



2014 Open Enrollment Check-in

Board of Directors Meeting, March 17, 2014

Summary

- We continue to make progress reducing the application backlog and bringing people to coverage. While there is significant work that needs to be done, we anticipate that we will end the federal open enrollment period with more people in coverage than before
- We have begun to identify our path forward for the remainder of 2014, with the ultimate target being successful transition of members to their permanent coverage as soon as possible, and having a functioning HIX by the Fall
- We will quantify known state budget impacts related to transitional coverage (temporary Medicaid) programs and highlight the factors that determine future costs
- Finally, we will provide an update on the Optum engagement, including work completed to date and vision for the coming phase

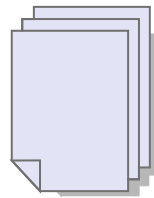
Progress for Massachusetts Consumers

In the past 30 days the combined team has made meaningful improvements to enhance consumer experience.



System Uptime

- System stability significantly increased



Backlog Processing

- Application backlog reduced by 58%
- 84K enrolled in transitional coverage (temporary Medicaid)



Premium Payment Issues

- Remediated 83% of suspense payment backlog



Call Center Connector

- Nov 2013 vs. March 2014:
 - Avg. wait time went from 16 min to 2 min
 - Abandonment went from 35% to 7.7%

Website Availability & System Stability



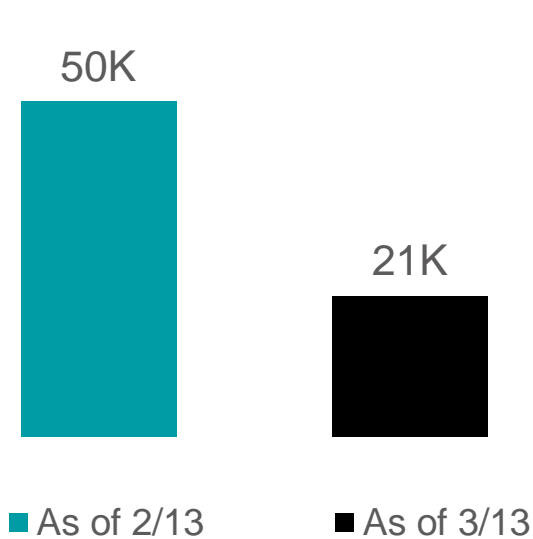
Stability and availability improved since system enhancements and monitoring was initiated.

- From 2/18 to 3/11 there were no significant system outages
- On 3/11 the system was unavailable for 2 hours
- On 3/12 the system was unavailable for 45 min
- Since 3/12 the system has been 100% available
- Since 2/18, overall system availability holds at 99%

Application Throughput Progress (Monitored via Daily Dashboard)

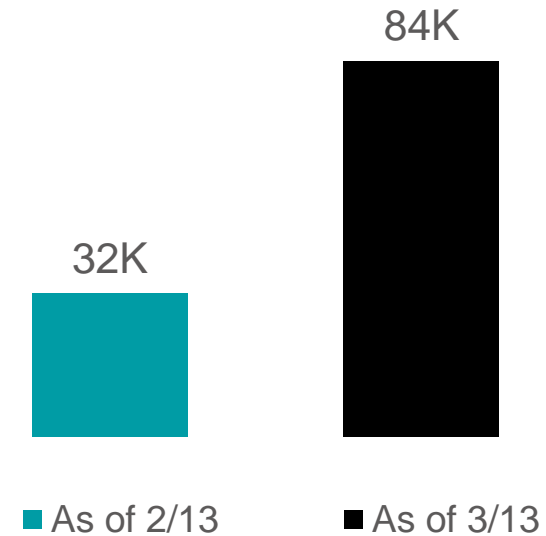


Paper Application Backlog
(week-over-week totals)



Since going live, we have reduced the paper application backlog by 58% while processing new incoming applications

Enrolled in Transitional Coverage
(cumulative totals)



Since 2/13, we have enrolled 52K additional residents into transitional coverage (temporary Medicaid)

