)
  - ◆ System Risk Assessment and Mitigation Plans based on NIST 800-30 (Vermont uses a customized variant of the CMS RA template)
  - ◆ Periodic Security Controls Reviews (SSAE-16 Type II)
- ◆ Harmonized Security and Privacy Framework
  - ◆ Vermont will manage privacy and Security in accordance with HIPAA/HITECH, Vermont State PII Statute, and the Agency of Human Services Consumer Information and Privacy/Security Rule 08-048
- ◆ System and Data Classification
  - ◆ Major Application, Moderate Impact due to SSN, PHI, PII, FTI

# Project Summary: Security Infrastructure, cont'd



## ◆ Security Controls

- ◆ Vermont intends to use NIST SP 800-53 Rev 4 Moderate Baseline Security Controls (in draft but should be finalized when the HIX is deployed)
- ◆ Vermont has MOUs with SSA and IRS specifying 1075 compliance containing NIST SP 800-53 Rev 3 controls
- ◆ Adherence to controls will be mandated in contractual language
- ◆ Controls involving encryption, auditing, passwords, and data warehousing are specifically prescribed in 1075 appendices

## ◆ Identity, Credential, and Access Management

- ◆ Vermont plans to use the CMS-contracted Identity-Proofing services
- ◆ Credential provisioning, access management, role entitlement processes, will follow best practices, such as least privilege, separation of duties, and previously mentioned NIST Security Controls.
- ◆ Currently slated to use Oracle Identity Management 11G for the backend

# Project Summary: Security Infrastructure, cont'd



- ◆ Secure Infrastructure and Cloud Computing
  - ◆ The infrastructure will be designed, built and managed with security at the core
  - ◆ Vermont is currently developing Cloud computing contractual terms and conditions that reflect NIST (SP 800-144) guidance, FISMA compliance, and HIPAA/HITECH compliance
  - ◆ Disaster Recovery will be included in any managed infrastructure contractual arrangements to best ensure adherence to Vermont's Continuity of Operations Planning
- ◆ Compliance Oversight
  - ◆ Vermont has a position dedicated to Health Insurance Exchange security backed by State IT Security Staff
  - ◆ Vendors will be engaged to augment and provide independent, third-party assessments per NIST IR-7328

# Project Summary: Cost Allocation



## Cost Allocation Summary (from IAPD)

We have categorized the work into four distinct areas/funding buckets:

1. Core Components
2. Health Insurance Exchange (HIX)/Health Eligibility and Enrollment (E&E)
3. Medicaid Enterprise Service (MES)
4. State Medicaid HIT Plan (SMHP)

Within each of the areas, Vermont added in some 'standard expenses' to be calculated in, such as:

- ◆ Change Management (30% of DDI)
- ◆ Quality Assurance/Code Review (10% of DDI)
- ◆ Independent Verification and Validation (IV&V) (5% of DDI)
- ◆ DII Costs (3% of DDI)



Vermont's Health Benefit Exchange

# Project Management

# Project Management: Overall Approach



- ◆ A coordinated, integrated, cross-agency plan for managing HIX/VIEWS.
- ◆ Recent dedication of project manager; additional support being recruited and organized
- ◆ Gartner is working on developing a comprehensive Procurement Strategy and Roadmap to ensure a rapid cost effective procurement and IT project management
  - ◆ Gartner will provide ongoing Quality Assurance oversight to ensure that key deliverables and processes are progressing according to plan and will result in the expected outcomes and benefits

# Project Management: Overall Approach, cont'd



- ◆ Utilize defined project management processes based on industry best practices and the Project Management Institute (PMI) Book of Knowledge (PMBOK) Guide.
- ◆ Project Management Oversight by the Department of Information and Innovation State CIO and State Enterprise Project Management Office (EPMO).
- ◆ This project is also following the CMS Integrated Life Cycle (ILC) framework.

# Project Management: Project Schedule



- ◆ Show top level Integrated Master Schedule (IMS)
- ◆ Discuss any changes to the Critical Path
- ◆ Discuss stability of float
- ◆ Discuss any tasks that are or completed significantly behind schedule
- ◆ Highlight schedule reserve leading to next major event

# Project Management: Communication Management



The State of Vermont Health Benefit Exchange project team maintains and continues to develop a communication management plan for both internal and external stakeholders.

## **Internal Communication**

- ◆ Governor's Health Care Cabinet (quarterly)
- ◆ Weekly Health Care Leadership Team meetings
- ◆ Weekly HIX/VIEWS workgroup sessions
- ◆ Bi-weekly Agency of Human Services CIO status reports
- ◆ Bi-weekly State Enterprise Project Management Director meetings, with accompanying progress memo
- ◆ Bi-weekly Department of Vermont Health Access Executive Committee
- ◆ Ongoing communication through Basecamp, a web-based project management tool
- ◆ Universal document repository using a shared directory
- ◆ Ongoing ad-hoc phone, email and in-person communications

# Project Management: Communication Management, cont'd



## External Communication

- ◆ Health Benefit Exchange Advisory Group
- ◆ Medicaid Advisory Board
- ◆ Green Mountain Care Board
- ◆ Other stakeholders, including consumer advocates, issuers, providers, brokers and agents, small business associations and representatives
- ◆ Sharing of reports and information through the Health Benefit Exchange website

# Project Management: Risks and Issues



- ◆ Potential risks and issues are identified through:
  - ◆ Project Team Meetings
  - ◆ Federal guidelines (such as finalization of rules)
  - ◆ Specifics on Federal services (such as Federal Data Services Hub)
  - ◆ Other ACA related meetings and sources
- ◆ Risks and issues are tracked in the Risk and Issue log
- ◆ Risks and issues are discussed in the Project meeting
- ◆ Risk mitigation strategy is discussed and documented
- ◆ Risks and issues that need to be escalated are identified
- ◆ Escalated risks and issues are discussed with the Health Benefit Exchange Deputy Commissioner
- ◆ Risk mitigation strategy is discussed and documented
- ◆ Any unresolved risk and issue is flagged for potential risk to the project

# Project Management: Assumptions & Constraints



The State of Vermont's work on the Exchange assumes that CMS will provide sufficient guidance and support so that Vermont can make decisions and build capability for the Exchange.

## Assumptions

- ◆ Federal guidance and requirements will be made available in a timely manner
  - ◆ E.g.,: Federal data hub interface specifications
- ◆ Timely response from CMS for:
  - ◆ Funding requests
  - ◆ Requests for technical assistance
  - ◆ IAPD approval
- ◆ VT receipt of the Establishment Level Two Grant
- ◆ Continued appropriate staffing and capacity-building within the Exchange Division and across state government
- ◆ No unforeseen impediments to the RFP and Procurement Processes
- ◆ No changes to the ACA are forthcoming

# Project Management: Assumptions & Constraints, cont'd



- ◆ There are several dependencies for this project; many of them are related to Federal rules, guidelines and services as well as State legal establishment and subsequent guidelines.

## **Constraints**

- ◆ Legacy infrastructure and applications
- ◆ Aggressive timeline for implementation
- ◆ IRS/SSA security requirements regarding the ability to share data

# Project Management: Change Management



## Change management process:

- ◆ The Project Team (HIX/VIEWS) meets every week to discuss potential changes
- ◆ The impact to scope and timeline are discussed
- ◆ Risks and policy decisions for any change are integrated into the risk and issue management log
- ◆ Major changes to the scope and timeline are assessed and discussed with the Health Benefit Exchange Deputy Commissioner
- ◆ Remediation plan is discussed and implemented
- ◆ Specific and approved changes are included into the project plan

**Next Step:** The current change management process will be augmented and upgraded based upon recommendations from Gartner.

