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Agency of Human Services

M E M O R A N D U M

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: November 20, 2014

Re: Vermont Health Connect Report – October 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.

Enrollment Data/Coverage Status

The first open enrollment period for Vermont Health Connect ended March 31, 2014. Vermonters who are eligible for Medicaid or Dr. Dynasaur and those who experience a qualifying event, such as having a baby, getting married or moving to the State, can still enroll outside of open enrollment.

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 November 3rd, 170,948 Vermonters are covered by Vermont Health Connect(VHC) plans. About 105,113 enrolled in the newly expanded Medicaid program that is now available to more low-income Vermonters than ever before; about 33,500 of these individuals were automatically transitioned from the Catamount (CHAP) or Vermont Health Access Program (VHAP) to Medicaid by the State in January 2014.

Additionally, approximately 66,031 Vermonters enrolled in VHC's Qualified Health Plans (private health insurance); 31,229 individuals and families enrolled directly through the marketplace, and 35,715 small business employees and their families enrolled in VHC 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 11-3-2014	Individual Plans Confirmed (Checked out)	Payment Received (Paid)	Enrollment Effectuated (Enrolled)
Individual/Family - QHP			
January - May Start	27,955	26,659	26,159
June Start	1,011	948	914
July Start	1,449	1,323	1,245
August Start	1,270	1,153	1,075
September Start	1,088	937	808
October Start	1,298	1,017	883
November Start	435	200	145
Small Business - QHP			
As of October 2014	35,715	35,715	35,715
Medicaid			
January - May Start	81,335		80,720
June Start	10,816		10,734
July Start	7,645		7,525
August Start	3,297		3,243
September Start	1,773		1,706
October Start	1,287		1,185
Total	**176,374**	**67,952 (QHP Only)**	**172,057**

Through VHC, many Vermonters received financial help with their health care coverage. Nearly 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, over 85% 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 currently delaying renewals for this population until agreement is reached with CMS on a new renewal start date. Vermont has asked that Medicaid renewals be delayed into 2015 to allow time for effective noticing and outreach subsequent to completion of all open enrollment activities. The State is exploring additional outreach and application strategies to increase the transition rate once Medicaid renewals resume. To date, the State has not received an official response from CMS regarding its proposed approach.

Vermont Health Connect opened for 2015 enrollment on Saturday November 15th. The actions Vermonters will take 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 will apply 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 will be automatically 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. To date, the State has received approximately 2,000 requests from consumers to change their information for 2015. However, as the triage team is reviewing cases, they are finding that many Vermonters who submitted forms simply confirmed that there are no applicable changes in eligibility or plan selection. As a result, the State believes that they number of individuals reporting changes for 2015 will be lower than expected.

During the six week period between November 15th and December 31st, the State will manually renew 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 will not be completed in time for the upcoming 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 and will be manually mapped to the 2015 version of their current plan;
2) Individuals who did not provide the State with permission to ping the federal HUB for their information, and did not respond to additional outreach this fall to secure their permission, will be mapped to the 2015 version of their current plan, but without financial assistance;
3) Individuals requesting a new plan for 2015 will be enrolled into the plan of their choice; and
4) Individuals who reported a change impacting their 2015 eligibility and plan selection will have their benefits re-determined.

As with the current Change of Circumstance (COC) process, the renewals approach above is highly manual and processing time will likely average of 30 to 45 minutes per case. Due to resource constraints, the State has significantly reduced the proposed role for Optum in the renewals process. Rather than retaining 330 agents to perform all four categories of work, Optum will retain 220 agents to perform only categories (1) and (2) - approximately16,000 cases. The State will process categories (3) and (4), as well as renewals for special populations, such as the 2,500 individuals in mixed QHP/Medicaid households. The state has recruited 220 staff members to work voluntary overtime to meet the resource need.

Operations

Overview

During the month of October, 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 preparation for open enrollment 2015:

- **Streamlining 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 will reduce renewals processing time significantly.