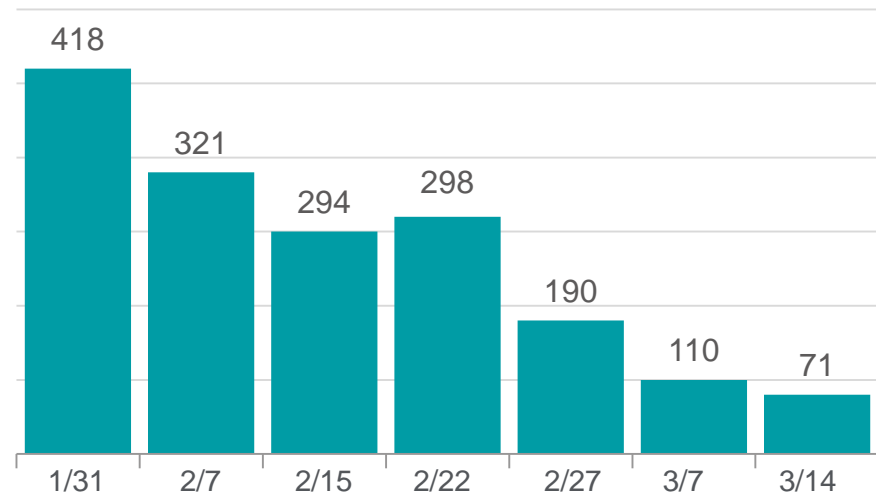
Premium Payment Issues

Near-term fixes drove down volume of suspense resulting in a significant reduction in payment backlog.

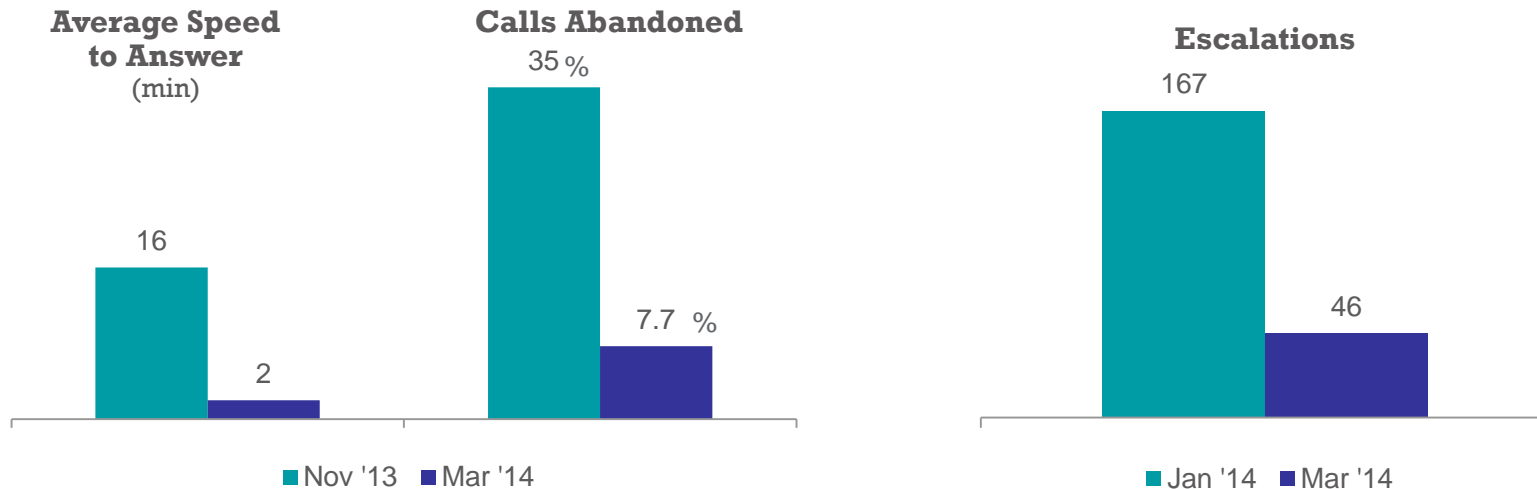


Suspense Issues (week-over-week)

- Members could not be enrolled because payments cannot be applied
- Workaround structure and processes created to manage backlog
- Remediation of suspense backlog accelerated with process implementation
- As of 3/14, 71 suspense issues outstanding



