

LAWRENCE MILLER
Chief of Health Care Reform



State of Vermont
OFFICE OF THE GOVERNOR

TO: HCHC, SCHW, SCF, HROC, JFC
FROM: Lawrence Miller, Chief of Health Care Reform
Date: August 21, 2015
RE: Vermont Health Connect Monthly Report

A handwritten signature in blue ink, appearing to be 'L. Miller', enclosed in a blue oval.

I am pleased to submit the fourth monthly report in conformance with Section C.106 of the budget bill.

This report serves as the re-cap of key operational and enrollment metrics for July. In order to provide the most up-to-date information available, it also covers project development work and efforts to address the State Auditor's recommendations through the beginning of this week.

On Monday (8/17), Optum did not observe Bennington Battle Day. Instead, they completed code development for Automated Renewals, allowing us to move into the testing stage in preparation for the fall upgrade.

On Wednesday (8/19) we received approval from CMS to mail final notices, and then close coverage, to Medicaid recipients who did not respond to multiple outreach attempts in this spring's renewal pilot.

We also received confirmation from CMS that the federal government will continue to process exemptions from the individual shared responsibility payment for Vermont customers. Our use of the federal service was previously scheduled to expire this fall.

In addition, DVHA and Blue Cross Blue Shield of Vermont completed 2014 reconciliation last Thursday. Originally there were reports in the press that it was going to be a \$20 million issue, and then further reconciliation worked that down to a BCBS estimate of around \$5 million during the session, to finally where it closed at \$1.6 million. That is why the State and Blue Cross worked together so closely on this process – to ensure that we are as accurate and responsible as possible.

Reconciliations are a normal part of any business process when you have multiple partners and multiple systems. The biggest thing we can do to minimize future reconciliation work is to clear the current backlog of change requests – and we are heartened by the progress we have seen this summer. This is ensuring that there are fewer discrepancies between the records in the VHC system and the records in our insurance carrier partners' systems.

The queue of households awaiting change requests was 10,200 at the time of our May system upgrades. As of last night, it was 3,547. The relevant milestone is to achieve customer service targets, by October

1, such that a change reported in the first half of a month will be reflected on the following month's invoice.

Both the operations and the technical teams will continue to put in extraordinary effort over the next few months.

We will migrate our hosting environment and continue to work with our insurance carrier and payment processing partners to test the new functionality in preparation for open enrollment and renewals.

We will continue to follow our contingency plan in case any aspects of it are needed.

We will continue our evaluation of alternative approaches to the Exchange and to SHOP. We will continue our research of, and interviews with, states that moved from State-Based Marketplaces to either the Federally Facilitated Marketplace or Supported State-Based Marketplace model to ascertain how their unique needs and experiences relate to Vermont's. We will make an initial recommendation of the technical and financial model for completing SHOP.

I want to call out our dedicated customer service staff, who have helped tens of thousands of Vermonters sign up for quality health insurance and access financial help despite technological challenges. The new functionality has greatly improved their work lives, but as I noted this would not be a magic switch that cleared the backlog or resolved data discrepancies. There are still many customers who are rightfully frustrated as we work through the backlog, but among those are some callers who are truly awful in expressing their frustration abusively and on occasion with seriously threatening language. I appreciate the hard work that these state employees, as well as our partners at Maximus and Optum, have put in this summer and the real progress they have made in clearing the backlog and preparing for open enrollment. I remain cautiously optimistic that Vermont Health Connect will meet its remaining milestones and fully deliver on its promise to ensure that every Vermonter can easily access quality health coverage.