



Department of Vermont Health Access
312 Hurricane Lane Suite 201
Williston, VT 05495-2087
www.dvha.vermont.gov

[phone] 802-879-5900
[Fax] 802-879-5651

Agency of Human Services

MEMORANDUM

To: Sen. Virginia "Ginny" Lyons, Chair of the Health Care Oversight Committee

From: Mark Larson, Commissioner

Cc: Harry Chen, Interim Secretary, Agency of Human Services

Date: December 10, 2014

Re: Vermont Health Connect Report – November 2014

In accordance with Act 179; Sec E.306.3, I am providing the following update on the Health Benefits Exchange (Insurance Marketplace), Vermont Health Connect. If the committee has questions about the structure or contents of this update or future updates, please contact me.

Overview

Vermont Health Connect's second open enrollment period for qualified health plans (QHPs) kicked off on Saturday, November 15, 2014. Vermonters who are new to the marketplace began signing up for 2015 health coverage, while existing QHP customers requested changes or auto-renewed for 2015 coverage. As of December 3, 15,595 individuals with existing coverage had been successfully mapped into their 2015 health plans. The expected renewal pool is 38,704. In addition, 2,140 individuals who were new to Vermont Health Connect had been checked out into 2015 plans.

Vermonters who are eligible for Medicaid or Dr. Dynasaur and those who experience a qualifying event, such as having a baby, getting married or losing their prior insurance, are also still enrolling in 2014 coverage. However, due to the largely manual renewal process, Vermont has worked with CMS in order to delay Medicaid and Dr. Dynasaur renewals scheduled to occur during open enrollment. These renewals will restart after the open enrollment period has ended.

Due to the system's current inability to process health plans from more than one plan year, Vermont Health Connect is working with the insurance carriers to facilitate new 2014 special enrollments and access to care needs. Vermont Health Connect maintains responsibility for determining eligibility for benefits and financial help and remains the system of record for individual and family customers. Customer Service Representatives continue to receive calls from Vermonters who qualify to be covered for the final weeks of 2014 and provide guidance on next steps to ensure that they get this coverage as promptly as possible.

In the initial weeks of open enrollment, the system's performance has been stable and operating as expected. The Customer Support Center has been ready for the call volume, receiving more than 27,000 calls in the first three weeks and answering nine out of 10 calls in less than 30 seconds.

2015 Open Enrollment

Vermont Health Connect opened for 2015 enrollment on Saturday, November 15th and will close on Sunday, February 15th. The actions Vermonters are taking during open enrollment depend on whether they are new to Vermont Health Connect and whether they need to report a change. Specifically:

- 1) Vermonters who are new to Vermont Health Connect are applying through the web portal, over the phone, on a paper application, or by engaging an assister.
- 2) Current enrollees who do not wish to change health plans are being re-enrolled into the same plan for 2015 without having to take action, in accordance with federal regulations. If they later decide to change plans, they will have until February 15 to do so.
- 3) Enrollees who wish to select a different plan or to report a change that will impact their eligibility for 2015 can do so through a Change Report Form or by calling the call center. Enrollees were mailed renewal notices and Change Report Forms in early October.

During the six week period between November 15th and December 31st, the State is manually renewing approximately 25,000 households in coverage for January 1, 2015. This includes QHP-only households, as well as “mixed households” – those that have some individuals in a QHP and others in Medicaid. Vermont Health Connect’s original renewals plan relied on the delivery of automated functionality to map customers to 2015 plans while also providing the ability for customers to make changes through self-service or with assistance. This functionality is now slated to be fully tested and delivered in spring 2015, in other words it is not available for the current open enrollment and re-determination period.