Consumer Experience & Escalations



Key Accomplishments

- Added 40 more staff to Dell to improve average speed to answer and abandonment rates
- Provided additional training materials to call centers to improve the consumer experience
- Reduced escalations from 167 to 46
- Increased the frequency of enrolling people into temporary coverage
- Added 7 Optum resources to support intake and research of escalations
- Developed SOP for escalations to improve consumer experience

Summary Of Coverage By Program



	Program	Enrollment 12/1/2013	Enrollment 3/14/2014	Notes
<i>Legacy</i>	Commonwealth Care	211,516	103,801	In extended coverage through at least June 30, 2014
<i>New</i>	Commonwealth Care transitioned to MassHealth	n/a	~107,000	Transition effective 1/1/2014; became part of the ~300,000 members newly enrolled in Medicaid as a result of expansion
<i>New</i>	MassHealth (new enrollees)	n/a	~64,000	New MassHealth members, including those from HSN, Commonwealth Care eligible but never enrolled, former MSP and net new unknown
<i>Legacy</i>	Former Medical Security Program (now in Commonwealth Care)	~13,000	10,550	In extended coverage through at least June 30, 2014
<i>Legacy</i>	Commonwealth Choice (non-group)	38,939	29,010	Coverage end date of remaining members is 3/31/2014
<i>New</i>	Qualified Health Plans (QHPs)	n/a	12,424**	Includes 729 subsidized QHP members
<i>Transitional</i>	Temporary Medicaid coverage	n/a	~84,000	In transitional coverage through at least June 30, 2014
Total		~263,000	Up to ~410,000*	

* Certain categories may have slight overlap, e.g., some Commonwealth Choice members may have applied for subsidized coverage and are captured in the transitional program.

** There have been 1,573 enrollments into non-group dental products in addition to the non-group medical enrollments

Commonwealth Care Update



Commonwealth Care Extension Implementation

- We have completed negotiations with our 5 Commonwealth Care MCOs to ensure continued coverage for current Commonwealth Care members and former Medical Security Program (MSP) members in the program through June 30, 2014
- We have sent out targeted, individual member mailings notifying them of the extension and any changes they needed to be aware of
 - These letters explain that coverage will continue for these members until June 30, 2014
 - Available in Spanish to those members who express that language preference
 - Letter to members who will have a change in carrier due to network/provider changes during this extension period will be notified soon, once their transition has been operationalized
- Additional details on the terms of the extension with the MCOs will be provided later in today's meeting

Commonwealth Choice Update



“Fast Path” to Coverage

- Enrollment packets mailed to ~22,000 subscribers (Spanish version on website)
- Invoices went out on March 8th
- E-mails went out on March 10th and again on March 17th, providing directions on alternatives to “Fast Path,” including comparison shopping and seeking subsidized coverage
- As of March 13th, we have received ~720 payments from "Fast Path" subscribers seeking April 1 coverage

MASSACHUSETTS HEALTH CONNECTOR
the right place for the right plan

Commonwealth Choice members who had not yet enrolled in a new health plan for 2014 should have received a packet of information in the mail with details about new enrollment options.

[Click here](#) to download a copy of this packet in English

[Haga clic aquí](#) para bajar una copia del paquete en español

Option 1 - Fast Path plan enrollment

We worked with health insurance carriers to identify new Health Connector plans that are most similar to each member's former Commonwealth Choice plan. The packet that members received in the mail listed the Fast Path plan most similar to their Commonwealth Choice plan.

[Click here](#) to compare a former Commonwealth Choice plan to a new Fast Path plan

REMINDER:
All members who choose the Fast Path option should send in a check for their new premium AFTER getting their first bill in the mail, and include the payment coupon (bottom half of the bill) with their payment.

All premium payments must be sent to the NEW Health Connector billing address: Health Connector, P.O. Box 970008, Boston MA 02297

Option 2 - Apply and enroll online

If members want to apply for help paying for coverage, or want to enroll in a plan that is not their Fast Path plan option, they should go to MAhealthconnector.org to apply as soon as possible.