# Project Management: Quality Management



Quality Control is an iterative process that will be performed throughout the project's life and involves monitoring and controlling project results to determine whether they comply with defined quality standards and then identifying ways to eliminate causes of unsatisfactory results. Gartner will assist Vermont with ongoing Quality Assurance oversight. In addition, the Exchange will deploy the following quality mechanisms:

## **Quality Control**

The main outcomes of quality control activities include:

- ◆ Acceptance decisions – Determination to accept or reject products
- ◆ Rework – Actions taken to correct rejected products or services
- ◆ Process adjustments – Action taken to correct or prevent future quality problems

# Project Management: Quality Management, cont'd



## Quality Standards

◆ Quality standards for the project are defined in the following links provided in the State & Federal standards that will help guide the project. Quality assurance related to regulatory compliance will rely upon consistency with the ACA Section 1561 standards as issued by the HHS Secretary, <http://healthit.hhs.gov/pdf/electronic-eligibility/aca-1561-recommendations-final2.pdf> and other Guidance and Regulations issued by CCIIO, <http://cciio.cms.gov/resources/regulations/index.html#hie>.

# Project Management: Release Plan



- ◆ Vermont anticipates a multi-release plan to launch its HIX solution and all Medicaid eligibility into VIEWS.
- ◆ Non-HIX functionality could be removed to meet the October 2013 production deadline, such as:
  - ◆ Long-term care Medicaid
  - ◆ Non-MAGI Medicaid
  - ◆ Human Services eligibility and enrollment
- ◆ Extracted functional capabilities would be introduced in later releases/project phases

# Project Management: Performance Measures



- ◇ Vermont will measure overall success and cost effectiveness against goals through the tracking of key performance indicators
- ◇ The key performance measurements will be developed and monitored across three areas:
  - ◆ Schedule
    - ◇ Project performance will be measured against the project schedule
    - ◇ Baseline and actual project schedules will be used for this purpose
  - ◆ Financial
    - ◇ Financial performance will be reflected in detailed reports that reflect initial budgets, actual expenditures and variances
    - ◇ Financial sustainability will be actively monitored as key inputs, such as technical, vendor, and staffing costs are realized
  - ◆ Program Evaluation
    - ◇ Vermont will track the performance of the Exchange and how technology supports overall program goals
    - ◇ Program evaluation metrics will be included in the Exchange Evaluation Plan.

# Project Management: Performance Measures, cont'd



Performance Measures will continue to be defined as Vermont decides what relevant information is needed for effective evaluation and measurement.

Measurement Area	Measurement Category	Measurement Indicator
Exchange Technical Development	Timeliness	Development meets timeline and deliverables set by PMO
	Productivity	Amount of work accomplished per resources and hours applied
	IT Infrastructure	Hardware and software is procured to meet systems requirements and implementation deadlines
	Technology Costs	Monitor spend against estimated budget. Include costs avoided through reducing IT redundancies.
	Information Security	State and Federal security protocols are met
	Operational Cost Sustainability	Annual operating costs are supported by annual revenues
Exchange Implementation	Effectiveness – Functionality	Exchange functionality meets requirements and performs better than current state systems
	Effectiveness – Systems usage	Number of individuals, small business, and other users accessing systems
	Quality	Error rates and/or complaints related to products or services
	Service	Web service level agreement measures, call center customer service measurements member satisfaction and persistency



Vermont's Health Benefit Exchange

# **Plan Management & Quality Activities**

# Plan Management & Quality Activities: Overview



- ◆ There are two carriers in the Vermont non-group and small group markets; ensuring adequate carrier participation is key
- ◆ Per Act 48, the Department of Financial Regulation (DFR) leads the premium rate review process, with the Green Mountain Care Board as the oversight body
- ◆ The Exchange will build on DFR's current health plan quality measures
- ◆ Will be developing integration plans with DFR regarding premium rate justification

# Plan Management & Quality Activities: Overview, cont'd



- ◆ The state has identified the development of a Plan Management strategy as a 3<sup>rd</sup> quarter 2012 initiative
- ◆ The project is structured to address the following:
  - ◆ Development of a comprehensive summary of final federal regulations
  - ◆ Development of a crosswalk between federal minimum standards and related state requirements
  - ◆ Identification of any changes required in state regulations to conform to minimum federal requirements
  - ◆ Development of state-specific standards for QHP Certification
  - ◆ Development of a timeline
  - ◆ Development of contracts and other artifacts necessary to perform the plan management function

# Plan Management & Quality Activities: Potential QHP Certification Process



QHPs will submit plan documents to DFR via SERFF.

- In order to be eligible, licensed insurers must have URAC or NCQA accreditation

DFR analysts will verify that plans meet the certification requirements, as well as Vermont state requirements.

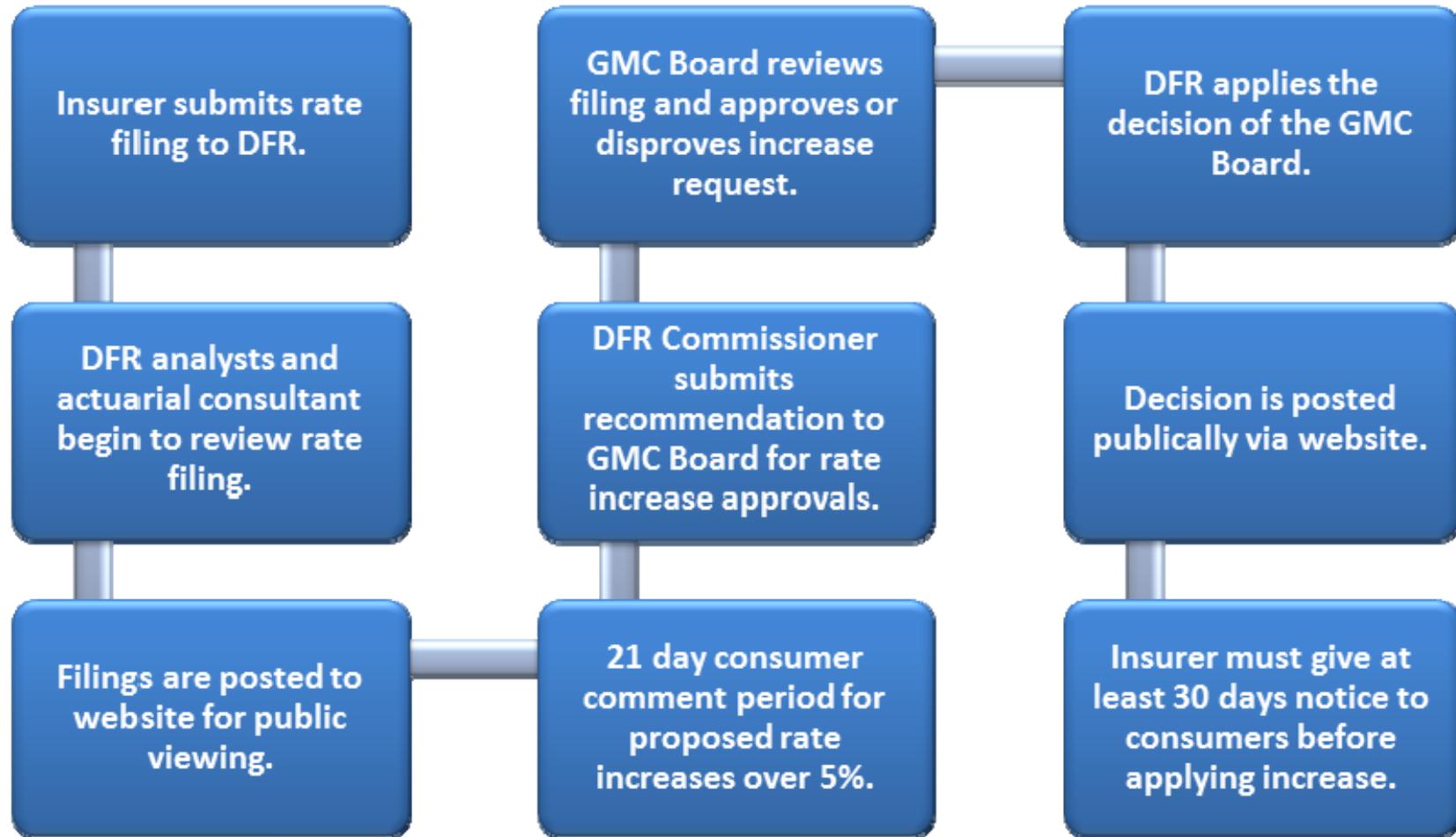
Certified QHPs will be designated as such in SERFF.

