

Vermont Health Connect Update

January 2013

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Act 171, Sec 35c: Exchange Implementation

No later than February 1, 2013, the administration team responsible for exchange implementation shall present to the house committees on health care and on appropriations and the senate committees on health and welfare, on finance, and on appropriations the exchange certification application the secretary of human services or designee submitted to the federal government.

Agenda

- Vermont Health Connect Background
- Overview of Grants
- Staffing
- CMS Oversight & Blueprint
- Legal Authority & Governance
- Customer Support Center
- Outreach & Education
- Consumer Assistance
- Eligibility & Enrollment
- Plan Management
- Small Business
- Information Technology
- Premium Processing
- Privacy & Security
- Oversight, Monitoring & Reporting

Vermont Health Connect Background

Health Reform Goals



Timeline



TODAY – SEPTEMBER 2013

Design of Vermont Health Connect is underway. Updates and information will be available on VermontHealthConnect.gov.

OCTOBER 1, 2013 – MARCH 31, 2014

The first “open enrollment” period when Vermonters can compare plans and select the one that fits their needs and budget.

JANUARY 1, 2014

Health coverage begins for plans purchased through Vermont Health Connect. Starting on this date, Vermont Health Connect will be the only place where individuals and small businesses can get health insurance.

Through the Exchange Vermonters will:

- 1** Compare health insurance options
- 2** Enroll in a health plan
- 3** Secure financial assistance to help pay for care

The Vermont Health Connect Identity

Our mission is to provide all Vermonters with the knowledge and tools needed to easily compare and choose a quality, affordable, and comprehensive health plan.



VERMONT
HEALTH
CONNECT

Find the plan that's right for you.

Overview of Grants

Federal Grant Awards

Grant	Amount	Award Date
Planning	\$1,000,000	September 2010
Establishment Level One	\$18,000,000 (+ 25%)	October 2011
Establishment Level Two	\$104,200,000	August 2012
Establishment Level One (B)	\$2,170,000	January 2013

Staffing

Grant-Funded positions

Establishment Grants include funding for positions across multiple departments:

Department	Level I FTE (2011-2012)	Level II FTE (2012-2014)	Ongoing FTE (2015+)
AoA	2.50	2.75	0.50
AHS	8.00	16.00	6.00
DVHA	15.00	24.00	17.00
DFR	3.50	6.30	4.80
GMCB	1.00	1.00	
DCF	2.00	12.00	0.75
DII		4.00	
Total Positions	32.00	66.05	29.05

CMS Oversight & Blueprint

CMS Review Process

- Final Detailed Design Review: used to verify that proposed design satisfies Federal requirements for a State-based Exchange
 - Vermont finalized and presented in October
 - 142 artifacts were submitted which detailed Vermont's ability and plan to successfully develop a State-based Exchange
- Blueprint Application: a comprehensive list of activities that an exchange must perform
 - Vermont submitted 42 new artifacts for our Blueprint Application in December

CMS Blueprint

- Vermont received conditional approval from CMS to establish a State-based Exchange on 1/3/13
- Vermont's approval contingent upon the following conditions:
 - Ability to preform all required activities as outlined in Blueprint Application
 - Comply with regulations and expected progress milestones
 - Conduct a risk assessment and develop a contingency strategy
 - Receive legislative approval for self-sustainability financing plan

Legal Authority and Governance

Legal Authority

- Affordable Care Act (2010)
 - Primary Federal law directing states to establish health insurance marketplaces (aka “Exchanges”)
 - Includes scope of market reforms, state roles & responsibilities, and guidance for design, development, & implementation
- Act 48 (2011)
 - State law authorizing the establishment of Vermont’s Health Insurance Exchange
- Act 171 (2012)
 - Key decisions related to the structure & function of Vermont’s Exchange, including market reforms and consumer assistance

Governance

State Agency/Department	Primary Roles & Responsibilities
Department of VT Health Access	<ul style="list-style-type: none"> • VHC governance & operations, • Oversight, evaluation, & reporting • Selection of Qualified Health Plans (QHPs) • Oversee Consumer Assistance Programs
Agency of Administration	<ul style="list-style-type: none"> • Integration of Exchange into Vermont’s broader health reform goals
Department of Financial Regulation	<ul style="list-style-type: none"> • Regulation of insurers • QHP certification & plan management • Risk adjustment & reinsurance
Department for Children & Families	<ul style="list-style-type: none"> • Eligibility & enrollment in QHPs & state health care programs • Individual consumer assistance & appeals
Department of Information & Innovation	<ul style="list-style-type: none"> • Oversee IT Development & Implementation
Green Mountain Care Board	<ul style="list-style-type: none"> • Input on major policy issues • Premium rate review