Please note: More people than ever before may now qualify for help paying for coverage. People who weren't eligible for help in the past may now qualify, because there are new income limits and new ways for calculating income.

[Click here](#) for more information on applying for help paying for insurance through the Health Connector.

Compare a Fast Path plan to a Commonwealth Choice plan

Use this resource for comparing a current Commonwealth Choice health insurance plan to its most similar "Fast Path" plan for 2014 coverage.

[Commonwealth Choice and Fast Path Plan Comparison Charts](#)

Could you qualify for help paying for coverage?

Use this quick reference guide to learn more about who can qualify for help paying for coverage through the Health Connector.

[Help paying for insurance through the Health Connector](#)

Small Group Update

- To date, 1,056 members have enrolled in medical coverage and 96 members have enrolled in dental coverage through our 2.0 small business platform
- Small groups can shop and enroll at any time during the year and are not limited to the open enrollment period for the non-group market
- Small group shopping through the Health Connector continues to be supported on our legacy platform, with new ACA-compliant plans
- April 1st is the most common renewal date for the small group market. We are doing active outreach to the business and broker community to communicate the opportunity to shop around and access tax credits and wellness rebates



New Affordable Health and Dental Plans for Small Businesses

The Massachusetts Health Connector is a great place for small businesses like yours to buy affordable health and dental insurance for their employees. At the Health Connector's online marketplace, MAhealthconnector.org, it's easy to shop for health and dental plans. The plans are affordable and offer a variety of options. You can buy coverage for small businesses and their employees. You can buy coverage for small businesses and their employees. You can buy coverage for small businesses and their employees.



"I always check the Health Connector for my small business clients."

John Sacchetti, left, health insurance broker, with his client Gerald Walsh, owner of Plaza Catering and Discovery Café, Boston

"When I talk to small business owners at it's all about the bottom line. I always make sure they have the right plan for the right price."

John Sacchetti knows the two big potential benefits of the Health Connector — and how they can be substantially reduced.

• **Federal Tax Credits.** For businesses that are eligible, the credit can be as high as 50 percent.

• **The Wellness Track Program.** Helping to reduce costs by up to 15 percent.

If you own a business with fewer than 50 employees, you can take advantage of the Health Connector's Wellness Track program. It's a free program that offers a variety of benefits, including:

• **Wellness Track Rebate.** A free online wellness program offered to employer groups that are ineligible for a rebate.

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What is Wellness Track?

- Wellness Track offers your business the opportunity to promote a healthy workforce while earning a rebate of up to 15% on your share of employees' premiums!

What can Wellness Track do for you and your business?

- Save up to 15% on your share of employee health insurance premiums
- Increase productivity
- Boost job satisfaction and morale
- Create a healthier environment for you and your employees

Wellness Track Rebate Eligibility*

- Business members with up to 25 covered employees

*Groups of one are excluded from participation in Wellness Track if that individual is the employer or an employer's tax dependent. Groups with greater than 25 covered lives may participate in My Wellness Track, a free online wellness program offered to employer groups that are ineligible for a rebate.

Wellness Track Rebate Requirements

Employers:

- Create a Healthier Work Environment**
Simply choose from three easy-to-use health and wellness toolkits: nutrition, physical activity or stress management, like smoking cessation
- Promote Employee Engagement in Wellness Track!**
Offer your employees rewards for healthy activities: a choice of health and wellness related gift cards or a paid day off

Employees:

- Schedule a Physical OR Complete a Confidential Online Health Assessment****
Employees can simply visit their doctor or complete an online health evaluation
- Complete a Toolkit Activity (optional)**
Earn a reward from your employer (a health and wellness gift card or a paid day off) for completing an activity from your chosen toolkit