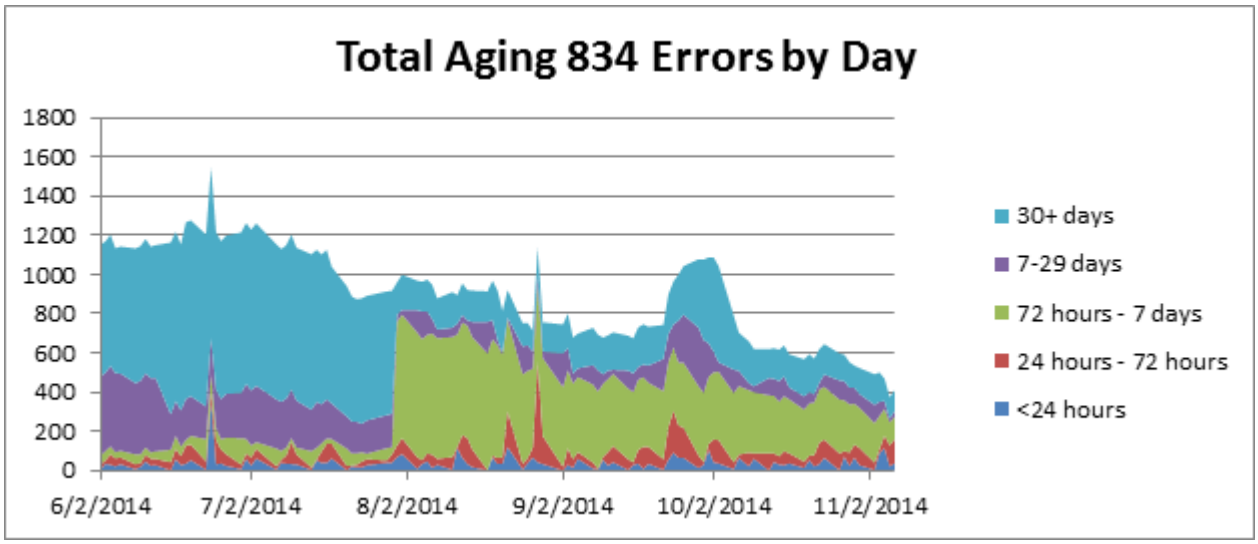
- **Volunteer Recruitment:** VHC conducted a comprehensive assessment to define the staffing levels needed to support the manual renewals process. This assessment identified the need for additional staff beyond the levels currently provided for by internal VHC staff and Optum augmentation. With approval 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 will begin training on November 15th. Volunteers will process renewals from six locations across the State, seven days a week.

- **IRS Reporting Readiness:** VHC is preparing to submit its first enrollment report to the IRS in November. The State successfully completed three waves of testing and will begin wave four shortly after November 15th. VHC is also working with Optum to develop and implement IRS 1095a notices, which will be mailed to enrollees in waves beginning January 13th. The Outreach & Education team is currently development 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.

- **Backlog elimination:** Throughout the month of October, VHC continued to focus on elimination of backlogs, with a focus on remaining 2014 COC requests. The State continued to utilize Optum for staff augmentation to work these request, as well as to support the reduction of premium processing and 834 errors. The State will maintain Optum as a resource in this capacity until December 31st.

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. In August, the State was successful in reducing the inventory of 834 errors from a high of 1,459 to under 400 on November 2nd.

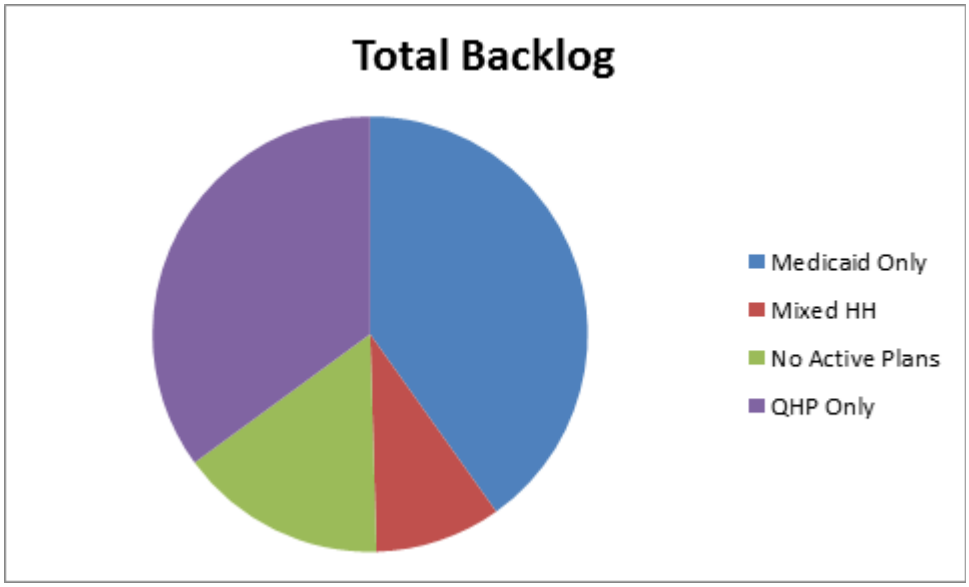


It is important to note that as VHC continues to enroll Vermonters into coverage there will always be some number of electronic enrollment files that have been sent but not yet fully processed so the number of 834 errors will never reach zero.

Change of Circumstance Process

At the end of October, Vermont Health Connect was operating with a backlog of 4,610 change requests, down from a high of over 15,378 in August. Of the inventory transferred to Optum, 7,169 were still being worked on November 2nd and over 24,000 have been closed. The chart below shows the total current inventory of COCs through November 2nd.