Customer Support

Customer Support Vision

1. Deliver a consistent, world-class customer experience regardless of point of entry
2. Lay foundational service and operational benchmarks for universal system
3. Leverage efficiencies of scale and best practice methodologies to improve service levels and reduce costs

Consistency of Experience

- Use current outsourced Medicaid Support Center to provide more seamless transition to Exchange customers
 - Leverage training & knowledge base for SOV users
 - Create partnership among SOV support centers and providers

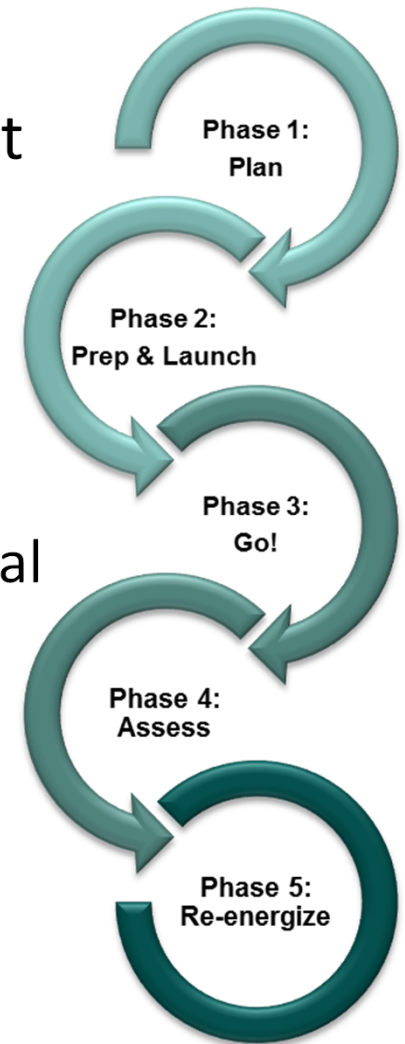
Short Term Deliverables

- Ensure all support service preparations are ACA/CMS compliant
- Establish formal contract governance over outsourced services & sign contract **April 2013**
- Establish clear business processes and service level goals for service escalations to SoV support organizations **May 2013**
- Create Training curriculum & manual for customer-facing staff **May 2013**

Outreach & Education

Outreach & Education

- Plan to coordinate Vermont’s outreach and education efforts through the open-enrollment period
 - Addresses specific populations, including small businesses
 - Includes strategies for: materials development, earned and paid media, social media, stakeholder engagement, partnerships and grassroots engagement, and state employee communications



Guiding Strategies

- Implement an integrated campaign
- Plan communications “waves” throughout the year
- Highlight the help available
- Tailor outreach tactics
- Design innovative, mutually beneficial partnerships
- Adjust outreach for those without computer/Internet access



Target Audiences

- Uninsured and underinsured, Medicaid-eligible
- Uninsured and underinsured, subsidy-eligible
- Catamount and VHAP beneficiaries
- Young adults (18 to 34)
 - Make up 44 percent of Vermont's uninsured population
- Small business owners
- Parents of school-aged children
- Individuals who purchase private insurance
- Stakeholders

Consumer Assistance

Consumer Assistance

- Exchange will provide a consumer assistance program that will:
 - Conduct public education about QHPs and public programs
 - Distribute fair and impartial information about QHP enrollment, APTCs, and cost sharing
 - Facilitate enrollment in Qualified Health Plans
 - Provide referrals to appropriate agencies for grievances, complaints, or questions
 - Provide information in a manner that is culturally and linguistically appropriate

Navigators

- Assister organizations funded by either State dollars or federal grant
- Assisters will support individuals, families, employers and employees
- Organizations receive funding, individuals receive certification and training
- Individuals must adhere to conflict of interest, privacy and security standards