To successfully process these cases, the State has divided renewals-processing into four categories:

- 1) Individuals who do not report a change are being manually mapped to the 2015 version of their current plan;
- 2) Individuals who did not provide the State with permission to ping the Federal Data Services Hub for their information, and did not respond to additional outreach this fall to secure their permission, are being mapped to the 2015 version of their current plan, but without financial assistance;
- 3) Individuals requesting a new plan for 2015 are being enrolled into the plan of their choice; and
- 4) Individuals who reported a change impacting their 2015 eligibility and plan selection are having their benefits re-determined.

As with the current Change of Circumstance (CoC) process, the renewals approach above is highly manual and processing time is averaging of 30 to 45 minutes per case. Due to resource constraints, the State significantly reduced the proposed role for Optum in the renewals process. Rather than retaining 330 agents to perform all four categories of work, Optum retained 220 agents to perform only categories (1) and (2) - approximately 16,000 cases. The State is processing categories (3) and (4), as well as renewals for special populations, such as the 2,500 individuals in mixed QHP/Medicaid households. To meet the resource need, the State recruited 220 staff members to work voluntary overtime.

Because this year’s renewal work is a manual process, quality control is essential. State volunteers have played a vital role in this regard, first going through training and then working to confirm the accuracy of more than 10,000 renewal applications and send those applications to our insurance carrier partners. Their

productivity has outpaced expectations, which in turn put Optum on track to complete no-change renewals ahead of schedule.

Enrollment Data/Coverage Status

Following the close of the first open enrollment in late March of this year, Vermont’s insurance marketplace was recognized for having the highest per capita enrollment in the nation. As of December 3rd, nearly 180,000 Vermonters are covered by Vermont Health Connect (VHC) plans. Of this figure, nearly 112,000 are enrolled in “MAGI Medicaid” - the newly expanded Medicaid program that is now available to more low-income Vermonters than ever before. Over 73,000 are enrolled in MAGI Medicaid on the Vermont Health Connect system, while an additional 38,000 will continue to be served by the legacy ACCESS system until their redetermination in 2015.

Additionally, approximately 67,000 Vermonters enrolled in VHC’s Qualified Health Plans (private health insurance). Over 31,000 individuals and family members enrolled in 2014 health plans through the marketplace, while more than 36,000 small business employees and family members enrolled in plans directly through VHC’s insurance carrier partners. Please note that there will continue to be slight shifts in counts from month to month as Change of Circumstance (CoC) requests are resolved, which often result in retroactive changes to eligibility and enrollment.

Updated 12-3-14	Individual Plans Confirmed (Checked out)	Payment Received (Paid)	Enrollment Effectuated (Enrolled)
Individual/Family QHP	34,454	32,812	31,026
Jan. - March Start	13,888	13,438	13,038
April - June Start	14,675	13,973	13,404
July - Sept. Start	3,768	3,510	3,150
Oct. - Dec. Start	2,123	1,891	1,434
MAGI Medicaid - VHC	75,193		73,531
Jan. - March Start	29,203		28,345
April - June Start	29,411		29,075
July - Sept. Start	12,924		12,705
Oct. - Dec. Start	3,655		3,406
Small Business - QHP	36,488	36,488	36,488
As of Nov. 30, 2014	36,488	36,488	36,488
MAGI Medicaid - ACCESS	38,181		38,181
Jan. - March Start	19,764		19,764
April - June Start	4,141		4,141
July - Sept. Start	10,469		10,469
Oct. - Dec. Start	3,807		3,807
Non-MAGI Medicaid - ACCESS	22,271		22,271
Jan. - March Start	9,196		9,196
April - June Start	4,189		4,189
July - Sept. Start	4,954		4,954
Oct. - Dec. Start	3,932		3,932
Total QHP	70,942	69,300	67,514
Total MAGI Medicaid	113,374		111,712
Total Non-MAGI Medicaid	22,271		22,271

Through VHC, many Vermonters received financial help with their health care coverage. Over 60% of those shopping for private health insurance through the marketplace as individuals were found eligible for tax credits to make their coverage more affordable. When combined with those accessing Medicaid, nearly 90% of individuals seeking coverage through VHC benefitted from some form of financial help.