	Medicaid Only	Mixed HH	No Active Plans	QHP Only	Grand Total
Backlog	1,940	432	731	1,507	4,610
Being Worked	4,476	401	1,067	1,225	7,169
Waiting on Customer	2	0	2	2	6
Closed	9,284	1,820	4,957	8,193	24,254
Total	15,702	2,653	6,757	10,927	36,039

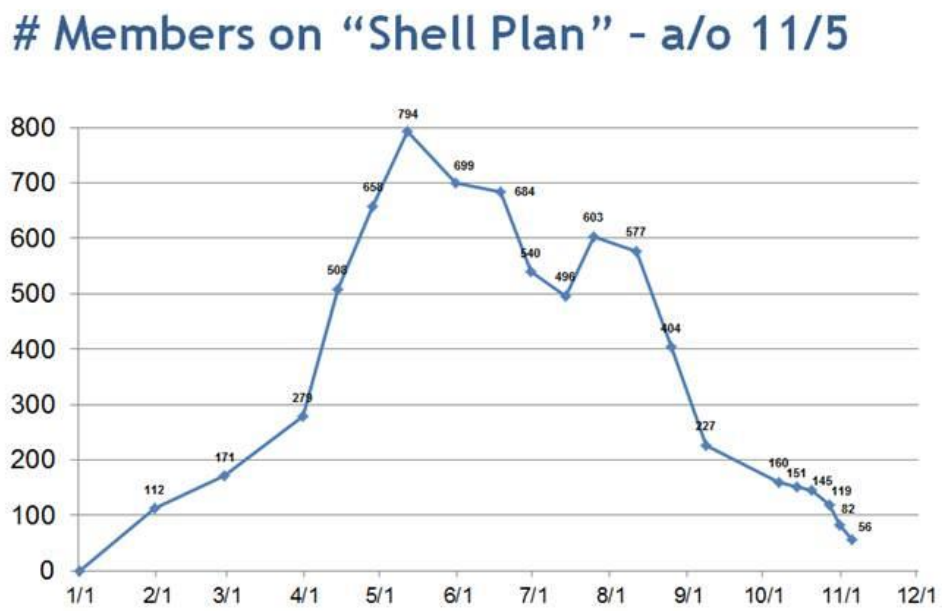


While significant progress has been made in reducing the State's inventory of requests over the past three months, new COC requests continue to come in at a rate of approximately 130 per day. While the State is working aggressively to resolve the COC inventory by the time open enrollment begins on November 15th, there is a risk that it will not be completely remediated by this time. As a result, the State is developing a mitigation plan to prioritize COCs associated with individuals who have not yet obtained coverage or who are enrolled in a qualified health plan.

Training & Knowledge Management

The State is currently working with Optum to develop training and a staff management plan in support of the renewals process. Because the renewals process utilizes the existing Interim Change Process, the State can leverage existing materials and training modules. Renewals training for State staff will begin during the first week of November and for Optum agents on November 12th.

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 over the past year to set up shell cases, which allow individuals with an urgent medical need to receive coverage before their COC has been processed or their 834 error resolved. As the issue associated with each case is resolved, the State works with BCBS to close the associated shell. BCBS 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 eight months, VHC has worked with BCBS to close 1,452 of these cases. As of 11/05/14, there are 56 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.



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. They transfer calls to the Health Access Eligibility Unit (HAEU) for resolution and log service requests which are escalated to appropriate resolver groups, which may include HAEU, VHC's Support Services Unit (SSU), or VHC's payment support team.

October calls peaked at 2418. On Saturdays, calls tended to range below 300 between 8am and 1pm. In October the average wait time dropped to 10.45 seconds. This is well below the Contract Service Level Agreement of an average wait times below 24 seconds over a one month period.

Call Center Metric	Month	Number
Avg Call Volume	Oct 1 - 31	1448
Peak Call Volume	Oct 1 - 31	2418
Saturday Avg Volume	Oct 1 - 31	259
Avg Wait Time – in Seconds	Oct 1 - 31	10.45

Website Functionality

Vermonters can and have been using the Vermont Health Connect system to determine their eligibility for public health plans and financial help to make coverage more affordable, compare health coverage options, select and enroll in coverage and pay for their health insurance premiums.

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. In addition, the State voluntarily closed the site to consumers in September to allow for system upgrades ahead of open enrollment. During this time, Vermonters can apply and pay for coverage via postal mail or over the phone. The State is on track to have the portal up and running again for consumers in time for open enrollment.

After many months of working with the previous systems integrator (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. Optum is completing preparation for a limited deployment during the second week in November to update the Vermont Health Connect website and online application in preparation for open enrollment. The State expects this functionality to be successfully deployed and ready for enrollment on November 15th. As of the date this report was written, the State's online marketplace is stable and functioning as expected.

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 a supplemental funding request under its Level 2 and Level 1C establishment grants. 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. The State is still awaiting a response from CMS regarding this funding request.