Brokers

- VHC secured \$2M funding to support small businesses who would like to work with a Broker
- Small Employers must work with a VHC Registered Broker to receive funding
- To receive VHC Registration, a Broker must:
 - Hold a valid Vermont Producer's License
 - Attend 24 hours VHC Training
 - Sign Broker Agreement, including privacy and security and conflict of interest standards
- Registered Brokers have log-in account access on web portal, and receive referrals from VHC website, call center, and outreach plan

Eligibility & Enrollment

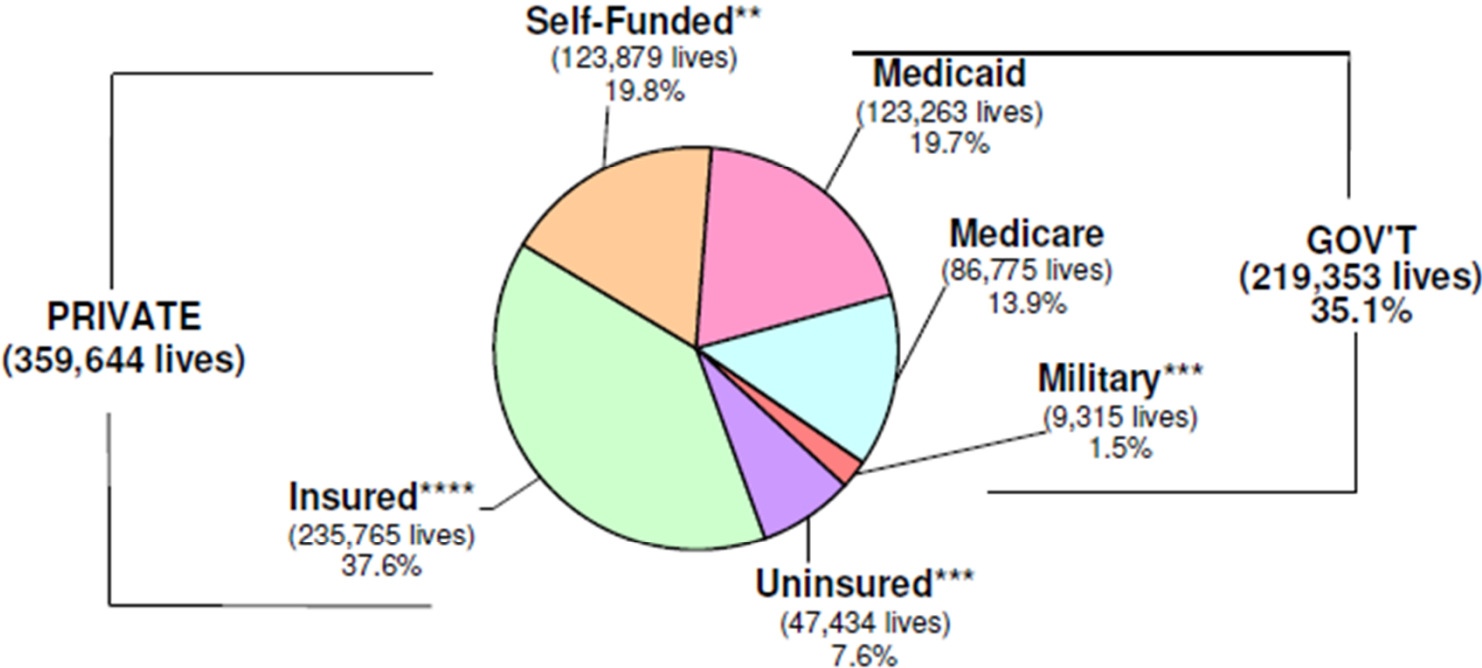
VHAP & Catamount Transition

- VHAP and Catamount programs will end, with current beneficiaries moving into other programs
- DVHA and DCF planning transition; multi-agency workgroup has defined policy to facilitate transition

	2012 Population	2014 Migration	
		Medicaid	Exchange QHP
VHAP	38,602	28,587	10,015
Catamount	11,427	2,294	9,133

PRIMARY SOURCE OF HEALTH INSURANCE ALL VERMONT RESIDENTS, 2011

N=626,431 VT Residents*



* 2011 U.S. Census Bureau state-level annual population estimate and provided by VT Dept. of Health
 ** VT Department of Financial Regulation (DFR) does not regulate or collect data on Self-Funded. This is an estimate of the total Vermont lives covered by Self-Funded plans which includes Federal Employees Health Benefit Plan
 ***2009 Vermont Household Insurance Survey number trended forward and weighted based on the U.S Census Bureau uninsured estimates. The Household insurance survey is currently underway again and these numbers will be updated accordingly
 ****This number includes 51,358 Vermonters covered by health plans licensed in other states.

