

## MEMORANDUM

To: Health Connector Board of Directors  
Cc: Louis Gutierrez, Executive Director  
From: Jason Hetherington, Chief Information Officer  
Date: February 7, 2017  
Re: Recommendation for Decision Support Services Vendors

### SUMMARY

This memorandum recommends that the Board of Directors (Board) authorize the Health Connector to enter contract negotiations with two vendors, Consumers' Checkbook / Center for the Study of Services (Checkbook) and Picwell, Inc. (Picwell), to provide Decision Support Services (DSS). Under the proposed contracts, Checkbook and Picwell would provide DSS to support the Health Connector's non-group applicants and enrollees (consumers) in selecting plans that meet their needs. Specifically, the Health Connector recommends the Board authorize contracting to launch Checkbook's formulary search by Open Enrollment 2018 and create an option to implement Picwell's total cost calculator by Open Enrollment 2019.

### NEED FOR DECISION SUPPORT SERVICES

The Health Connector has a long-standing commitment to ensuring consumers have information and support to select plans that best meet their needs. Over the years, the Health Connector has worked to add decision-support features to its shopping experience, including standardized plan comparisons, filtering and sorting options, a tool that identifies whether providers and facilities are in-network for different plans (provider search) and flags for different network types. Most recently, the Health Connector expanded its provider search tool to include new types of providers and facilities, and will shift from a stand-alone version to a fully-integrated version of this tool in spring 2017.

These tools have added significant value to the Health Connector shopping experience. Most members use existing tools – for example, 70% of 2016 members surveyed reported using the “compare plans” feature. Recent enhancements have proven popular with members, with 2017 improvements to the provider search tool yielding 43,000 users during the most recent Open Enrollment. Despite this progress, members continue to report a need for additional assistance selecting a plan. According to the Health Connector's 2016 Member Experience Survey:

- Of those members dissatisfied with the website, 32% recommended making the website simpler, while 15% recommended giving more information about plans.
- More than three-quarters of members (78%) would be interested in a feature that allowed the Health Connector to recommend plans to them.
- While members surveyed reported it was easy to compare premiums (88%), only 69% of members indicated it was easy to compare the total amount they might have to pay for their health care.

- 22% of those contacting the Health Connector after choosing a health plan had questions about their plan’s benefits.

In response to this member feedback, Health Connector staff launched a cross-functional workgroup to evaluate the need for additional DSS in summer 2016. Staff reviewed best practices in decision support from academic literature and conducted a survey of other state and federal Exchange DSS features.

Based on this research, the staff workgroup concluded that the Health Connector shopping experience was missing several features identified as important to consumers. Notably, as of the 2017 Open Enrollment period, the Health Connector did not offer any of the three tools considered the “gold standard” of informed consumer choice by a national consumer advocacy coalition: an out-of-pocket cost calculator, integrated provider directory and integrated prescription drug directory.<sup>1</sup>

**Figure 1. Comparison of Public Exchange DSS Tools<sup>2</sup>**

Public Exchanges	Out-of-Pocket Cost Calculator	Provider Lookup	Quality Rating Indicator	Formulary Look-up	Network Size Indicator
Healthcare.gov	X	X		X	
California	X		X		
Colorado	X	X	X		
Connecticut	X		X		
District of Columbia	X	X		X	
Idaho	X				X
Maryland		X			
<b>Massachusetts</b>		X			(limited network flag)
Minnesota	X				
New York		X			
Rhode Island		X			
Vermont	X				
Washington		X	X		

While the Health Connector expects to integrate its provider directory by late spring 2017, staff recommended pursuing additional DSS capabilities over the longer term to ensure the Health Connector continues to provide a best-in-class shopping experience. Specifically, Health Connector staff recommended supplementing existing tools with, at a minimum and on the most rapid timeframe possible: (1) a formulary search tool that helps consumers determine which prescription medications are covered by each plan’s formulary; and (2) a total cost calculator tool that helps consumers estimate the total financial exposure they may face in a given plan year under each plan’s premium and cost-sharing design, based on their estimated expected utilization. Health Connector staff recommended integrating these tools into the existing Health Connector shopping experience to the greatest extent possible, rather than supporting stand-alone tools that could cause consumer confusion.

<sup>1</sup> A. Rao, P. Hewitt, J. White, “2017 Health Insurance Exchanges: The Good, The Bad, and the Ugly,” Clear Choices Campaign (Jan. 31, 2017), available at: <http://www.prnewswire.com/news-releases/2017-health-insurance-exchanges-lessons-for-the-online-health-insurance-marketplace-300399331.html>.

<sup>2</sup> K. Hempstead, “Consumer Decision Support on the Individual Market Will Be More Important Than Ever,” *Health Affairs Blog* (Jan. 31, 2017), available at: <http://healthaffairs.org/blog/2017/01/31/consumer-decision-support-on-the-individual-market-will-be-more-important-than-ever/>. Supplemented by Health Connector staff research.

