

# Vermont Health Connect

*An Update on Vermont's Integrated System for  
Medicaid and QHP Enrollment*

*February 10, 2016*

# Overview

- Premium Processing
  - Evolution1
  - VHC's Integrated System
- Metrics

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# PREMIUM PROCESSING OVERVIEW

# Why centralize premium processing?

- Integrated billing
  - Medicaid, QHP and Dental billing in one consolidated invoice
  - Evolution1 tracks payments and remits appropriate payments to each issuer
- Administer Vermont Premium Assistance billing and payments
  - Paid by state and allocated to customer accounts

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# WHY EVOLUTION1



Find the plan that's right for you.

Vermont General Assembly  
House Committee on Health Care  
February 10, 2016



- **Fleet, Travel, Healthcare**
- **Global Reach:** North America, Brazil, Europe, AU/NZ, SE Asia
- **2014 Revenues:** \$817.6 million
- **Employees:** 1,800
- **NYSE:** WEX



*First Priority: Support continued Evolution1 market momentum & product innovation.*

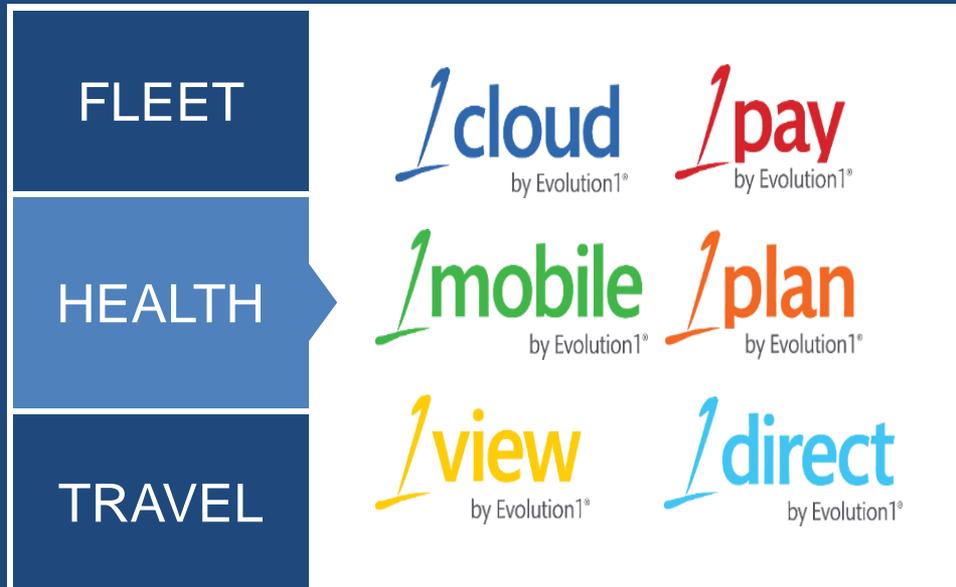
# WEX Healthcare Strategy



Create WEX leadership position in healthcare and benefit payments

Provide innovative healthcare products that manage employee behavior

## WEX PRODUCTS



“As a leading provider of cloud-based technology and payment solutions, Evolution1 will significantly advance WEX’s position in the complex, high-growth healthcare sector and serve as the cornerstone of our healthcare solutions offering.

-**Melissa Smith**, WEX’s president and chief executive officer.



# WEX Acquires Benaissance – November 2015

“The addition of Benaissance builds on the success we have already had in this industry, by enhancing our addressable market opportunity while enabling us to provide an expanded and differentiated solution to our partners. We are pleased to be welcoming Benaissance’s team to WEX and look forward to the opportunities this transaction will bring for the combined business.”

- Melissa Smith, CEO



# Benaissance Pre-Evolution1

- Providing premium billing and payment acceptance solutions since 2006
- COBRA, Retiree, SBM, & Private HIX premium biller for millions of American families
- Over 125 partners - health plans, benefit administrators, state governments
- Individual premium biller for 25+ health plans through 12 FFMs / 6 SBMs
- Individual and employer private exchange financial management