- Data will be electronically and securely transferred from SERFF to populate the Exchange's database upon contract execution.

Ongoing monitoring of certified QHPs.

- Monitoring will include rate and benefit data, quality performance, and triennial reviews, as well as the recertification and decertification of plans.

# Plan Management & Quality Activities: Current Rate Review Filing Process



# Plan Management & Quality Activities: Certification Requirements



Insurers not already licensed in Vermont must comply with DFR's Bulletin 43 and submit a NAIC Uniform Certificate of Authorization (UCAA). Approvals are processed within 90 days from DFR deeming an application complete.

Requirements include:

- ◆ Capital and surplus requirements
- ◆ Zone licenses: licensed in one or more states in NAIC's Zone 1
- ◆ Examination report
- ◆ CPA reports
- ◆ Seasoning (profitability in last 5 years)
- ◆ IRIS test results
- ◆ Management
- ◆ Regulatory actions by other jurisdictions
- ◆ Reinsurance
- ◆ Service of process on Secretary of State

*Mental Health Review Agents (Organizations) are licensed pursuant to Rule H-2011 – 01.*

# Plan Management & Quality Activities: Quality Measures Oversight



Vermont has a number of existing laws and regulations that it can build on for providing quality measure oversight. This includes:

## ◆ Statutes

- ◆ 8 V.S.A. § 15: Rules, orders and administrative interpretations
- ◆ 8 V.S.A. § 4089(a): Mental health care services review
- ◆ 8 V.S.A. § 4089(b): Health insurance coverage, mental health and substance abuse
- ◆ 18 V.S.A. § 9410: Health care database
- ◆ 18 V.S.A. § 9414: Quality assurance for managed care organizations

## ◆ Vermont Rules

- ◆ H-2007-05: Health Care Price and Quality Transparency
- ◆ H-2009-03: Consumer Protection and Quality Requirements for MCOs
- ◆ H-2011-01: Licensing Requirements for Mental Health Review Agents

# Plan Management & Quality Activities: Quality Measures Oversight, cont'd



- ◆ Reports and Guidance
  - ◆ DFR's Bulletin 43: Criteria for Company Authorization and Application Procedures
  - ◆ Annual Managed Care Organizations Data Filing Evaluation Report
  - ◆ Consumer Report Cards for Health Plans and Mental Health Treatment

# Plan Management & Quality Activities: Current Health Plan Quality Measures



Current Health Plan Quality Measures include:

- ◆ Healthcare Effectiveness Data and Information Set (HEDIS®)
- ◆ Consumer Assessment of Healthcare Providers and Systems (CAHPS®)
- ◆ Geographic access and appointment waiting times
- ◆ Specific Utilization Indicators, e.g., PCP visits and ER visits per 1000 members
- ◆ Preventive Care Indicators
- ◆ Acute and Chronic Care Indicators
- ◆ Coordination and Continuity of Care Indicators
- ◆ Provider Satisfaction Survey
- ◆ Member Grievances/Appeals
- ◆ Measures related to Vermont's *Blueprint for Health*
- ◆ Efficiency Indicators, e.g., performance or RRU
- ◆ UR Management Activities, i.e., type, frequency, etc.
- ◆ Plan-initiated and Provider-initiated Provider Terminations
- ◆ Annual Health Plan Quality Improvement Goals

# Plan Management & Quality Activities: Current Health Plan Quality Measures, cont'd



- ◆ Participation in Joint Health Plan Quality Improvement Goals
- ◆ Triennial health plan audits and focus reviews
  
- ◆ All nationally recognized measures are compared with benchmarks based on NCQA's national and regional averages or with target achievement levels. DFR is collaborating with the University of Massachusetts Medical School to determine how these existing measures may be incorporated in the quality rating system being developed for Vermont's Exchange.



Vermont's Health Benefit Exchange

# Qualified Health Plans

# Qualified Health Plans: Overview



- ◆ Individual and Small Group Market Analysis
  - ◆ Actuarial analysis of market changes – initial work completed; on-going analysis
  - ◆ Estimates of number of lives in each market in 2014
- ◆ Essential Health Benefits
  - ◆ Actuarial analysis comparing three state options completed
  - ◆ Awaiting final Federal guidance
- ◆ Develop standard product design options
  - ◆ Preliminary actuarial work underway
  - ◆ Upcoming discussion with Exchange Advisory Group
  - ◆ Examine current high enrolment plans in the market today

# Qualified Health Plans: Market Overview



## January 2012 Members by Market and Health Insurer Based on Data Provided by Insurers through a Data Call

Members	BCBS	MVP	Cigna	Total
Catamount	13,492	577	-	14,069
Individual (incl Safety Net)	2,066	1,948	-	4,014
Small Group (incl Safety Net)	24,353	15,979	-	40,332
51-100*	-	3,990	436	4,426
Associations	20,716	-	-	20,716
<b>Total</b>	<b>60,627</b>	<b>22,494</b>	<b>436</b>	<b>83,557</b>

Distribution by Market	BCBS	MVP	Cigna	Total
Catamount	96%	4%	0%	100%
Individual	51%	49%	0%	100%
Small Group	60%	40%	0%	100%
51-100*	0%	90%	10%	100%
Associations	100%	0%	0%	100%
<b>Total</b>	<b>73%</b>	<b>27%</b>	<b>1%</b>	<b>100%</b>

\* BCBS did not provide data for the 51-100 market.

# Qualified Health Plans: Reviewing EHB Options



- ◆ Potential Options in Vermont:
  - ◆ Largest small group plans
    - ◆ MVP – Preferred exclusive provider plan (CY11 Q4: 7,414)
    - ◆ BCBSVT – BlueCare (estimate for CY12 Q1: 7,201)
  - ◆ Largest HMO
    - ◆ BCBSVT (~31,000 enrolled; benefits are generally the same as in small group)
  - ◆ State employee plan (administered by Cigna)
- ◆ Did not consider the federal employee health benefits plan

# Qualified Health Plans: Premium Impact of Benefit Differences



- ◆ Wakely Actuarial Analysis
  - ◆ Where possible, benefits were analyzed with VHCURES data; industry data and actuarial judgment used as needed The percent differences are based on medical costs only (i.e., prescription drugs are not included)
- ◆ Cigna benefits are expected to impact premiums by approximately 1%, driven by four highly significant additional benefits such as infertility.