In July, the State became aware that a larger than expected number of members (approximately 14,000) did not renew their Medicaid/Dr. Dynasaur coverage during the months of April, May and June. These were members who were expected to transition into enrollment through VHC for the first time. The State gained federal permission to reinstate individuals whose cases were closed during those months.

The State is planning to resume Medicaid renewals for this transitioning population in April 2015 to allow time for effective noticing and outreach subsequent to completion of all open enrollment activities. The State is also exploring additional outreach and application strategies to increase the transition rate once Medicaid renewals resume.

Operations

Overview

During the month of November, Vermont Health Connect continued to utilize the Incident Command Structure, first adopted in September, to facilitate efficient decision-making and assess operational readiness. During this time, VHC focused on the following key activities in kicking off open enrollment 2015:

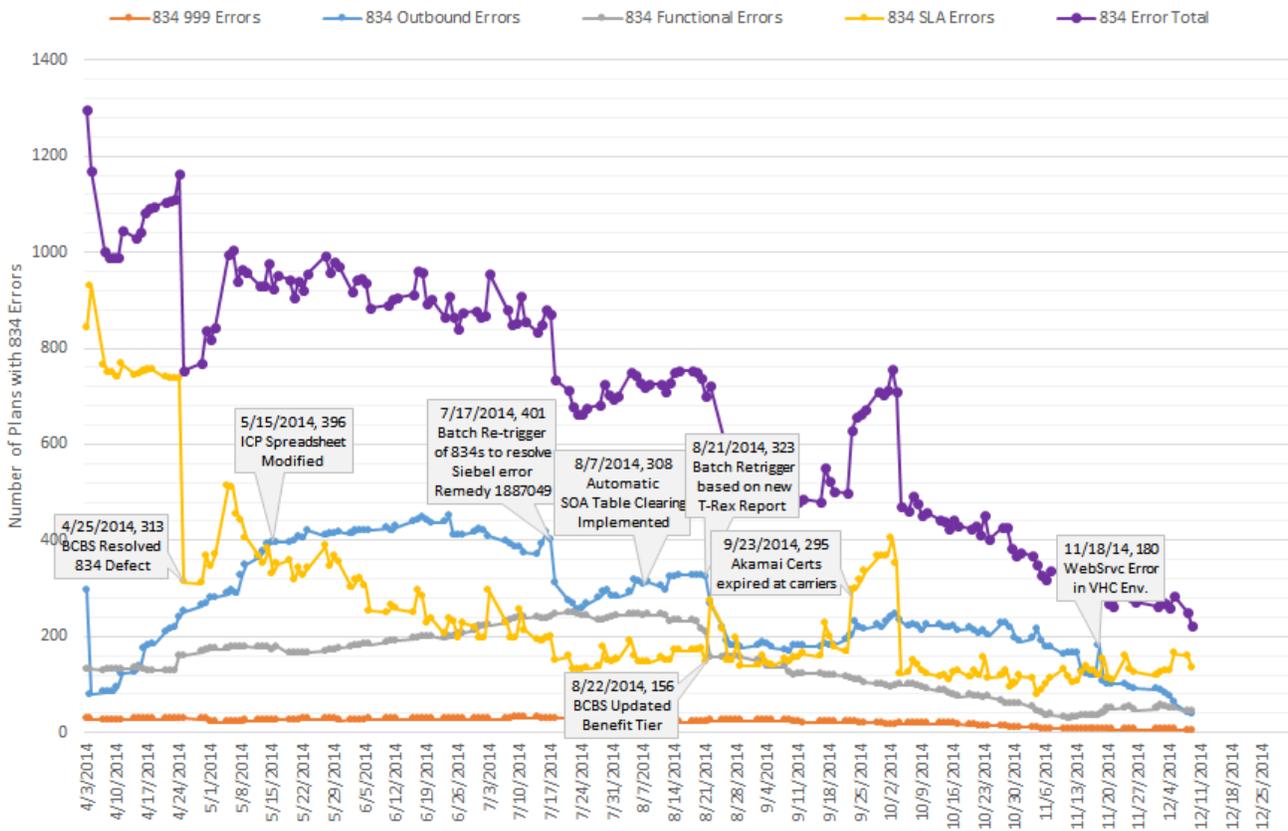
- **Implementing streamlined business process:** VHC engaged State and Optum business analysts in a comprehensive review of renewals processes to identify opportunities to streamline job aids, improve CoC accuracy rates, and make manual processes more efficient. This work was completed during the first week of November and significantly reduced renewals processing time.
- **IRS reporting readiness:** VHC successfully completed four waves of testing in November with an initial error rate of four percent. This means that, of the 17,233 households with data that we were able to send, basic taxpayer information in our records was transmitted correctly for all but four percent of households. The first complete data file is scheduled to be sent to the IRS by December 15th. VHC also worked with Optum to develop and implement IRS 1095-A notices, which are scheduled to be mailed to enrollees in waves beginning January 13th. The Outreach & Education team is working with our federal partners to develop talking points and training materials for customer service representatives and assisters to ensure that consumer questions and concerns can be appropriately addressed as forms are received.
- **Volunteer training and mobilization:** With approval from the Executive Steering Committee, VHC leadership put out a call for volunteers across the Agency of Human Services to assist in the processing of renewals during the six week period between November 15th and December 31st. 220 State staff responded and VHC began training in early November. Volunteers worked to

