

MEMORANDUM

To: Health Connector Board of Directors
From: Louis Gutierrez, Executive Director
Date: May 21, 2015
Re: May Board Update

EXECUTIVE SUMMARY

The purpose of this e-mail is to provide the Health Connector Board an interim update in lieu of the May meeting. Although we cancelled this month's meeting given the lack of formal agenda items, staff continues to focus on continued stabilization of the current system and operational processes, as well as gearing up for what already seems like it is around the corner - the 2016 Open Enrollment. In addition, work with our carriers continues, both in the form of administration of risk adjustment and through the 2016 Seal of Approval.

In order to keep you apprised of the work ongoing at the Health Connector, please find enclosed several attachments summarized briefly below:

- 1.) May Board Report – Of note, ConnectorCare enrollment continues to grow modestly, most likely attributable to the ongoing MassHealth redetermination process. Please see Attachment 2- May Board Metrics.

- 2.) Operational Assessment – As indicated in our April board meeting, Health Connector staff was in the process of initiating, and this past week completed, a 6-week top-to-bottom review of our operations, led by the Health Connector's new Chief Operating Officer, Vicki Coates. A deep assessment was clearly called for given the volume of consumer complaints the Health Connector was receiving post Open-Enrollment. While one of the primary initial goals was to bring about a steep and permanent decline in consumer complaints by identifying and resolving the causes of those complaints, the exercise more broadly was to gain comprehensive control and understanding over back-office operations and systems deficiencies. The results are sobering; missing systems functionality, missing operational controls and resources, or both, have resulted in thousands of consumer requests or corrections unsatisfied or in limbo. In general terms, development of the back office functions did not match development of the eligibility front-end in preparation for 2015 Open Enrollment, and the consequences are deeper than anticipated.

As each source of consumer pain has been identified (misapplied payments, enrollment discrepancies, etc.), plans for improving the customer experience have been initiated. There has been progress in this regard via systems fixes, intense focus on operational processes and metrics, and the application of significant additional resources on the part of each involved vendor. But we have a heavy effort remaining in front of us to arrive at an acceptable

operating environment, though we are committed to doing so on behalf of each and every one of our members.

Securing reliable customer services operations and premium processing is essential to our mission. Starting in June, we will begin to report out on key operational metrics. In the meantime, enclosed for your review is our progress-to-date on the Operational Assessment. Please see Attachment 3 - Ops Assessment.

- 3.) HIX/IES Releases and Release Strategy – While 2014 was devoted to standing up the front-end for 2015 Open Enrollment, new functionality is needed this year to repair existing back-office deficiencies and support the ability to conduct eligibility redeterminations and health plan renewals in advance of the 2016 Open Enrollment. Renewals functionality was not built into the existing hCentive environment initially, given the focus on standing up the front-end. It will require some redesign of how medical and dental plans are managed in the system to achieve. There remain at least 4 major software releases in front of us before October 1. (Note: Open Enrollment runs from November 1 this year through January 2016).

Multiple sources indicate that this year's development agenda is probably deeper and heavier than last year's. There is risk in this volume of development, and we have been busy "de-scoping" any but essential features. Given the importance of timely releases, most notably those driven by the dates for Open Enrollment, there is significant possibility that additional change and de-scoping may alter current plans.

We are actively engaged with each vendor to identify mitigations to software development risk, and contingency plans for operational processes. In June we will be bringing to the board requests to approve testing resources for the Dell back-office functionality, as well as acquisitions supporting provider search and improved payment portal.

Enclosed for your review is a summary of the release schedule and scope, details on the content of several upcoming releases, and a visual timeline illustrating the work efforts required to accomplish the upcoming release agenda. Please see Attachment 6 – MA HIX – 2015 Release Timeline.

- 4.) Risk Adjustment – First-quarter simulation results were made available to payers on Tuesday, April 28. Final settlement figures are due out at the end of June. The results of the first quarter simulation were encouraging from a payer market stability perspective, with a lower overall sum of transfers and a more symmetric distribution of transfers for plan year 2014.

Please call me with any questions and concerns.