



HIX Project Update

Board of Directors Meeting, June 12, 2014

Summary



- We continue to make progress implementing the dual track, a responsible plan that will ultimately keep Massachusetts a state-based Exchange, provides a contingency for one year, and ensures that we will have a functioning website for Fall 2014 Open Enrollment
- While the projects have an aggressive timeline, we have made significant headway since the last Health Connector Board meeting, and all tracks are currently proceeding well
- A critical checkpoint will occur in early July when the state and CMS will assess our progress
- We have also made progress on the budget, which we will discuss today

Agenda

- Coverage extensions and enrollment update
- Dual track plan
 - hCentive
 - Federally Facilitated Marketplace (FFM)
- Medicaid Eligibility Platform (MEP)
- Budget update
- Next Steps
- Appendix



Coverage Extensions and Enrollment Update

Update on Coverage Extensions



- We have received the authority to extend coverage for individuals and families enrolled in the legacy Commonwealth Care and Medical Security program and the transitional coverage program from June 30, 2014 to December 31, 2014
- We will immediately begin communicating with the broader community, including members and stakeholders
- We will also begin our work with the Commonwealth Care and the Medical Security Plan MCOs to effectuate the extension of the Commonwealth Care program through the end of this calendar year

Subsidized Enrollment



Program	12/1/2013	6/10/2014	Change in Enrollment
MassHealth	1.41M	1.61M	198,013
Commonwealth Care	216,865	90,584	(126,281)*
Former Medical Security Program	13,489	10,300	(3,189)**
Subsidized Health Connector Plans	N/A	769	769
Transitional Coverage (Temporary Medicaid)	N/A	227,374	227,374
Total Enrollment			296,686

*Reflects members transitioned to MassHealth on 1/1 due to Medicaid expansion as well as typical member attrition

** The Medical Security Program administered by the Department of Unemployment Assistance ended on 12/31/13. The Health Connector continued to offer the direct coverage program and provided an opt-in option for those who received premium assistance in this program