Migration Predictions-2014 Enrollment

Individual	58,515
Small Group	36,487
Medicaid (All, not just Primary)	159,191
Total	254,193*

*Assuming 4% Uninsured

Eligibility and Enrollment Systems

AHS is modernizing the E & E systems to support existing public benefit programs and new, ACA-Mandated public and private benefits and programs

Current	Phase One	Phase Two
<p>ACCESS system used to determine eligibility for:</p> <ul style="list-style-type: none"> • Medicaid • SNAP • TANF • WIC • LIHEAP 	<p>CGI-OneGate Exchange system will determine eligibility for:</p> <ul style="list-style-type: none"> • CHIP • MAGI* Medicaid • QHP health plans • Tax credits • Cost sharing reductions 	<p>To-be-procured system will replace ACCESS and will determine eligibility for:</p> <ul style="list-style-type: none"> • Non-MAGI* Medicaid • SNAP • TANF • WIC • LIHEAP

* MAGI - Modified Adjusted Gross Income - Starting in 2014, states will have to employ a new income methodology for most groups covered by Medicaid, low income Vermonters under 133% FPL

Bold denotes existing VT programs

Plan Management

Essential Health Benefits Decisions

- The key considerations in picking benchmark plans for benefits package:
 - market disruption
 - cost vs. comprehensiveness
 - starting point
- Recommendations made & approved:
 - Benchmark benefits package: The Vermont Health Plan, BCBSVT
 - Pediatric Dental benefits package: SCHIP
 - Pediatric Vision benefits package: FEDVIP
- **Habilitative Services:** at the time DVHA submitted the benchmark plan, the definition was left to the issuers in accordance with federal guidance at that time DVHA submitted benchmark recommendations to Green Mountain Care board, and received approval in September 2012. HHS Secretary is expected to give final approval soon.

Essential Health Benefits Background

- All plans must have “**essential health benefits**” *but* the amount that insurance will cover and additional benefits will vary
- The plans offered in the state must be “substantially equal” to this benchmark plan
 - Ambulatory patient services
 - Emergency services
 - Prescription drugs
 - Rehabilitative and habilitative services and chronic disease management
 - Hospitalization
 - Maternity and newborn care
 - Mental health and substance use disorder services, including services behavioral health treatment
 - Laboratory services
 - Preventive and wellness
 - Pediatric services, including oral and vision care

Exchange is an “active purchaser”

- Required by Vermont law 18 V.S.A 1803(b)(1)(A)
- Solicit insurers to propose plans to be offered on the Exchange
- Provide guidelines that these plans must meet to ensure consistency with Vermont’s health care reform goals
- Exchange applies guidelines to the plans proposed & selects plans, number approved by the GMCB

Approved Approach: Standard Plans

- A **hybrid approach** of state-specified plan designs (standard) and some “choice” plans designed by insurance carriers within set parameters
- **4 specified design options across four actuarial levels:**
 - **At Platinum:** 1 Specified Plan Design
 - **At Gold:** 1 Specified Plan Design
 - **At Silver:** 2 Specified Plan Designs
 - **At Bronze:** 2 Specified Plan Designs

Example: Specified Silver Plans

Deductible/OOP Max	Plan Design 1: Deductible	Plan Design 2: HDHP
Medical Ded	\$1,900	\$1,750
Rx Ded	\$100	\$1,250
Integrated Ded	No	Yes
Medical OOPM	\$5,000	\$6,250
Rx OOPM	\$1,250	\$1,250
Integrated OOPM	No	Rx -No, Medical - Yes
Family Deductible / OOP	Stacked, 2x Individual	Aggregate, 2x Individual
Medical Deductible waived for:	Prev, OV, UC, Amb, ER	Preventive
Drug Deductible waived for:	Generic scripts	Wellness scripts
Service Category	Copay / Coinsurance	Copay / Coinsurance
Inpatient/Outpatient	40%	20%
ER	\$250	20%
Radiology (MRI, CT, PET)	40%	20%
Preventive	\$0	0%
PCP Office Visit	\$20	20%
Specialist Office Visit	\$30	20%
Urgent Care	\$50	20%*
Ambulance	\$100	20%
Rx Generic	\$10	\$10
Rx Preferred Brand	\$50	\$50
Rx Non-Preferred Brand	50%	50%

Why these 2 plans?

