Small Business Service Bureau Extension (VOTE)

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As part of the implementation of the Affordable Care Act (ACA), the Health Connector is transitioning members from its existing Commonwealth Choice program to Qualified Health Plans (QHPs).

The Commonwealth Choice program serves unsubsidized individuals and small businesses who purchased pre-ACA “1.0” policies through the Health Connector.

The Small Business Service Bureau (SBSB) is the Health Connector’s customer service and business operations vendor for the Commonwealth Choice program.
While individual and small group coverage for QHPs are effective from 1/1/2014 onwards, individuals and small businesses with existing Commonwealth Choice coverage are able to continue their 1.0 policies until the end of their plan year in 2014:

- Individuals with 1.0 policies have short plan years that end no later than 3/31/2014.
- Individuals have the option to change their coverage to a QHP during open enrollment for any effective date in 2014 (i.e., 1/1, 2/1 and 3/1).
- Small businesses with 1.0 policies have a 12 month plan year, and can continue their existing policies until their policies expire in 2014 (e.g., as late as November 30, 2014).
1.0 Continuation Activities

- In order to continue servicing 1.0 policies though 2014, the Health Connector is proposing to extend its contract with SBSB through February 28, 2015
  - Switching to another vendor would create significant operational complexity, e.g., mid-year conversion of enrollment and payment information, documentation, etc.
  - Minimizes customer confusion and disruption
  - Includes a 3 month “run off” period from December 2014 to February 2015 to administer any retroactivity, audit and reconciliation needs

- Enrollment in 1.0 policies will decrease throughout 2014 as members transition to QHPs, but the overall breadth of functionality/servicing will need to be maintained

- The existing Per Subscriber Per Month (PSPM) payments will be supplemented by a fixed cost payment
  - Enables the vendor to cover fixed costs as enrollment decreases during the wind-down period and supports the maintenance of legacy systems necessary for servicing the 1.0 population
2.0 Transition Activities

- The new HIX-IES system, which provides an integrated platform for both the individual and small business programs, and for both subsidized and non-subsidized members, is being released in phases.

- On 10/1/2013, the first phase of new functionality was launched, which includes automated application and shopping for individuals. Small group functionality through HIX is slated for late 2013/early 2014.

- As a transitional mechanism for offering QHPs to small businesses, the Health Connector leveraged the existing Commonwealth Choice platform to launch its new small group plans on 10/1/2013.
  - This approach balances the use of existing and proven systems and operational processes with modifications necessary to meet ACA requirements.
  - Includes the full “shelf” – 10 medical and 5 dental carriers.
  - This approach was developed in consultation with CCIIO.
2.0 Transition Activities (cont’d)

- The transitional approach leverages existing Business Express operational and IT platform supported by SBSB
  - Web shopping experience
  - Call center, including CSRs with experience servicing our small group population
  - Operational procedures, including broker management, document verification, billing, multiple application channels (web, phone, fax, mail and walk-in)

- Some modifications needed to be made to meet new ACA requirements
  - Member-level data collection to support composite rating
  - Implementation of new policies for ratable members and plan availability
  - Addition of new QHPs and plan benefits, including new Platinum tier plans
  - Integration with new web-based (XML) rating services with carriers
  - Implementation of new process to offer small group dental insurance
  - Additional training to educate staff on ACA requirements, QHPs/QDPs, etc.
2.0 Transition Activities (cont’d)

- We envision transitioning our small group Marketplace to the HIX system in late 2013 to early 2014, in a manner that is least disruptive to small businesses and brokers.

- The new HIX-based small business platform will offer significant new or enhanced functionality for customers:
  - New account management capabilities such as census uploading
  - Dashboard and client management tools for brokers
  - Decision support and plan comparison tools
  - Employee Choice
Transition Timeline

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1.0 Continuation – Contract Extension

- Servicing period: January – November 2014
  - Continue $6.24 PSPM payment
  - Fixed cost payment: $168,000 per month
- Audit, Reconciliation and Runoff Period: December – February 2015:
  - Fixed cost payment: $75,000

2.0 Transition – Work Order to Current Contract

- 2.0 Transition Cost: $1,144,507
Health Connector staff recommends that the Board authorize the Executive Director to enter into a work order for the current contract with SBSB, and to extend the current contract for 2014, to provide for transition activities and the servicing of existing pre-ACA accounts through February 28, 2015.