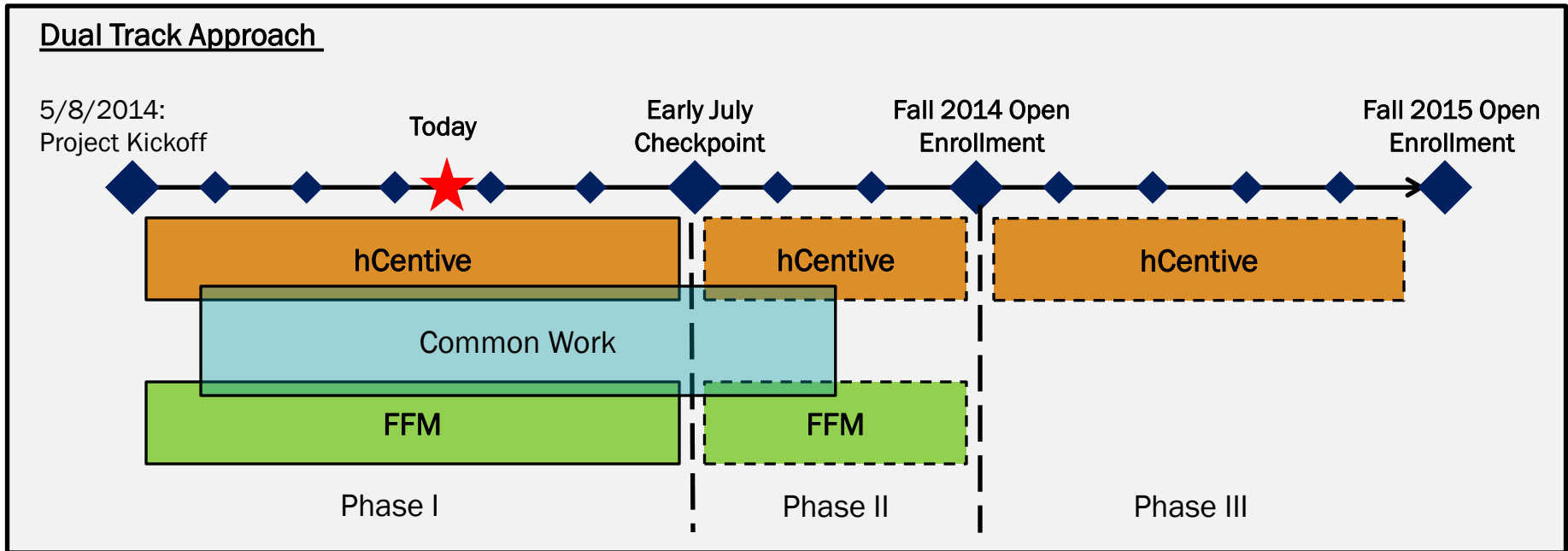
**Dual Track Plan:
hCentive and FFM**

hCentive Track: Progress-to-Date



- Overall accomplishments: all major milestones met as of June 11
 - Product “look and feel”: Completed Massachusetts User Interface (UI); implemented logos and style sheets
 - Program Determination (PD): assessed and validated that hCentive off-the-shelf PD rules engine supports configurability for Massachusetts-specific MAGI rules
 - Environment: Development, Quality Assurance (QA) and integration test environments commissioned and ready
 - Federal HUB: Successfully tested connectivity to HUB in test environments
 - Plan loading: 3 Massachusetts plans loaded; demonstrated shopping and plan selection with Advanced Premium Tax Credit (APTC) for CMS
- Key risk areas
 - Federal HUB integration: coordination across CMS, Optum, and hCentive
 - Vendor integration: scope, resource and timing
 - Aggressive timeline and resource challenges

Evaluation Framework



- At the early July checkpoint, if both the state and CMS are comfortable with the hCentive track's progress, we will continue on the dual track
- If, however, progress on the hCentive track is determined to be insufficient in July, we will focus on FFM adoption for Fall 2014, allowing the state to leverage certain FFM functionality for one year while we continue to work towards the 2015 deployment of hCentive
- We are collaborating with CMS to hone in on the specific evaluation criteria for measuring progress at the July checkpoint

Criteria for Early July Checkpoint



Criteria	Description	Status
Governance Structure	<ul style="list-style-type: none"> Established single point of accountability governance structure 	Complete
Project Management Documentation	<ul style="list-style-type: none"> Org structure; resource plan; and individual project schedules complete Master integrated project schedule Project management plan 	Near final (drafts submitted)
Technical Documentation <i>(Details in Appendix)</i>	<ul style="list-style-type: none"> <i>E.g.</i>, business requirements document, testing plan, system design document 	In progress
Demonstration of Required Functionality <i>(more in later slides)</i>	<ul style="list-style-type: none"> <i>E.g.</i>, processing an application, connection with Federal Data Services Hub, plan loading 	In progress
Vendor Contract(s)	<ul style="list-style-type: none"> System integrator contract in place Complete all major vendor contracts to support IT and operations through Open Enrollment 	In progress
Project Budget & Approved Funding	<ul style="list-style-type: none"> Updated budget and federal funding request 	Near final

hCentive Track: Release 1.0 Target Functionality



Exchange Functionality for the early July demonstration:

Description	Demonstration
A – UI/UX/IDM/PD	<ul style="list-style-type: none"> • Base hCentive product installed; (Single Streamlined Application, Shopping & Plan Selection) • Massachusetts specific look and feel, logo, static content (e.g., Terms & Conditions) • Integrated Identity Management (IDM) solution (standard User Interface)
B – Eligibility Interfaces	<ul style="list-style-type: none"> • Core Federal Hub Services (SSA Composite , IRS – Income, IRS – MAGI APTC, non-ESI MEC (excludes Medicaid), Remote Identity Proofing (RIDP), Verified Lawful Presence (VLP-1 v33)
C – Plan Management	<ul style="list-style-type: none"> • 5 Massachusetts -specific plans loaded
D – Enrollment & Billing Interface	<ul style="list-style-type: none"> • Sample XML of outbound (from hCentive to Dell) enrollment & billing transfer
E – Eligibility Notices	<ul style="list-style-type: none"> • Notice solution: sample generation 2-3 notices
F – MassHealth Account Transfer	<ul style="list-style-type: none"> • Sample of outbound flat file for Medicaid/CHIP Account Transfer
G – Back Office	<ul style="list-style-type: none"> • Operating Model document review