- Priority for affordable cost-sharing for primary care & generic drugs
- Portability for individuals – important at silver for federal premium tax credits & cost-sharing subsidies
- Variation in cost-sharing design between two plans (mostly co-pays versus mostly coinsurance)
- HDHP plan design qualifies for health savings accounts & health reimbursement accounts

“Choice” Plan Design Criteria

- Meaningfully different from standard plans
 - Distinct design structure within same AV level, e.g., difference of \$500 in deductible, or an AV that varies by at least 10% for three major service categories
 - Ensures additional plan designs offered will increase the diversity of options for groups/members
 - Both quantitative and non-quantitative differences
- Fosters significant innovations in:
 - Wellness promotion - demonstrated experience and success
 - Promoting individual engagement in prevention
- Discourage additional HDHPs

Qualified Health Plan Request for Proposals

- On November 1, 2013, DVHA issued an RFP seeking to establish agreements with health insurance issuers to offer certified health insurance plans and stand alone dental plans in 2014 on the Vermont Health Connect.
- DVHA utilized the RFP process in order for Commissioner Larson to effectuate the active purchaser model included in Vermont law 18 V.S.A 1803(b)(1)(A).

Selection of QHPs

DVHA's Guiding Principles for Exchange Decision Making:

- Creating meaningful choice for consumers
- Encouraging high value services like primary care and generic drugs, and innovation – in alignment with State health reform priorities
- Minimizing disruption for small group and individual market
- Maximizing portability of plans, allowing consumers to move between employer and individual coverage while maintaining desired plan
- Affordability
- Administrative simplicity
- Maximizing individual premium tax credits

QHP RFP: Timing Milestones

- January 8, 2012: Proposals were submitted to DVHA/DFR to begin the certification/evaluation process.
- DFR Form Review is currently ongoing, with certification of the plans expected to be completed this Spring.
- Rate Submissions are due to DFR on March 15th for health plans, and April 15th for dental plans.
- We expected rate decisions from the Green Mountain Care Board by mid-summer.
- DVHA expects that selection notifications will be issued on July 15, 2013.
- Open Enrollment begins October 1, 2013, with coverage effective January 1, 2014.

Small Business

Definition of Qualified Small Employers

- Principle place of business in Vermont, or if out of state and providing coverage for all full-time employees who are principally employed in Vermont
- An entity which employed an average of not more than 50 employee's on working days during the preceding calendar year
 - 50 employees will be the threshold for 2014 and 2015
 - 100 employees in 2016
- A full-time employee is an individual employed on average at least 30 hours per week

Small Business Decision Support Tools

- Currently under development, tools will help employers evaluate 1) if they should renew group coverage and 2) how and what to renew
- Tools will allow an employer to answer:
 - How do my 2013 benefits compare to the Exchange's?
 - What would it cost to renew something close to our current coverage?
 - If I discontinue ESI, how many of my employees might qualify for tax subsidies?
 - If I discontinue, what help will the Exchange provide to my employees?

Small Business Plan Selection

Small business employers who participate in the Exchange will have the option of choosing between different models, one of which is full choice for employees.

Example: One insurer, choice of tier

	Health Plan A	Health Plan B
Platinum		
Gold		
Silver		
Bronze		

Example: Full menu

	Health Plan A	Health Plan B
Platinum		
Gold		
Silver		
Bronze		

Information Technology

CGI Exchange Scope and Approach

- The State of Vermont has engaged CGI to implement a federally-approved operational State Health Benefit Exchange (SBE) for Vermont
 - The solution will include MAGI eligibility determination for ATPC as well as Medicaid
 - Will be consistent with Federal and State requirements and timelines
- The basis of the solution is OneGate, a Commercial Off-the-Shelf (COTS) product designed to meet ACA requirements and draw on commercial best-practices

CGI Goals and Priorities

- Deliver & Implement ACA-compliant HBE solution, consistent with October 1, 2014 & January 1, 2014 requirements
- Provide a platform by which Vermont can offer a user experience that meets the needs of residents, stakeholders, and state agencies
- Build tools and foundational elements that support the move to single payer