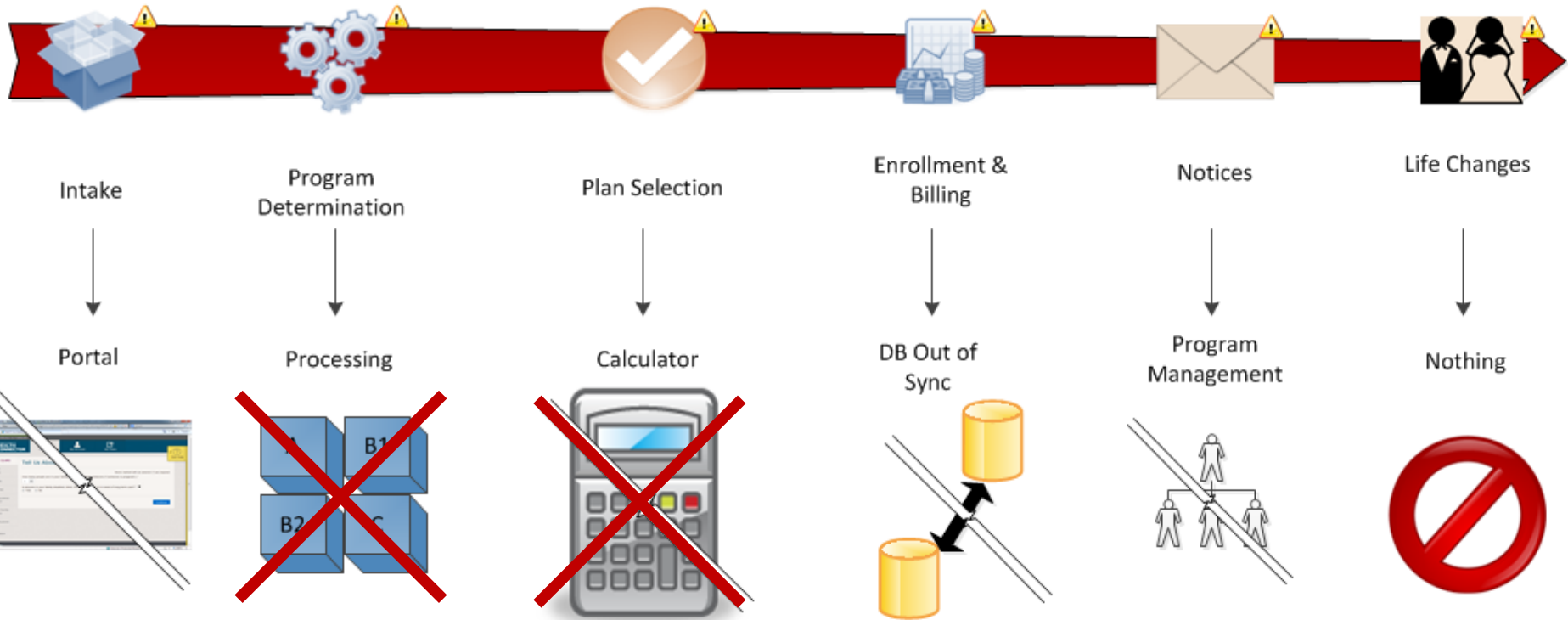
**No personal health information will be requested

To learn more about Wellness Track, visit MAhealthconnector.org
Call 1-888-813-9229 or contact your broker