Estimated Impact of Benefits % of Premium	MVP EPO	BCBS HMO	CIGNA
Low Cost Impact	0.03%	0.16%	0.06%
High Cost Impact	0.00%	0.31%	0.89%
<b>Total Differences</b>	<b>0.03%</b>	<b>0.47%</b>	<b>0.95%</b>
<b>Compared to MVP</b>		<b>0.44%</b>	<b>0.92%</b>



Vermont's Health Benefit Exchange

# **Financial Management, Risk Adjustment, & Reinsurance Activities**

# Financial Management, Risk Adjustment, Reinsurance Activities: Financial Management

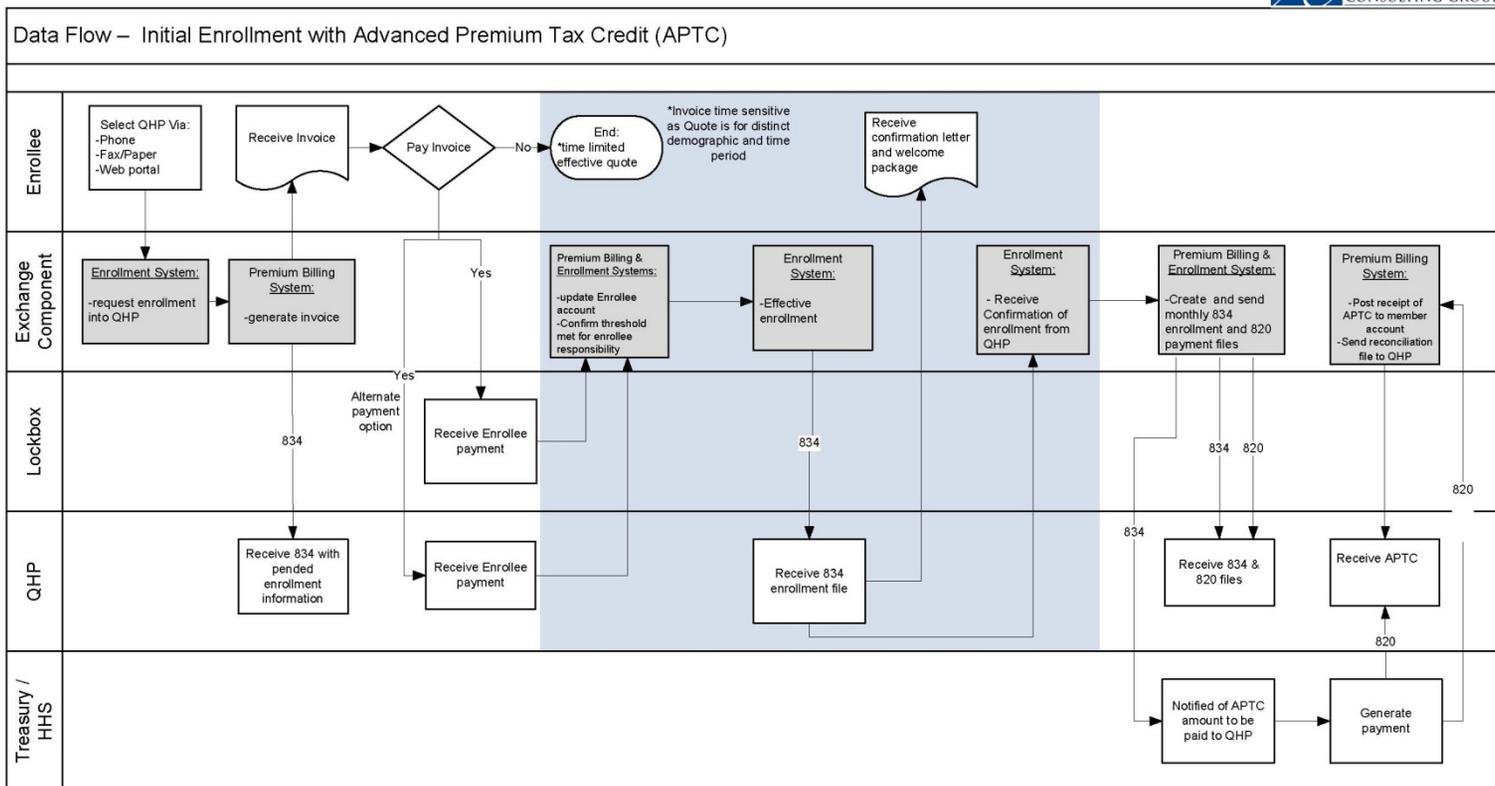


- ◆ The state is currently reviewing a report prepared by Wakely regarding an approach for financial management
- ◆ Gartner will then assist Vermont to assess and sequence the most appropriate solutions for key areas and solutions, including:
  - ◆ Exchange functions that can be leveraged by the state's existing PeopleSoft System
  - ◆ Likely areas of integration include: AP/Purchasing; Payroll; Human Resources; systems of internal control (for the prevention of FWA)
  - ◆ Contemplating assessing a Receivables/Billing system as part of the larger IT procurement
- ◆ Points of reconciliation and integration are being evaluated for the APTC
- ◆ We have developed process flows to begin to identify detailed points of contact with key stakeholders

# Financial Management, Risk Adjustment, Reinsurance Activities: Financial Management, cont'd



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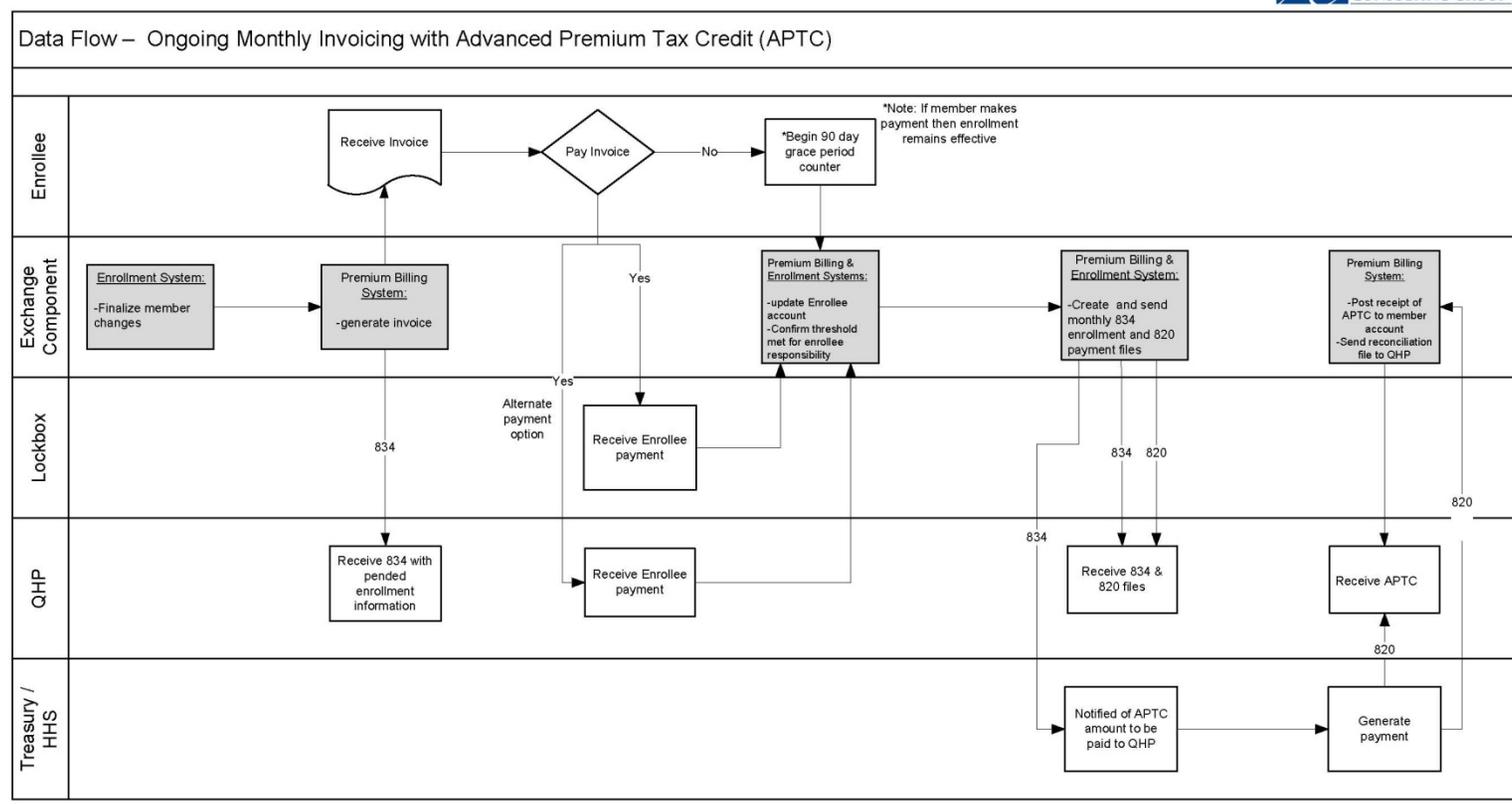
Wakely Consulting Group