hCentive Track: Release 1.0

Milestones



Work Thread	Progress-To-Date					R1.0 Target
	5/19 – 5/23	5/26 – 5/30	6/2 – 6/6	6/9 – 6/13	6/16 – 6/20	6/23 – 6/27
Plan Mgmt.	<ul style="list-style-type: none"> Dev overall Plan Management Test Approach 	<ul style="list-style-type: none"> Est. consensus on final SERFF rule set Dev. Plan Mgmt. Draft Test Plan for Release 1.0 	<ul style="list-style-type: none"> Load plans onto hCentive platform (5 Plans - 2014 templates) Issuers submit certification materials (Issuer qualifications etc.) to Connector 	<ul style="list-style-type: none"> Review sample plans - 2014 SERFF templates Issuers submit SERFF templates to Connector and DOI for review (~120 plans) 	<ul style="list-style-type: none"> Review pilot 2015 plans with Issuers 	
UI/UX/PD/IDM		<ul style="list-style-type: none"> Update Logo and Style Sheets Confirm IDM approach 	<ul style="list-style-type: none"> Update content on web portal to include MA specific language (Static Content – Initial) 	<ul style="list-style-type: none"> Verify Single Streamlined Online Application 		<ul style="list-style-type: none"> Implement business rules in the hCentive rules engine Integrate IDM
Infra & Hosting and Security	<ul style="list-style-type: none"> Dev environment ready 	<ul style="list-style-type: none"> QA/Test environment ready 	<ul style="list-style-type: none"> Integration Test/UAT environment ready ATC - Plan and Approach (Draft) 		<ul style="list-style-type: none"> Assess hosting contingency 	
Notices		<ul style="list-style-type: none"> Evaluate notices approach 	<ul style="list-style-type: none"> Provide content for a subset of eligibility notices 			<ul style="list-style-type: none"> Implement a subset of eligibility notices

hCentive Track: Release 1.0 Milestones (cont'd)



Work Thread	Progress-To-Date						R1.0 Target
	5/19 – 5/23	5/26 – 5/30	6/2 – 6/6	6/9 – 6/13	6/16 – 6/20	6/23 – 6/27	
Enrollment and Billing	<ul style="list-style-type: none"> Conduct hCentive/Dell work sessions Draft FM and enrollment project plan 	<ul style="list-style-type: none"> Agreement on outbound and inbound XML sample file 	<ul style="list-style-type: none"> Develop Web service for Outbound XML Setup firewall FTP connectivity Generate and send finalized XML to Dell 	<ul style="list-style-type: none"> Review and integrate final FM and enrollment implementation plan from Dell Setup firewall FTP connectivity 	<ul style="list-style-type: none"> 834 XML Generation testing with Dell hCentive FM and enrollment Test plan 	<ul style="list-style-type: none"> Complete design and demonstrate outbound file generation 	
FDSH Integration		<ul style="list-style-type: none"> Test Connectivity (QA/Test Environment) Draft FDSH test plan 	<ul style="list-style-type: none"> Finalize Non-ESI MEC Service Requirements Test Connectivity (Integration/UAT Environment) 	<ul style="list-style-type: none"> IV&V attestation of FDSH connectivity 		<ul style="list-style-type: none"> Develop Stub interface MMIS (non-ESI MEC) Integrate core FDSH Services 	
Account Transfer		<ul style="list-style-type: none"> Establish min. Account Transfer requirements 				<ul style="list-style-type: none"> Generate Account Transfer payload file 	
End to End Testing		<ul style="list-style-type: none"> Dev. preliminary hCentive end-to-end test plan 			<ul style="list-style-type: none"> Finalize hCentive end-to-end test plan 		
Back office (BO)	<ul style="list-style-type: none"> Map current & proposed hCentive BO solution 	<ul style="list-style-type: none"> Detailed requirements doc 		<ul style="list-style-type: none"> Develop approach for workarounds 		<ul style="list-style-type: none"> Finalize Roadmap and Plan 	