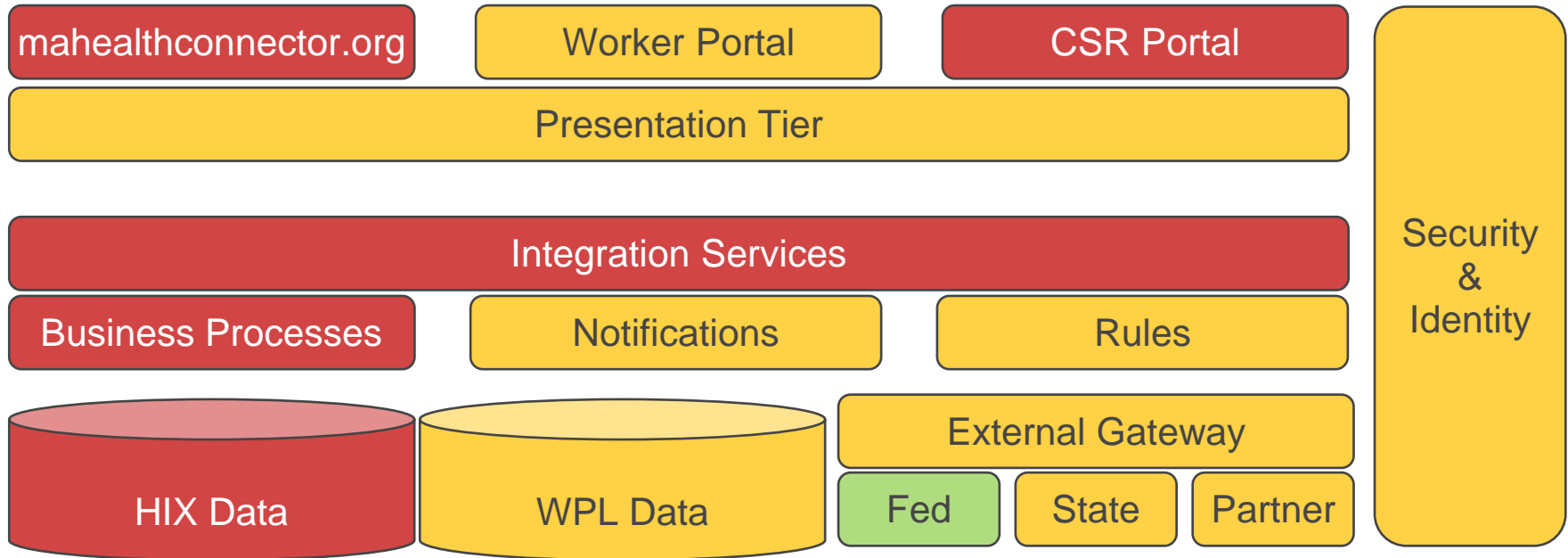


HIX Project Planning: Short & Long-Term

Reality of System We Have Today: Business Processes



Reality of System We Have Today: Overview



Legend



Go-forward Considerations: Priorities and Options



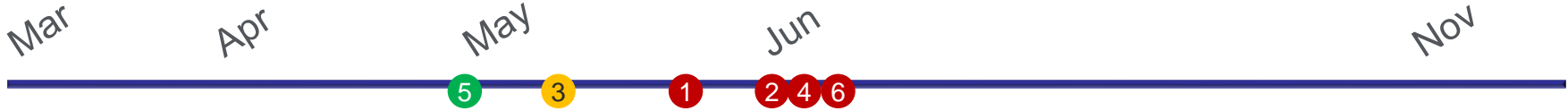
Short-Term Priorities

- Ensure Coverage
 - Eliminate paper application backlog
 - Enroll residents – Transitional Coverage (Temporary Medicaid)
- Correct Coverage
 - Complete program determination rules deployment
 - Activate shopping/plan selection
 - Process life event changes (manual and targeted automation)
 - Successfully transmit 834s to carriers