3/29/2012

# Financial Management, Risk Adjustment, Reinsurance Activities: Financial Management, cont'd



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# Financial Management, Risk Adjustment, Reinsurance Activities: Risk Adjustment & Reinsurance



- ◆ State is currently assessing its options regarding the 3Rs including whether to adopt the federal program for reinsurance and risk adjustment
  
- ◆ Preliminary thoughts:
  - Risk Adjustment
    - ◆ Vermont is inclined to defer to Federal Management
  - Reinsurance
    - ◆ Currently under discussion, with goal to mitigate rate fluctuations as much as possible. The final determination will be made by Fall 2012.



Vermont's Health Benefit Exchange

# Small Business Exchange Options

# Small Business Exchange Options: Vermont H.559 – An Act Relating to Health Care Reform Implementation



- ◆ Second bill – Insurance Market Reform – out in conference committee (May 2, 2012)
  - ◆ Defines “qualified employer” for the Exchange as an employer with 50 or fewer employees for 2014 and 2015
  - ◆ Defines “qualified employer” for the Exchange as an employer with 100 or fewer employees for 2016
  - ◆ Merges the individual and small group health insurance markets into one market; plans must be sold through the Exchange

# Small Business Exchange Options: Goals for Vermont Small Business



- ◆ One market, within the Exchange, providing administrative simplification of the health care system
- ◆ Maximize value of Exchange, by:
  - ◆ Reducing administrative burden on employer
  - ◆ Enabling employee choice, without increased burden on employer
- ◆ Increase portability by providing a uniform set of plans for small group and non-group
- ◆ Pure community rating
- ◆ Leverage existing infrastructure and functions for efficiency; create similar processes for individuals and small businesses within the Exchange, where appropriate

# Small Business Exchange Options: Small Group Market



- ◆ Businesses with 50 employees or less:
  - ◆ 16,060 FIRMS (2009 MEPS)
  - ◆ 7,514 FIRMS offer insurance (2009 MEPS)
  
- ◆ Number of lives (Wakely):
  - ◆ 40,332 – current small group
  - ◆ 20,716 – current association groups
  - ◆ Total: 61,000 (includes grandfathered plans)

# Small Business Exchange Options: Plan Selection Options



- ◆ Multiple options discussed; goal is full employee choice and portability
- ◆ **Option A:** Employer selects tier and specific product
- ◆ **Option B:** Employer selects tier; employees select product within tier
- ◆ **Option C:** Employer selects insurer; employees select tier and product
- ◆ **Option D:** Employer selects tier; employees select insurer and product at, above, or below tier
- ◆ **Option E:** Employer provides defined contribution; employees purchase as individuals in the Exchange

# Small Business Exchange: Next Steps



- ◆ Working with Wakely Consulting, to finalize:
  - ◆ Administrative requirements for small business side of the Exchange
  - ◆ Online shopping and initial application
  - ◆ Eligibility and verification
  - ◆ Enrollment
  - ◆ Premium billing and collection
  - ◆ Broker management
  - ◆ Appeals
  - ◆ Choice Model
    - ◇ Employer survey of choice preferences and needs begins in early May
  - ◆ Transition plan strategies to ease disruption
  - ◆ Call Center functions and options



Vermont's Health Benefit Exchange

# Eligibility, Enrollment & Education

# Eligibility & Enrollment Activities: Eligibility Infrastructure



- ◆ Exchange to leverage current and planned infrastructure
  - ◆ VT IT gap analysis underway
  - ◆ Plan for new public program eligibility system
  - ◆ Collaborating with New England States Collaborative Insurance Exchange Systems (NESCIES) Innovator Grant and Oregon
  - ◆ One system to determine eligibility for Medicaid, CHIP, and Exchange
  - ◆ Alternatives analysis and exploration of leveraging other state E&E solutions is included in the Gartner scope of work

# Eligibility & Enrollment Activities: Customer Service



- ◆ Leverage Medicaid procurement to extent possible
- ◆ Toll-free hotline, with specialized service for
  - ◆ Individuals and families
  - ◆ Employers & their employees
- ◆ Availability
  - ◆ Include weekend and evening hours
    - ◆ Determine use after 6 months to see if should continue
- ◆ Accommodate high calling periods
  - ◆ Excess capacity
  - ◆ Cross Training

# Eligibility & Enrollment Activities: Exchange Website



- ◆ Key tool for providing information and transparency
- ◆ Vermont-specific website will:
  - ◆ Utilize available information from federal website
  - ◆ Reuse designs, to extent possible
  - ◆ Be made VT specific, including provision of quality ratings and Exchange costs and evaluations
- ◆ Provide easy access to standard information on health plan options
  - ◆ Plan comparisons
  - ◆ Cost sharing calculator
  - ◆ Tax credit calculator
  - ◆ Employer cost calculator

# Eligibility & Enrollment Activities: Outreach & Education



## General Education

Create education plan for general messaging of health reform

Different messages and consumer assistance tools  
Targeted at:

- ◆ Individuals
- ◆ Employers
- ◆ General public

## Outreach

Targeted approaches and tools for individuals & employers focused on specific needs

Comprehensive training for:

- ◆ State staff
- ◆ Customer service
- ◆ Navigators
- ◆ Stakeholders

# Eligibility & Enrollment Activities: Navigators



## Navigator Functions

- ◆ Public education
- ◆ Fair & impartial enrollment information on plans
- ◆ Information on tax credits/premiums
- ◆ Facilitate enrollment in plans

## Navigator Selection

- ◆ State to issue RFP to select entity(ies)
- ◆ May serve individuals, employers or both
- ◆ Must bring specific skills and experience & be an organization designated in the ACA
- ◆ Navigators must complete comprehensive training