FFM Track: Progress-to-Date



- Under the FFM scenario, the Health Connector will be serving as a “Supported State-Based Marketplace” (SSBM), where we will continue to perform essential Exchange functions, while leveraging FFM functionality on a transitional basis to support Fall 2014 Open Enrollment
 - QHP certification (continuing to leverage the Seal of Approval process)
 - Administering the SHOP program
 - Administering the state-based risk adjustment program
 - Other (e.g., consumer assistance and outreach)
- From CMS’ perspective, the key thresholds that we must demonstrate by the checkpoint focus on three areas:
 - Plan loading via SERFF
 - Connectivity for billing and enrollment
 - Developing Account Transfer capability

FFM Track: Progress-to-Date (cont'd)



- **Issuer Integration:**
 - Issuer “Alpha” meetings (twice a week) and “Sub-Alpha” meetings (weekly by topic areas) instituted
 - Issuer integration governance model established with dedicated PMO structure
- **Plan Management:**
 - Developed process for loading plans to the FFM via SERFF, with additional plan suppression to occur after the final Seal of Approval is awarded
 - Developed consensus “rules set” on how to populate plan benefits into SERFF
- **Billing and Enrollment:**
 - Obtained confirmation from CMS on MA’s ability to use Dell as a common “clearing house” for all Issuers for billing and enrollment transactions
 - Developed project plan for integrating Dell as the “clearing house” (834 transaction and enrollment payment reports)
- **Medicaid Account Transfer:**
 - Provided to CMS MA MAGI rules for FFM configuration on 5/30
 - Worked with the Medicaid team to establish in/outbound Account Transfer requirements for FFM in accordance with CMS-provided documentation
- **End-to-End Testing**
 - Developed an end-to-end test plan and set of test cases, and reviewed with Issuers

State Wrap Update

- State wrap, which is critical to preserving affordability and coverage for our residents, is a high priority for the dual track plan
 - CMS is strongly supportive of the Commonwealth’s commitment to solving for wrap
- For the hCentive track, the wrap solution is incorporated in the project plan and scheduled for Release 2.0
 - The plan is to support wrap within the core hCentive product, which enables a seamless shopping experience that is the same as non-wrap QHPs
 - We are also preparing for several fallback options, where members might be re-directed to a static page and/or the call center or will stay within the hCentive flow but in a less integrated fashion
- For the FFM track, we are still working with the CMS technical team to identify a solution, as FFM cannot accommodate IT customization
 - We are exploring a wide range of potential approaches to wrap, including access to FFM data that will allow us to identify wrap-eligible members to support their shopping and enrollment outside of FFM

A large, stylized white cross is centered on a light green background. The cross is composed of four thick, rounded arms that meet at the center. The background is a solid light green color.

Medicaid Eligibility Platform (MEP)

Medicaid Eligibility Platform (MEP) Overview



- With the decision to pursue dual tracks for QHP, the current HIX/IES solution must still be in place for the Fall as a means to service the Medicaid MAGI population
- The overarching strategy is to remediate/enable the minimal necessary Medicaid functionality in MEP in order to ensure a working solution by the next Open Enrollment period
- That scope currently includes:
 - Resolve critical change requests and defects related to Program Determination and complete testing
 - Enable highest priority life change events for Case Management
 - Enable a partial Account Transfer capability
 - Remediate any critical issues with the online application
 - Complete minimal necessary Notices function
 - Build timeclock function in support of provisional eligibility

Medicaid Eligibility Platform (MEP)