Based on these recommendations, Health Connector leadership approved a DSS procurement in December 2017. The procurement relied upon the following assumptions:

- The Health Connector’s current contract for provider search with Checkbook will continue through at least June 30, 2018, with an option to extend by five one-year periods.
- The Health Connector prefers to integrate DSS with the hCentive shopping platform, though stand-alone DSS tools would be acceptable if the hCentive release schedule is not able to accommodate integration.
- The Health Connector prefers to introduce new DSS by Open Enrollment 2018, but would consider a longer implementation timeline for more complex tools that require greater resources or testing time to successfully introduce without risk of destabilizing other technology or services.

## PROCUREMENT PROCESS

In December 2016, the Health Connector established a Procurement Management Team (PMT), composed of six voting Health Connector staff members from the Technology, Policy, Operations, Product / Program and Communications teams, as well as two non-voting members from the Finance and Legal teams.

On December 22, 2016, the Health Connector publicly released a request for proposals (RFP) for DSS, setting a deadline of January 17, 2017 for potential bidders to submit responses. Key features of the RFP included:

- The RFP asked responses to indicate functionality and pricing for either or both total cost calculator or formulary search tools at minimum, with the option to respond with additional DSS tools.
- The RFP requested that there be a response to both integrated and phased implementation options. In the integrated approach, bidders would fully integrate the tool(s) into the hCentive shopping platform by Open Enrollment 2018. In the phased approach, bidders would implement a standalone tool by Open Enrollment 2018, and an integrated tool by Open Enrollment 2019.
- The Health Connector reserved the right to delay implementation by one year at its option to ensure greater flexibility in alignment with releases.

The Health Connector received and scored five written proposals from five vendors: Checkbook, Picwell, GetInsured, ClearHealth Analytics and NTT Data Corporation. Of those five, the three highest scoring bidders (Checkbook, GetInsured and Picwell) were asked to deliver oral presentations. These three second-round bidders presented in-person demonstrations of their tools on January 24 and 25, 2017. The remaining two bidders were not advanced due to lower written proposal scores, of which higher costs were a factor.

Based on the information supplied by the vendors through their written proposals and oral presentations, the PMT scored the bidders based on a predetermined set of criteria.

The PMT requested Best and Final Offers (BAFOs) from each of the three second-round bidders. As part of the BAFO, the PMT gave bidders the option to provide their costs in an alternative format, for an-all-in-one-tool, to better understand pricing variations related to different functionalities.

Based on these BAFOs and previous scoring, the PMT made recommendations to Health Connector leadership on February 1, 2017, for consideration by the Board at the February 9, 2017 Board meeting.

**PROCUREMENT SCORING AND COSTS**

After satisfying initial criteria for completeness, bidders were scored separately on their responses to one or both of the required tools: total cost calculator and /or formulary search. The availability and cost of other additional tools was considered in the scoring criteria but was not scored separately.

During written proposals, bidders were scored on the following criteria: functional, technical, qualifications, cost, multiple tools, and overall value. During oral proposals, bidders were scored on the following criteria: product demonstration, team composition, response to pre-stated questions, and response to question and answer.

Following scoring, Checkbook received the highest score for its formulary search with a combined score of 133 and Picwell received the highest score for its total cost calculator with a combined score of 123.

The third second-round bidder, GetInsured, offered an attractive proposal but was not viable due to cost.

**Figure 2. Summary of Costs and Scoring for Bidder’s DSS Tools**  
*(Costs assume an integrated implementation approach by Open Enrollment 2018)*

<b>Total Cost Calculator</b>			
<b>Bidder</b>	<b>FY2018 Cost</b>	<b>Yearly Cost after FY2018</b>	<b>Total Score</b>
Picwell	\$287,500	\$250,000	123
Consumer's Checkbook	\$317,700	\$307,600	122

<b>Formulary Search Tool</b>			
<b>Bidder</b>	<b>FY2018 Cost</b>	<b>Yearly Cost after FY2018</b>	<b>Total Score</b>
Picwell	N/A – Bidder did not submit a proposal for a stand-alone formulary search, as this functionality is included within the scope of its total cost calculator		
Consumer's Checkbook	\$110,000	\$96,000	133

**PROCUREMENT RECOMMENDATION**

Based upon the bidders’ total scores, the PMT recommends procurement of both Checkbook’s formulary search and Picwell’s total cost calculator, pursuing integrated implementation of both tools over a phased timeline. Under this recommended approach, the Health Connector would launch an integrated formulary search by Open Enrollment 2018 and an integrated total cost calculator by or before Open Enrollment 2019.