confirm the accuracy of more than 10,000 renewal applications in the opening weeks of open enrollment and prepared to take on additional tasks in December, including continued quality control efforts, triaging open CoC requests, and work around the manual verification of information for the 1095-A forms.

- **Supporting assisters:** Vermont Health Connect's recent security upgrades introduced a new step to the log-in process for Assisters. The system's downtime in preparation for open enrollment meant that Assisters did not have access to the system for two months. Together these two factors led to an increase in the number of Assisters – nearly 70 during the first two weeks of open enrollment – who called into Vermont Health Connect's Assister Line looking for help logging into the system. The most common culprits were accounts disabled due to inactivity and password lockouts due to incorrect passwords. After hearing reports that the re-set process was taking too long, and recognizing the vital work that Assisters perform with customers from their accounts, State staff and contractors overhauled the steps involved. Assisters and customers who are locked out for inactivity, have trouble remembering or re-setting their password, or encounter other login problems can now expect their case to be addressed within one business day.
- **Backlog elimination:** Throughout the month of November, VHC continued to focus on elimination of backlogs, with a focus on remaining 2014 CoC requests as well as premium processing and 834 errors. The State also worked with Optum to develop and begin testing a workaround to run 2014 cases through the system after the switch to 2015.

834 Enrollment Transactions & Premium Processing

The State continues to work with Optum to resolve 834 transaction and premium processing errors. An 834 is an electronic file sent from VHC to an insurance carrier with information about an individual or family's enrollment information. An 834 error indicates that this electronic file has not yet been successfully processed for some reason. Optum is assisting the State in streamlining the resolution process and identifying mechanisms for reducing the generation of errors. The State was successful in reducing the inventory of 834 errors from over 1,000 in the spring to under 300 by the end of November.



It is important to note that as VHC continues to enroll Vermonters into coverage there will always be some number of electronic enrollment files that have been sent but not yet fully processed so the number of 834 errors will never reach zero.

In addition, while fewer than 300 cases are experiencing an 834 error, it should not be construed that these are the only cases in between “confirmed” and “effectuated” status. Due to the manual nature of the renewal process, cases do not move as quickly as they would in an automated process. Over 7,000 cases are in “In Underwriting” status while information from renewals that were processed by Vermont Health Connect in late November is sent to the carriers and processed by their staff.