Progress-to-Date

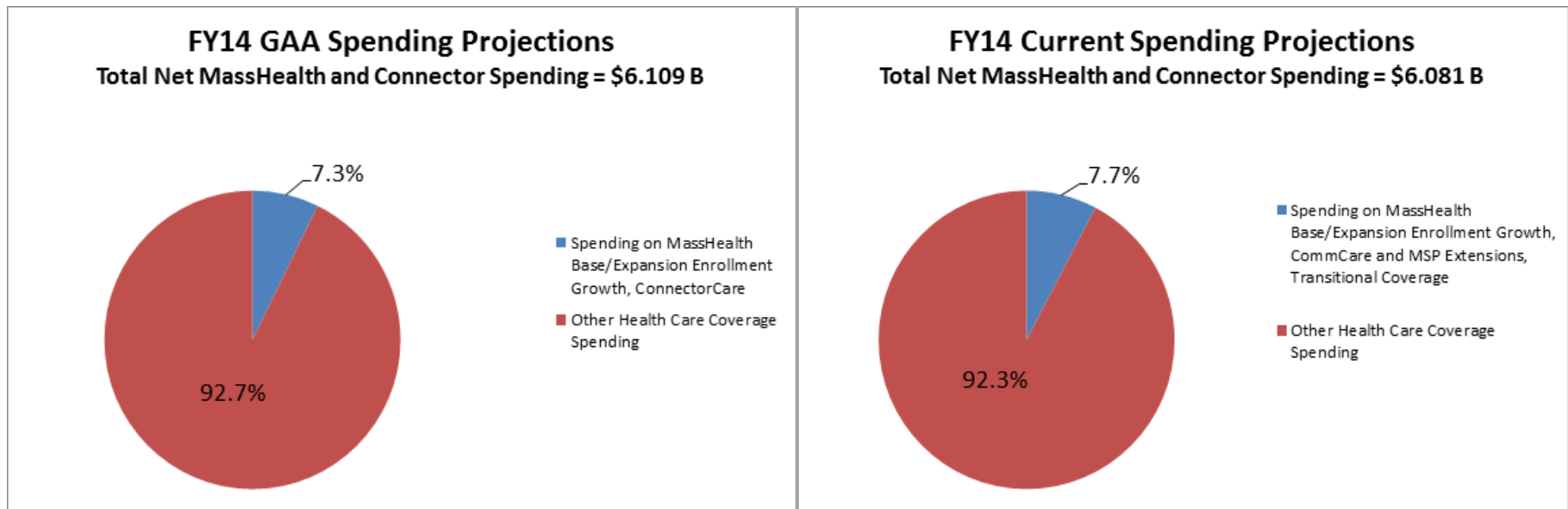


- Focus is on: UI defect assessment, PD Testing, Notices Testing, Worker Portal Testing
- Program Determination
 - Identified critical PD change requests (“CRs”) for release June 22. Expected to result in significant determination accuracy
 - Testing high household complexity levels for PD
- Front Door and Account Transfer
 - Fall 2014 Front Door experience for residents in progress
 - Established Technical FFM/Account Transfer group with CMS and CCIIO
 - Account Transfer requirements identified, two phase solution defined with high-level milestones
 - Phase 1 solution (“expanded flat file”) high-level operational process defined
 - Phase 2 solution accepts full outbound and inbound feeds