Long-Term Options

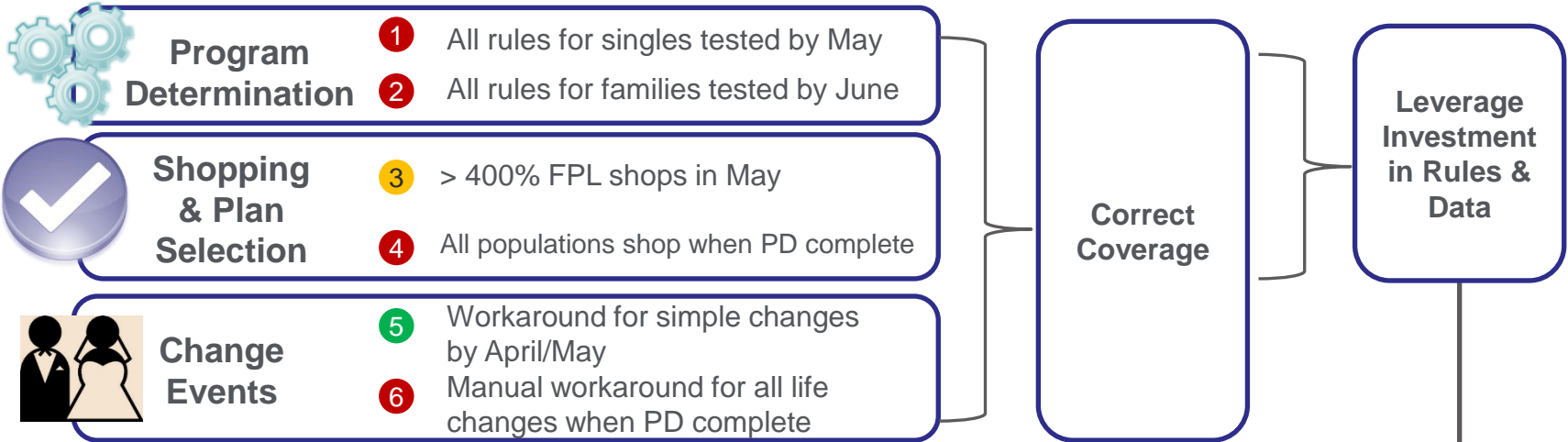
- Option 1: Partner with New Vendor to Rebuild Key Components
 - Partial leverage of current structure
 - Rewrite front-end
 - Replace business process model
- Option 2: Migrate to External HIX
 - Leverage (in whole or in part) another state's HIX or the Federally-Facilitated Marketplace

Short to Long Term Plan



Short-Term Plan to Correct Coverage

Technical & Manual Workaround Goals



Long-Term Options...



2015 open enrollment

Nov 15

Financial Considerations

Program Budget Update



Commonwealth Care Program Costs

- In light of our IT challenges, members enrolled in Commonwealth Care before January 1, 2014 are continuing in this program instead of transitioning to ConnectorCare (QHPs subsidized through a mix of state and federal dollars)
- The FY14 state budget assumed that Commonwealth Care would be replaced by ConnectorCare on January 1, 2014, leveraging a slightly more favorable federal reimbursement structure than has existed under Commonwealth Care
- Retaining Commonwealth Care instead of transitioning to ConnectorCare costs an additional ~\$10M per month on a net basis relative to the budget because of the more favorable federal funding structure
- The Health Connector will have more dedicated revenues for subsidized coverage than anticipated in the budget, which helps neutralize impacts on the state's bottom line in FY14

Program Budget Update (cont'd)



Transitional Coverage (Temporary Medicaid)

- MassHealth is providing a transitional coverage solution for people newly applying for subsidized health insurance whom we cannot currently assign to the program for which they are ultimately eligible
- Transitional coverage is a fee-for-service program that reimburses providers when enrollees receive medical care
- The federal government will reimburse 50% of the costs for people under 400% FPL (75% for the Medicaid expansion population)
- There are currently 84K people enrolled. Through early March, MassHealth has paid \$7.3M in claims (not representative of incurred costs due to claims lag)

Program Budget Update (cont'd)



Transitional Coverage (Temporary Medicaid) (cont'd)

- The ultimate costs of transitional coverage will be determined by:
 - Total enrollment and duration of time (*affected by pace of progress on program determination*)
 - Programs the transitional coverage population are ultimately determined to be eligible for (*affected by pace of progress on program determination and volume*)
 - Service utilization by enrollees (*will be gradually known with more claims experience*)
- MassHealth's FY14 budget already anticipated new enrollment for its Expansion and non-Expansion populations
- A&F is currently conducting its customary mid-year budget review which will provide an updated FY14 forecast for the entirety of MassHealth relative to budget

Optum Engagement Update



- On February 6, 2014, the Board authorized the Health Connector to enter into a work order with Optum/QSSI to provide IT, operational and policy support to clear out application backlogs, scale up our workarounds and effectuate IT fixes
 - Advise on overall project organization; advise on IT applications delivery, infrastructure services and staffing recommendations
 - Support and advance manual workaround processes; advise on business processes and operational workarounds to increase scale and maximize efficiency
 - Provide data entry into HIX system
 - Advise on member transition, outreach and other population-specific strategies
 - Provide analytic and reporting support and subject matter expertise
- Optum’s scope of work also includes advising the Commonwealth on short-to-long-term IT and operational strategies
- Optum also assists in creating a roadmap to developing a functioning HIX