Number of Cases that have Confirmed Plans but not yet Effectuated		
Insurance Carrier	834 Errors (all 4 types)	In Underwriting
Blue Cross and Blue Shield of Vermont	215	6394
MVP Health Care	29	757
Northeast Delta Dental	14	232
Total	258	7383

Change of Circumstance Process

At the end of November, Vermont Health Connect was operating with a backlog of 2,922 change requests, down from a high of over 15,378 in August. The chart below shows the total current inventory of CoCs through December 5th.

	Medicaid Only	Mixed HH	No Active Plans	QHP Only	Grand Total
Backlog	0	683	442	1,797	2,922
Being Worked	6,862	231	1,872	1,165	10,130
Waiting on Customer	17	4	105	6	132
Closed	9,385	1,066	11,335	2,237	24,023
Total	16,264	1,984	13,754	5,205	37,207

In November, VHC worked with Optum to develop and begin testing a workaround to run 2014 cases through the system after the switch to 2015, with the goal of finalizing testing and begin implementation in December. The majority of CoCs are being processed as part of 2015 renewals. If individuals have 2014 special enrollments and access to care needs, Vermont Health Connect works with the insurance carriers to facilitate prompt enrollment.

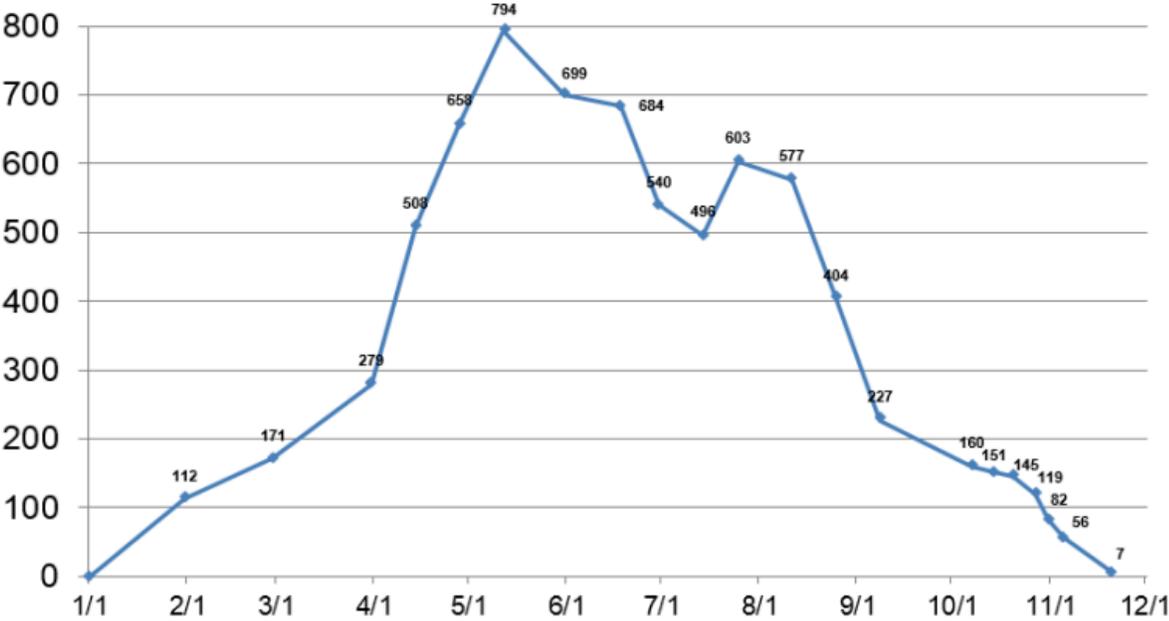
Training & Knowledge Management

The State and Optum worked together to develop a staff management plan and training in support of the renewals process. Because the renewals process utilizes the existing Interim Change Process, the State leveraged existing materials and training modules. Renewals training begin during the first week of November for State staff and on November 12th for Optum agents.