**Next Step:** GMMB & Wakely Consulting to collaborate on navigator program development

# Eligibility & Enrollment Activities: Business Process Model Development

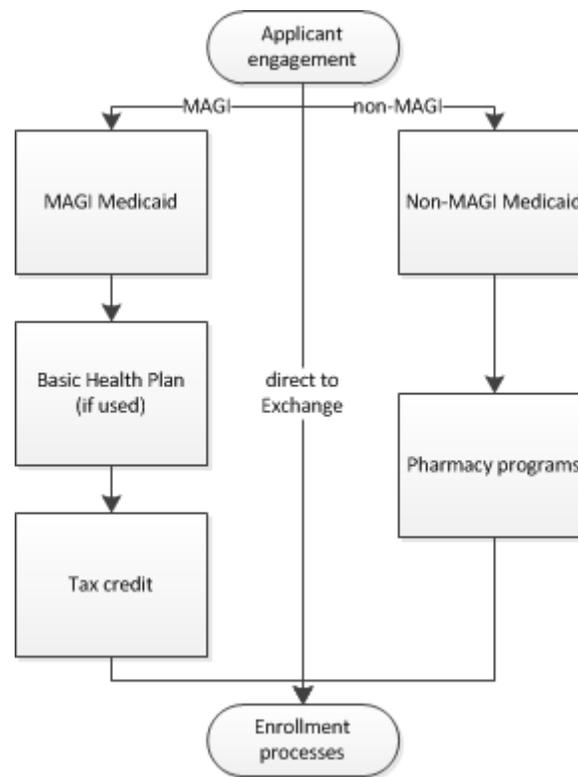


- ◆ The Economic Services Division (ESD) of the Department of Children and Families (DCF) handles eligibility and enrollment functions
- ◆ Current engagements include:
  - ◆ Developing business process model based on review of federal E&E blueprints
    - ◆ Adopting as much of the federal model as possible
    - ◆ Adapting and creating only where necessary to meet Vermont goals
    - ◆ General eligibility model must be compatible with future VIEWS expansion into SNAP, TANF, LIHEAP, etc.
  - ◆ Comprehensive review of existing rules
    - ◆ Adjusting rules to comply with new processes
    - ◆ Engaging a vendor to apply policy modeling for easier integration with a rules engine

# Eligibility & Enrollment Activities: Business Process Model Development



- ◆ Goal is an integrated eligibility approach for all health care programs (DRAFT)



# Eligibility & Enrollment Activities: Business Process Model Development



- ◆ Business process workgroup meets regularly to development business process model
- ◆ Workgroup representatives include:
  - ◆ Department for Children and Families (DCF) health care operations administrators
  - ◆ Department for Children and Families policy analyst
  - ◆ Department of Vermont Health Access (DVHA) coordination of benefits specialists
- ◆ The workgroup has identified twenty-five functional areas for VIEWS
  - ◆ Most functional areas are closely related to eligibility and enrollment
  - ◆ Functional areas are further analyzed within specialized subgroups

# Eligibility & Enrollment Activities: Business Process Functional Areas



- ◆ General static information
- ◆ Consumer survey
- ◆ Individual mandate exemption
- ◆ Financial management
- ◆ Plan comparison
- ◆ Credit calculator
- ◆ Application and eligibility
- ◆ Eligibility staff functions
- ◆ Online help functions
- ◆ QHP functions
- ◆ ESI functions
- ◆ Self-service functions
- ◆ Individual premiums
- ◆ IV-D medical support
- ◆ Secure messaging and mass updates
- ◆ Notices
- ◆ Complaints
- ◆ Grievances and appeals
- ◆ Managing groups
- ◆ Employer functions
- ◆ Ad hoc reporting
- ◆ Scheduled reporting
- ◆ Identity management
- ◆ Staff management and tracking
- ◆ Case restrictions

# Eligibility & Enrollment Activities: Selected Functional Subgroup Summaries



- ◆ Individual mandate exemption
  - ◆ Draft processes have been developed
- ◆ Plan comparison
  - ◆ Awaiting release of the federal model
  - ◆ Determined potential filters for comparing plans on Exchange
- ◆ Credit calculator
  - ◆ Generic calculation takes place during anonymous screening
  - ◆ Specific calculation is a result of eligibility
- ◆ QHP functions
  - ◆ Goal is to avoid duplicate reporting to the Exchange and DFR
  - ◆ SERFF is a potential answer – requires further analysis
  - ◆ Siphon as many consumers as possible into online or phone plan selection (steer away from paper)

# Eligibility & Enrollment Activities: Selected Functional Subgroup Summaries



- ◆ Applications and eligibility
  - ◆ Major eligibility points for anonymous screening tool have been identified
  - ◆ High-level application processes designed prior to federal blueprint release
    - ◆ Federal blueprints to be reviewed and adopted/adapted as applicable
  - ◆ Analysis of integration of:
    - ◆ Rush application processes
    - ◆ Review processes
    - ◆ Change reporting processes
    - ◆ Eligibility partner integration
  - ◆ Analysis of draft MAGI eligibility flow based on Indiana documents

# Eligibility & Enrollment Activities: Selected Functional Subgroup Summaries



- ◆ Secure messaging and mass updates
  - ◆ Reduce mailings by opting-in to secure messaging on Exchange site
  - ◆ Mass updates can be delivered by secure messaging and/or telephone
- ◆ Notices
  - ◆ Need to utilize newer technologies to produce more dynamic notices with less maintenance
- ◆ Grievances and appeals
  - ◆ Need to automate the existing fair hearing process for consumer appeals
- ◆ Employer functionality
  - ◆ Try to pre-populate documents when possible to reduce paperwork and/or data entry on employer side
  - ◆ Employers should have a dynamic application process that structures plan decision-making and results in a completed application at the end of the decision-making process



Vermont's Health Benefit Exchange

# Summary

# Summary



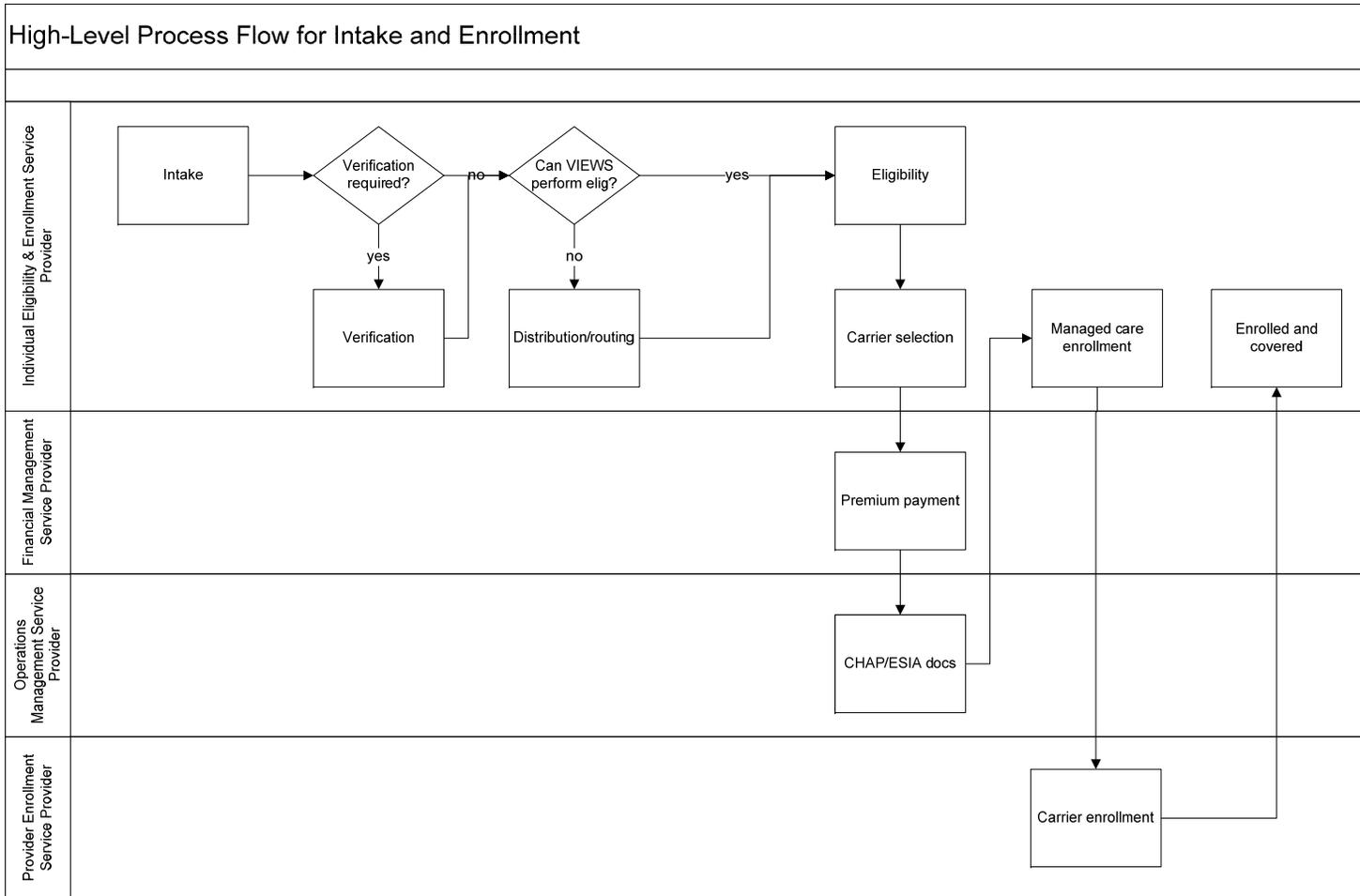
- ◆ Significant policy development
  - ◆ Remaining questions include: Essential Health Benefits, Basic Health Plan, Financial Sustainability
- ◆ Rapid hiring and team growth, within Exchange and across Agency
- ◆ Aggressive operational planning and development
- ◆ Collaborative approach to technology