Optum Engagement Update (cont'd)

The Optum team either directly supported or coordinated the following work streams:

- Developed tools to increase throughput of *consumers into coverage*
- Data entered more than 50K paper applications, leading to significant *reduction in the backlog*
- Mass Operations Command Center (MOCC) instituted to enhance collaboration and *central decision-making*
- Reporting dashboard created to *increase transparency* and track progress
- System stability monitoring deployed to proactively identify issues and *reduce average downtime*
- Establish nightly release schedule to close defects and *improve data quality*
- Implementing plan to better manage and *resolve escalated cases*
- Conducted discovery and issued recommendations for *call center training*
- Optum ramped up to a total of *493 staff* in the first 30 days

Optum Engagement Update (cont'd)



Work ongoing and envisioned for the remainder of March:

- *Complete backlog* – forecasting elimination of backlog by end of March
- Complete planning and begin transition of *population out of transitional coverage (Temporary Medicaid)*
- Fast track *change events process* and system improvements
- Perform *comprehensive testing of program determination* – first result-sets due 3/20
- Continue and begin to finalize *assessments of long-term options*
- Execute *security assessment*
- Continue *infrastructure improvements* to address capacity, stability and throughput constraints
- Complete *build out of downtown Command Center* at One Congress St.

Optum Engagement Update (cont'd)



Financial Update:

- The February engagement was subject to a “do not exceed” amount of \$9.8M. Actual cost incurred is estimated to be under \$6M (\$5.3M to-date)
- March spending estimate: \$11.1M
- Our efforts to develop a future roadmap are underway. We expect our estimates to adjust significantly as we finalize our long-term plan

Funding for the HIX Project



- In February and March, the Health Connector applied for additional federal establishment grant funding and MassHealth requested additional IAPD funding
 - These are the funding sources that have supported the development of the HIX project to date
 - If granted, will be used to support activities related to the Optum engagement as well as ongoing activities at the Health Connector related to ACA implementation
- The Commonwealth's Information Technology Division (ITD) will also be making available state capital funding for the project to supplement federal grant money if needed
 - This state funding has also been used to support a portion of the HIX project cost to date
- The Health Connector is working with ITD to finalize agreements on the use of this capital funding

Critical Upcoming Work Streams

Eliminate remaining
application backlog

Complete **program
determination** testing
and fixes

Complete assessment
to advance decision on
long-term path

Develop strategic and
operational plan for
member transition

Appendix



Key Findings/Recommendations From External Reviews



Supplement to MITRE study:

- ✓ Restructure project governance to ensure stronger lines and authority and accountability
- ✓ Adopt proper IT governance/software life cycle management
- ✓ Considerations for the potential options:
 - Option 1 – start over – may be preferred if the goal is to have an “exceptional” website, but is also likely the most costly and disruptive
 - Option 2 – continue on the current path – may be positioned to deliver a workable system in the near-term, but the SI vendor must adopt significant changes
 - Option 3 – segment and re-engineer components – can be performed by existing or new vendor
- ✓ A multi-faceted strategy might be warranted, including triaging the current system while working to upgrade key system parts

Prepared for:

Centers for Medicare & Medicaid Services

CMS Alliance to Modernize Healthcare
Federally Funded Research and Development Center

Consumer Information and Insurance Systems Group
Task Order No. HHSM500T0015

Supplement to FFRDC Technical Assistance
Report – Commonwealth of Massachusetts Health
Connector

Not for Public Release

Version 1.0

February 25, 2014

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Key Findings/Recommendations From External Reviews (cont'd)

Report by Microsoft:

- ✓ The Commonwealth has taken concrete steps to strengthen governance and project oversight since February 2014
- ✓ Among the multiple options for consideration, segmenting the system into separate technical areas and re-engineering each segment appears to offer the greatest flexibility, shortest time-to-market and most sustainability
- ✓ A core element of any option is to ensure a modular, service-oriented architectural foundation
- ✓ The state should assess “best of breed” options for HIX functionality, leveraging systems deployed in other states and commercial products

