



Small Business Service Bureau Contract Extension (VOTE)

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Background



- The Health Connector launched its small business product shelf in 2009. Since then, we have been working with Small Business Service Bureau (SBSB) for Information Technology (IT) functionality, back-end billing and customer service
- In preparation for Affordable Care Act (ACA) implementation in Massachusetts, the Health Connector originally planned to transition the small group Business Express program to the non-group IT platform and customer service vendors
 - Front-end shopping through the CGI-developed HIX
 - Back-end service, enrollment, billing and support through Dell
- Due to IT challenges that we experienced with launching the CGI-built HIX/IES system, SHOP development was ultimately deferred to prioritize developing a platform for individuals to apply and enroll for fall 2014 open enrollment
- To maintain small group operations in 2014, we entered into a contract extension with Small Business Service Bureau (SBSB) last fall, which was to run from November 2013 through December 2014

Contracting Status



- Our focus in 2014 has been to stabilize the current non-group website and ensure access to coverage by subsidized and non-subsidized individuals. More recently, in collaboration with other agencies, we have been prioritizing implementation of the new hCentive platform, which is positioned to go live in November
- In the meantime, the SBSB system has been in stable operation, providing the option for small businesses and brokers to shop for Qualified Health Plans through the Health Connector website
- As we continue our transition, we need to maintain the SBSB solution for an extended period of time, until such time when we are able to upgrade our SHOP platform to support ACA requirements, such as Employee Choice
- Today we are asking for the Board's authorization to extend the current SBSB contract to maintain our existing services as we determine the best path forward for long-term SHOP development and enhancement

Proposed Contract Extension Scope



- This proposed contract extension will cover the following areas of work performed by SBSB for the Business Express program
 - Customer service, administrative and project management support for all existing Business Express accounts (e.g., billing, call center, updates, reporting)
 - Renewals of Business Express accounts
 - Quoting and enrollment of new Business Express accounts
 - Maintaining the current IT platform
 - Providing financial services (e.g., broker commission payments, carrier administrative fee)
- If and when the Health Connector establishes a new platform with a different vendor, we will have the option to either terminate the contract with SBSB or reduce scope to service existing accounts only
- There will also be a 120-day close out period

Contract Extension Details

Scope	Timeline	Cost
Contract Extension Period (includes continuation of all existing responsibilities related to the management of new and existing Business Express accounts)	October 2014 – April 2016 (option to terminate or reduce operations if move to new vendor in 2015)	<ul style="list-style-type: none">• \$298,000 per month (will be reduced if contract responsibilities are reduced in advance of contract end date)• PSPM of \$6.24 when enrollment reaches 5,000 subscribers (currently at ~2,200 subscribers)
Run-off Period (includes limited call center support, EDI file transmissions, billing and collection of outstanding premiums, and performance of cut-over activities to support transfer of accounts)	April 2016 – August 2016 or 120 days after active services end	<ul style="list-style-type: none">• \$75,000 per month• No PSPM

VOTE



Health Connector staff recommends authorizing execution of a contract extension for Small Business Service Bureau through August 2016, subject to final agreement on language, in accordance with terms outlined in this presentation.