Program & Project Budget Update

Coverage Costs

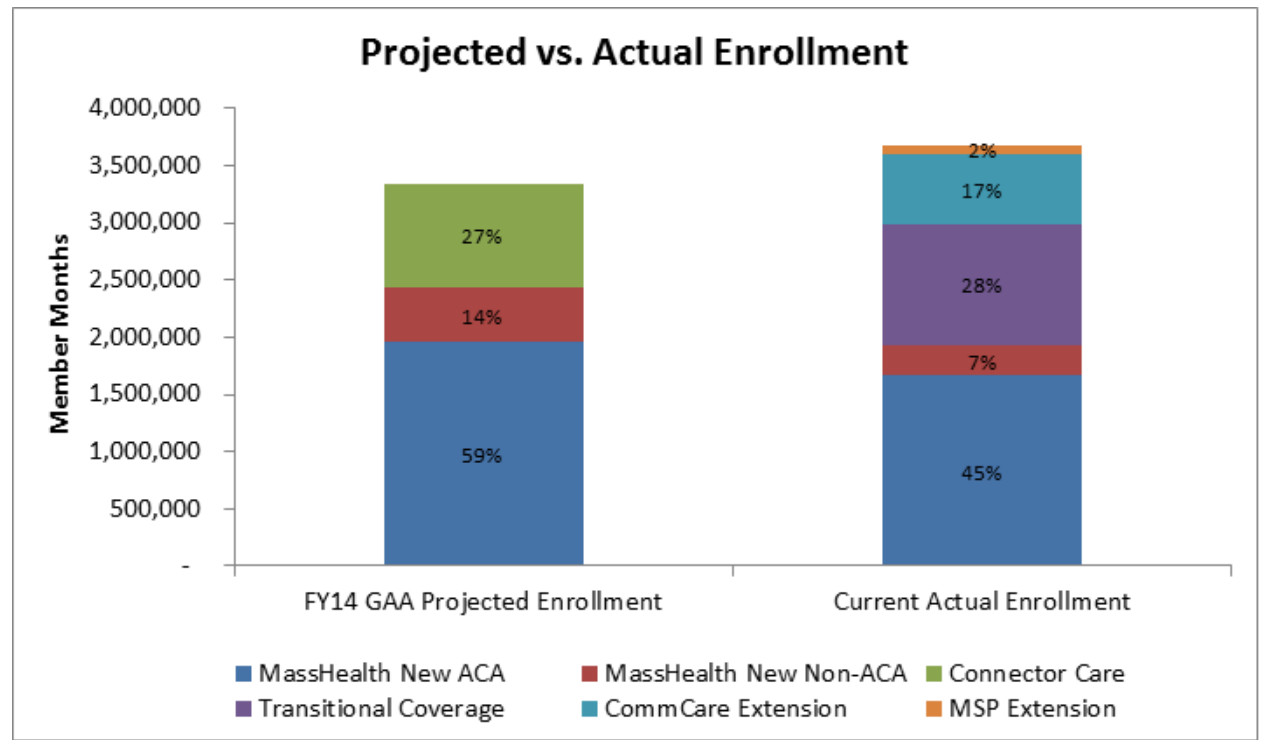
- Total spending on Health Connector and MassHealth coverage for FY14 closely matches original budget assumptions
- Within that amount, aggregate spending on Health Connector and MassHealth coverage categories most affected by Affordable Care Act implementation also closely matches original budget assumptions



Enrollment in Subsidized Health Insurance



- Total enrollment in Health Connector and MassHealth coverage categories most affected by ACA implementation is slightly greater than original budget assumptions (~10% member-month increase). The Commonwealth has added 296,686 new members since December 2013
- At the same time, total per-member monthly spending for these coverage categories is slightly less than original budget assumptions (-10% gross, -4% net)
- Even though aggregate costs are very similar to original projections, many people are enrolled in different ACA-related coverage categories than originally contemplated due to IT systems challenges



HIX/IES Budget Update



- To date, the Commonwealth has received \$174M in federal HIX/IES funding and spent \$65M
- Additionally, from February to May 2014, the Commonwealth worked with Optum to stabilize our website, ensure we could enroll new people in health insurance and assess our path forward. The total cost of this engagement was \$25.8M
- Last month we presented a preliminary estimate of \$121M for 2014-2015 Dual Track costs. The Commonwealth is negotiating an at-risk, pay-on-delivery contract with Optum, and will update this preliminary estimate when contract negotiations are complete
- A recent re-budgeting and cost allocation exercise has identified at least \$40M in savings that can be re-purposed to reduce our request to CMS for additional funding