Escalations

Vermont Health Connect has an escalation path in place for individuals who need access to care or have other urgent issues. The State has worked with Blue Cross Blue Shield of Vermont (BCBSVT) over the past year to set up shell cases, which allow individuals with urgent medical needs to receive coverage before their CoC has been processed or their 834 error has been resolved. As the issue associated with each case is resolved, the State works with BCBSVT to close the associated shell. BCBSVT continues to be concerned about the existence of shell cases and their potential impact on carrier liability. To mitigate these concerns, the State has prioritized shell cases for resolution. Over the past nine months, VHC has worked with BCBSVT to close 1,501 of these cases. As of November 20th, there were only seven individuals remaining in shell cases through VHC. MVP does not have a shell case process, but rather fully enrolls individuals associated with escalated cases and assumes associated liability.

Members on “Shell Plan” - a/o 11/20



Customer Support

The Vermont Health Connect Customer Support Center (call center) continues to be managed by Maximus and is operating at full capacity with 120 seats in Vermont, and 25 seats in Chicago. The call center serves Vermonters enrolled in both public and private health insurance coverage, providing Level 1 call center support. These services include phone applications, payment, Level 1 application questions, and support for ongoing programs.

Maximus is also the entry point for individuals requiring greater levels of assistance with case resolution and questions about eligibility and payment processing. Maximus staff transfer calls to HAEU for resolution and log service requests which are escalated to appropriate resolver groups, which may include HAEU, SSU, or the State’s payment support team.

The Customer Support Center was ready for initial open enrollment call volume, keeping average hold times under a minute for every week of the month and answering nine out of 10 calls in less than 30 seconds.

Week	Total IVR Calls Received	Average Wait Time (Time to Answer) - Seconds	Answers < 30 Seconds (%)	Busiest Day of Calls
November 2nd - 8th	8,567	10.3	97.7%	Friday (11/7) - 1,052
November 9th - 14th	10,325	41.3	86.9%	Friday (11/14) 1,326
November 16th - 22nd	10,196	55	85.8%	Monday (11/17) - 2,016
November 23rd - 29th	6,665	9.1	98.4%	Monday (11/24) - 1,380
November 30th - Dec 6th	10,638	18.1	92.4%	Monday (12/1) - 1,690

Website Functionality

After closing the site to customers in September to allow for system upgrades ahead of open enrollment, the site re-opened on the morning of November 15th. The system's performance has been stable and functioning as expected. Vermonters who are new to Vermont Health Connect can and have been using the site to determine their eligibility for financial help, compare health coverage options, and select and enroll in coverage. As renewals are processed and 2015 invoices mailed out, customers also have the option to pay for their 2015 health insurance premiums online.

As has been reported, significant functionality is not available through Vermont Health Connect including the small business marketplace, self-service renewals, and change of circumstance functionality. These features are slated to be delivered in 2015, pending federal funding and a systems integrator (SI) contract.

After many months of working with the previous SI to advance deployment of needed functionality and improve performance and delivery, in August, the State announced its plan to transition this work to a new SI vendor, Optum Insight. The State is currently negotiating an SI agreement with Optum to complete the work that was not delivered under the original contract.

Administration

In August, the State submitted a No-Cost Extension request to CMS for current grants that would allow for continued funding for necessary additional design, development, and implementation of Vermont Health Connect through 2015. This request was fully approved by CMS on September 30.

VHC is currently engaged in discussions both internally, and with CMS, on the need for additional federal resources to support the development of remaining functional enhancements and operational stabilization. On September 30, the State submitted three supplemental funding requests under its Level 1 and Level 2

establishment grants. On November 15, the State submitted an application for a new establishment grant. These funds will cover additional IT development with the State's new System's Integrator, as well as continued staff augmentation through open enrollment to support ongoing manual work. As of December 10, the State has received written approval of partial funding of one supplemental grant, verbal approval for partial funding of the other two supplemental grants, and is awaiting a response from CMS regarding the new establishment funding request.