The PMT recommends procurement of Checkbook’s formulary search because Checkbook is a known vendor which has delivered high-quality, consumer-oriented DSS tools on time to the Health Connector and other state-based exchanges. More specifically, Checkbook’s formulary search tool offers:

- The ability for consumers to search for up to ten prescription drugs, including dosages, strengths, and both generic and brand names, and determine whether these drugs are included in the formulary by tier/cost.
- A suitable approach to data collection and standardization.
- A neutral and transparent presentation of plan choices following user inputs.
- Previous experience with Massachusetts market and other state-based exchanges.
- A reasonable cost structure that meets budgetary allocations.

Because Checkbook has previously worked to integrate its provider search tool into the hCentive shopping platform, the PMT anticipates that this vendor will be able to accomplish integration of its formulary search tool before Open Enrollment 2018.

The PMT recommends procurement of Picwell's total cost calculator because Picwell offers a unique total cost calculator approach that draws from plan designs, claims data, and user inputs about expected health care needs and preferences to provide a comprehensive total cost estimate. If the Health Connector chooses to implement this feature, Picwell's cost calculator can also provide an individualized score for each plan, to assist consumers in finding plans that meet their needs. More specifically, Picwell's total cost calculator offers:

- The ability for consumers to enter information about their anticipated health care usage, prescription drugs, preferred providers, and risk tolerance (future iterations of the tool are expected to also intake information about consumers' ability to afford out-of-pocket costs). This information is paired with claims and plan data in an algorithm that estimates overall costs and plan fit.
- A best-in-class approach to data, incorporating information such as risk tolerance and the possibility of Massachusetts-specific claims data.
- A standardized and simplified presentation of plan choices following user inputs.
- Experience with other complex health coverage markets, such as Medicare and the commercial markets.
- A reasonable cost structure that meets budgetary allocations.

Because Picwell has not previously worked with a state-based exchange and its tool will be more complex to integrate with the hCentive shopping platform, the PMT recommends retaining the option to allow the vendor a longer implementation timeframe that may extend to Open Enrollment 2019. However, based on excellent references that highlighted Picwell's flexibility and readiness, the Health Connector may choose to proceed with implementation on a more rapid timeframe.

Key advantages of this recommended phased approach to implementing the formulary search and total cost calculator tools include:

- The expected introduction of at least one new DSS tool by OE 2018.
- The opportunity to spread budgetary costs over two fiscal years.
- A longer window for hCentive to integrate the total cost calculator.

- A longer window for the Health Connector to design total cost calculator data elements and user interface build.
- A longer window for the Health Connector to test the plan score/recommendation feature with consumers and gauge carrier market readiness.

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**RECOMMENDED CONTRACT SUMMARY**

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1. Consumers Checkbook/CSS – Integrated Formulary Search

Under the Health Connector’s existing Master Services Agreement with Consumers Checkbook / CSS, the Health Connector proposes to sign a new work order for an integrated formulary search to be implemented as part of an upcoming hCentive technical release. This work order would run from mid-February 2017 through June 30, 2018, with five optional one-year renewals. Implementation costs include a fixed fee of \$30,000 for the All-Plan Formulary Search Tool with the hCentive system user interface via API and an optional accelerated integration fee of \$8,000 should we require integration by April 30, 2017. Cost components for the ongoing costs once the tool is implemented and in the optional extension periods include an annual license fee of \$75,000 and an annual hosting fee of \$21,000. The current Master Services Agreement allows for the Health Connector to terminate the Agreement at any time for any reason with sixty (60) days’ notice.

2. Picwell – Integrated Total Cost Calculator

The Health Connector will sign a new Master Services Agreement with Picwell which would allow it to proceed with a work order for a total cost calculator with a term of spring 2017 through June 30, 2018, with five optional one-year renewals. Implementation work is anticipated to begin in the fall of 2017. The implementation fixed fee of \$100,000 includes performing a needs assessment; data intake; plan modeling, testing, and certification; deployment; and training. Once the tool is implemented, the Health Connector will pay an annual subscription fee of \$250,000 which includes licensing fees, maintenance and quarterly updates. The Health Connector may terminate the Agreement at any time for any reason with ninety (90) days’ notice.

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**BOARD RECOMMENDATION AND NEXT STEPS**

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Health Connector staff recommends authorizing the Executive Director to enter into two agreements for the implementation and ongoing operations of new Decision Support Services: (1) a work order with Consumers’ Checkbook / Center for the Study of Services for a formulary search tool, which includes implementation costs of up to \$38,000 and annual ongoing costs of \$96,000 and (2) a master services agreement and work order with Picwell for a total cost calculator tool, which include implementation costs of \$100,000 and annual ongoing costs of \$250,000. The initial work orders for both agreements will extend from approximately February 13, 2017 until June 30, 2018, with five one-year optional renewal periods.