Premium Processing

Premium Processing

- In September 2011, determined outsourcing premium processing was best option for State
 - Health Benefit Exchange has need to process monthly insurance premiums for expected Jan. 2014 enrollment of over 100,000 citizens.
 - Limited time to hire internal state staff and build a new system. This approach also determined to be most costly.
 - Outsourcing to experienced vendor with existing system was most reliable, least expensive and least risky approach. Also has ability to readily expand as Exchange enrollment increases.
- Competitive RFP process to Select a strong vendor with significant experience in premium processing.
 - Developing tight integration to CGI
 - Final agreement by February

Privacy & Security

Privacy

- DVHA is fully HIPAA and HITECH compliant
- AHS has a privacy officer who oversees DHVA and DCF privacy
- AHS has developed complete and detailed standards and guidelines for compliance with HIPAA and HITECH
- We have systems in place for:
 - ✓ reporting violations and breaches of PHI
 - ✓ reporting and handling SSN violations

Security - Overview

- CGI Federal Cloud Hosting Services will be utilized to ensure compliance and highest security for our systems.
- Healthcare Initiatives are complex, and our strategy is to leverage a Cloud Service Provider focused on security
 - Hosted in a “Private” Federal Cloud computing environment
 - Requires rigorous certification process that meets Federal Government requirements
 - Reduces cost, improves service, and reduces IT Risk
 - Security processes, controls and governance are critical and addressed

Oversight, Monitoring, Reporting

Evaluating VHC

Areas of Evaluation	Potential Metrics
Exchange Performance	<ul style="list-style-type: none"> • Exchange participation rates in individual & small group market • Number/value of APTCs and CSRs • Enrollment concentration in lowest cost plans • Premium trends & admin costs
Pre & Post Exchange Market Metrics	<ul style="list-style-type: none"> • % of uninsured & underinsured • Access & utilization trends • Plan quality & consumer satisfaction • Blueprint & wellness program participation • OOP expenses & cost-shift metrics
Broader Health Reform Metrics	<ul style="list-style-type: none"> • Provider supply & access • Population health status & treatment outcomes • Savings relative to predicted spending

Potential Data Sources

Existing Data Sources

- VHCURES: claims data and enrollment records commercial insurance & Medicaid
- VT Household Health Insurance Survey
- Vermont Health Care Expenditure Analysis
- VT Dept. of Health Provider Survey
- Hospital Discharge Survey & Budget Data

Data Sources to be Developed:

- Exchange enrollment files
- Exchange member satisfaction surveys (post 2014)
- Service level tracking (call volume, response time, etc.)

Questions?

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ADDITIONAL SLIDES

2014 Migration: Privately Insured

		2012 Members	2014 Uninsured 4%
Privately Insured			
	Individual Except Catamount	4,014	58,515
	Catamount	14,069	0
	Federal	17,173	17,173
	Small Group	40,829	24,205
	VEHI/VADA	44,062	44,062
	All Other Association (assumed SG)	20,716	12,281
	Large Group	63,859	62,910
	Subtotal Underwritten	204,721	219,147
	Self-Insured	143,105	140,979
	Total Private	347,826	360,125

2014 Migration: Public Programs & Uninsured

		2012 Members	2014 Uninsured 4%
Medicaid			
	VHAP <= 135	28,587	28,587
	VHAP > 135	10,015	0
	Catamount <= 135	2,294	2,294
	Catamount > 135	9,133	0
	All Other	128,310	128,310
	Total Medicaid	178,339	159,191
	Total Medicaid Primary	113,891	121,288
Medicare		108,395	108,395
Military		14,100	14,100
Uninsured		44,568	24,872
Total Private		347,826	360,125
	Total	628,780	628,780

Contracting, Outsourcing, Agreements

Inter-Agency Agreements

- Agency of Administration
- Green Mountain Care Board
- Department of Financial Regulation
- Department of Information and Innovation
- Department for Children and Families

Contractual Resources

- CGI: systems integration
- Gartner: independent verification and validation (IV&V)
- Wakely Consulting: policy and program development
- GMMB: education and outreach
- PHPG: policy and program development
- Bailit: payment reform
- Desai Consulting: project management
- HES: staff augmentation

Under Negotiation

- Premium Processing
- Customer Support Center

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