Next Steps

- Release 1.0: June 30, 2014
- Next Connector Board Meeting: July 10, 2014



Appendix

hCentive Track: High-Level Project Timeline



Release	High-Level Scope	Target Dates
1.0 Baseline Product	<ul style="list-style-type: none"> ▪ Baseline hCentive platform ▪ Integrated IDM solution (standard User Interface) ▪ Connectivity with Federal Data Services HUB, including SSA Composite, IRS Income (ISFV), IRS MAGI Advanced Premium Tax Credit (APTC), Remote Identity Proofing (RIDP), non- employer sponsored insurance - minimum essential coverage (excludes Medicaid), and Verified Lawful Presence Level 1 (VLP-1) ▪ Pilot shopping and plan selection (limited set of plans loaded via SERFF Templates) ▪ Sample Billing & Enrollment XML ▪ Sample Medicaid Account Transfer XML ▪ Sample Notice generation solution (2-3 notices) 	6/30/2014 (Check Point)
2.0 Initial 2015 Plan Load and Wrap	<ul style="list-style-type: none"> ▪ Integrated Identify Management (IDM) solution with Massachusetts -specific User Interface ▪ Connector Care (State Wrap) ▪ Shopping and plan selection (initial set of plans loaded via 2015 SERFF Templates) 	7/30/2014
3.0 Full 2015 Plan Load and Automated Billing Interface	<ul style="list-style-type: none"> ▪ Connectivity with Federal Data Services HUB VLP-2 and VLP-3 services ▪ XML Integration Billing & Enrollment XML ▪ Shopping and plan selection (full set of plans loaded via 2015 SERFF Templates) 	8/30/2014
4.0 Plan and Rate Update Back Office	<ul style="list-style-type: none"> ▪ Plan Rate Refresh: Department of Insurance (DOI) approval 8/15 ▪ Back Office (Life Event Changes) 	9/30/2014
Start of Open Enrollment		11/15/2014

FFM Track: Overall Project Timeline



Work stream	High-Level Scope	Target Dates
Plan Management	▪ Develop plan load process for QHPs to FFM	05/30/14
	▪ Support Issuers in filing required SERFF templates (except rate templates) to Department of Insurance; design and leverage standard rule sets for plan benefits template to minimize needed corrections	06/13/14
	▪ Issuers submit SERFF rate templates	07/01/14
	▪ Load QHPs to FFM (1st plan transfer in August; subsequent revisions as needed)	08/08/14
	▪ Final QHP certification/re-certification awarded, including selection of Wrap issuers	09/11/14
	▪ Ensure the certified plans are the plans showing in FFM (suppress plans that did not receive certification)	09/30/14
Enrollment and Billing	▪ Review and validate project plan to support Dell testing and integration with FFM on behalf of MA Issuers	05/23/14 (Start date)
	▪ Finalize project plan for “Dell as Clearinghouse” solution	06/12/14
	▪ Establish initial connectivity between Dell and FFM	06/20/14
State Wrap	▪ Partner with CMS to identify FFM capability to support State Wrap	05/27/14-6/30/14
	▪ Identify State Wrap solution capable of adapting to FFM capabilities and implement to support this population for 2015 Open Enrollment	06/30/14
Medicaid Account Transfer (in partnership with HIX track)	▪ Collect FFM program and technical requirements for account transfer (AT)	06/30/14
	▪ Link with CMS AT resources	
	▪ Develop data exchange requirements coming in and out of the AT platform – specs provided by and received from all three systems (MH, FFM, hCentive)	
	▪ Initiate AT platform build within MassHealth IT infrastructure capable of linking to FFM or hCentive	
	▪ Test data exchanges between MassHealth and FFM/hCentive	09/30/14
End to End Testing	▪ Establish process flows for downstream operational processes to complete determinations on referrals from one system to another	
	▪ Develop comprehensive set of end to end test cases and testing plan	06/15/14
	▪ Testing	11/15/14 (end date)
Start of Open Enrollment		11/15/2014

Technical Documentation

- Business Reuse Strategy
- Business Requirements Document
- Business Rules Document
- Baseline Information Security Risk Assessment (ISRA) – ITD Security determining if required
- Safeguard Security Report (SSR) – ITD Security determining status required by IRS
- Baseline Test Plan
- Hub Test Plans
- Updated SLAs and MOUs
- System Design Document
- Database Design Document
- Interface Control Document
- Data Management Plan
- Preliminary Contingency / Recovery Plan
- Preliminary Manuals and Training Materials
- Several IV&V Attestations (SERFF, Hub Connectivity)

Legend

- Not submitted
- Submitted – in CMS review