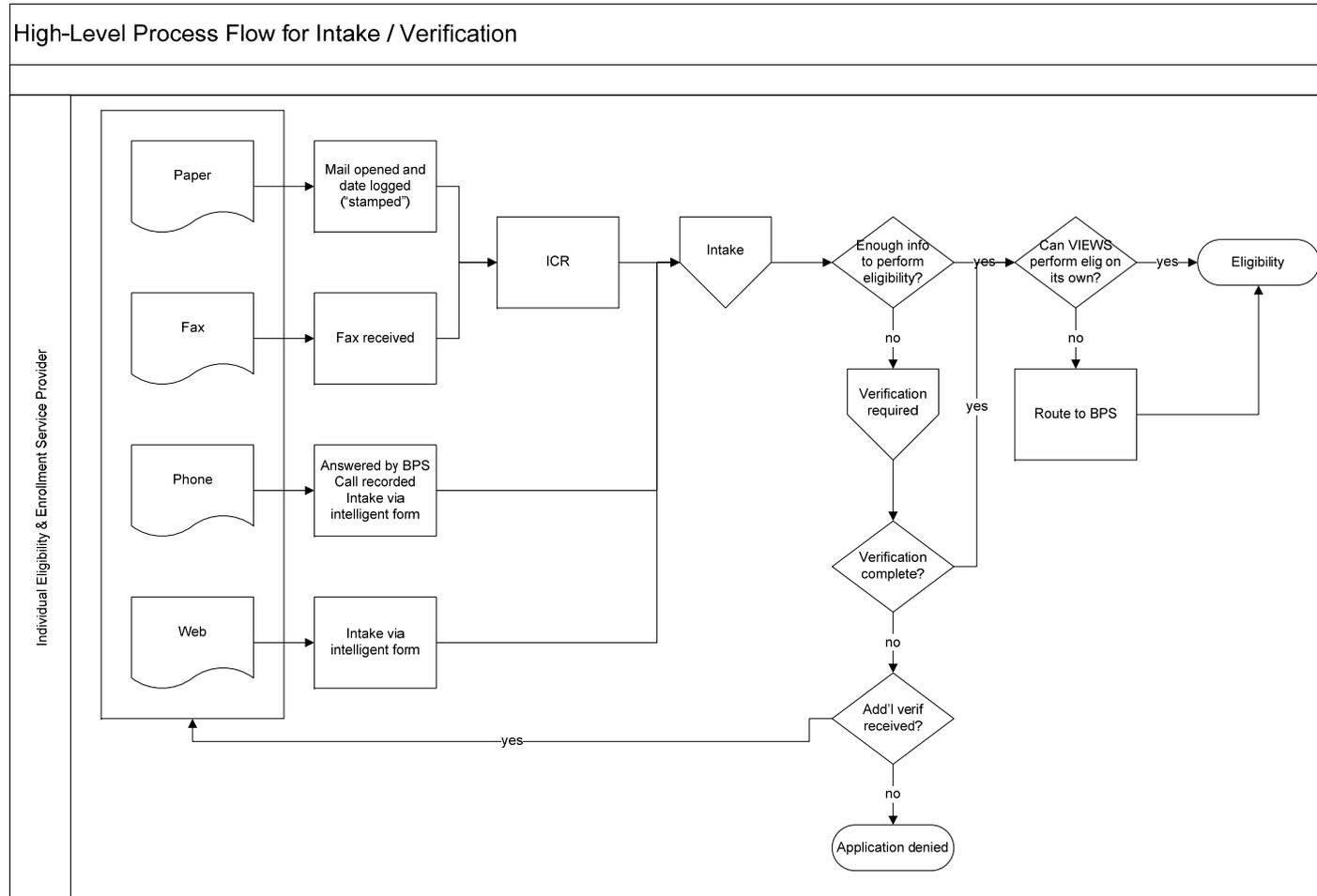
Vermont's Health Benefit Exchange

# Appendix

# High-Level Activity Flow VIEWS Enrollment



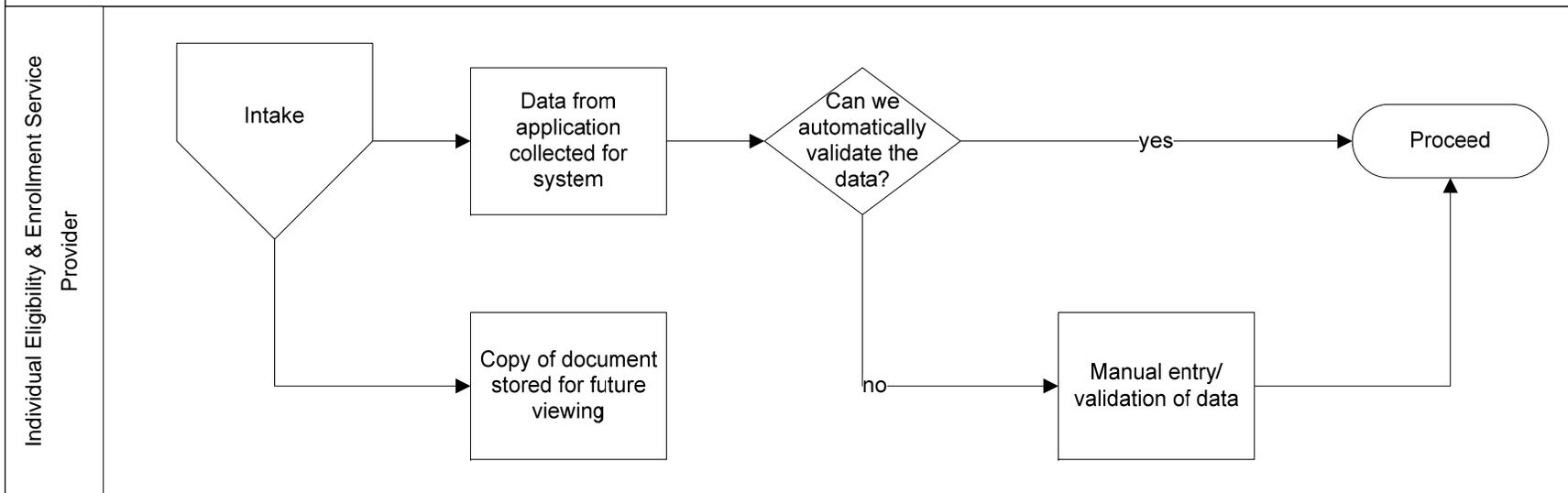
# High-Level Activity Flow Intake/Verification



# High-Level Activity Flow Intake



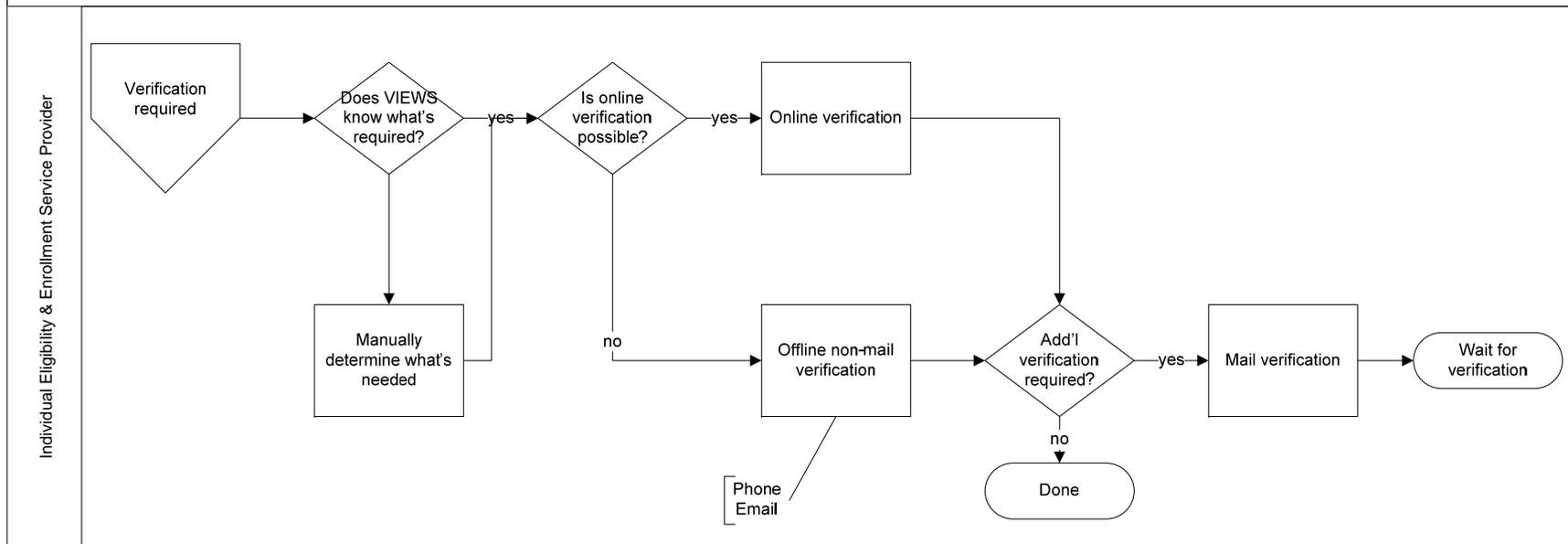
## High-Level Process Flow for Intake



# High-Level Activity Flow Verification



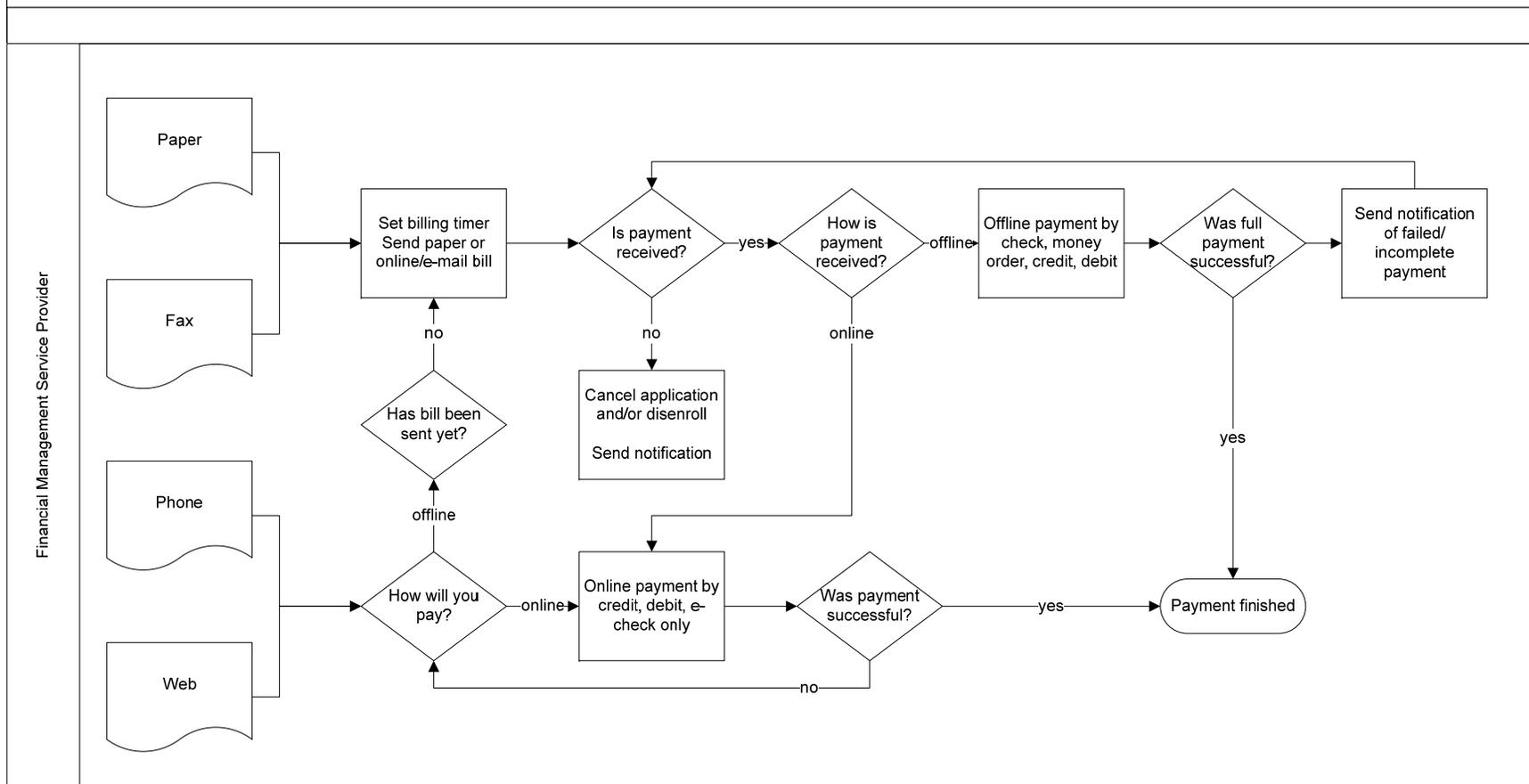
High-Level Process Flow for Verification



# High-Level Activity Flow Premium Payment



High-Level Process Flow for Premium Payment



# High-Level Activity Flow Carrier Selection



High-Level Process Flow for Carrier Selection