## Compliance



Annual SSAE 16  
Reviews



Annual PCI DSS  
SAQ D



Annual  
HIPAA/HITECH Audit

# About Evolution1

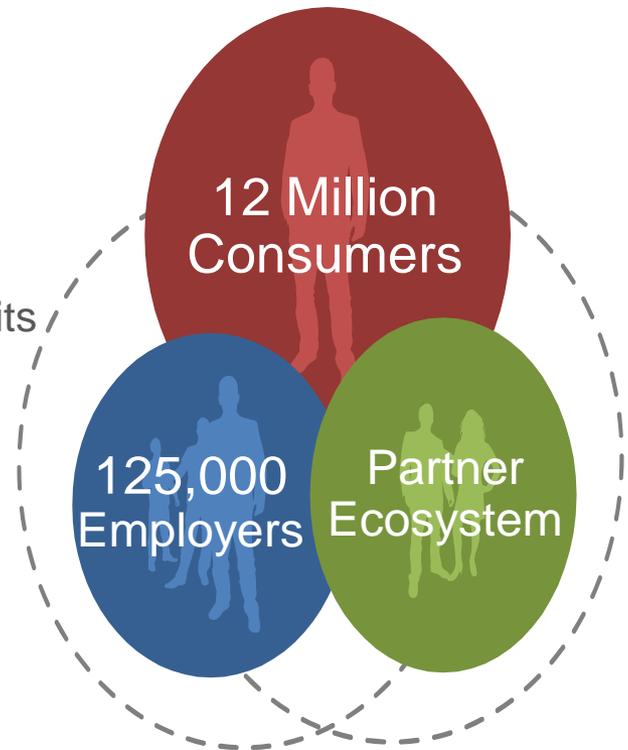
Nation's largest electronic cloud computing and consumer card payment healthcare platform for:

HSA • HRA • FSA • VEBA • Dependent Care  
Defined Contribution • Premium Billing • Commuter Benefits

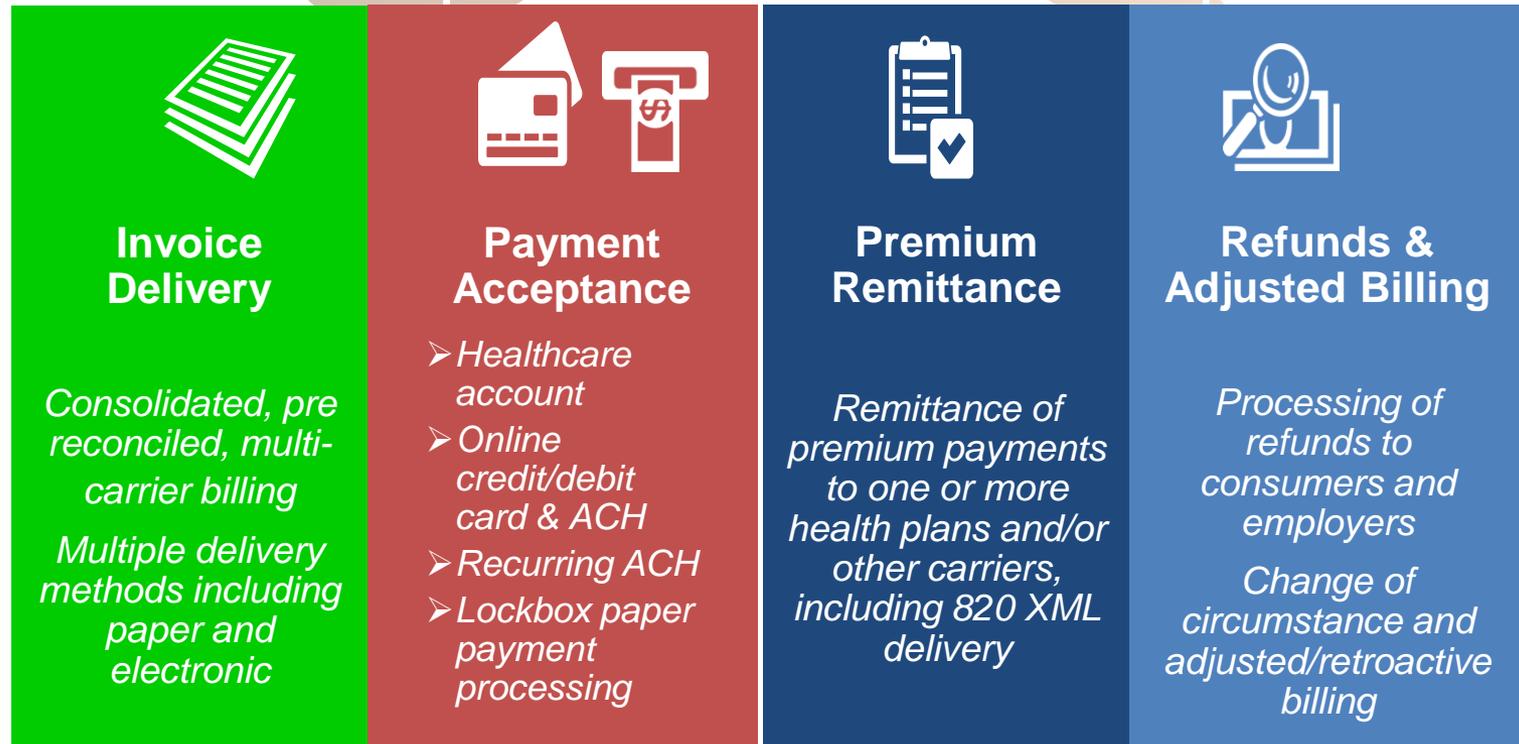
Incentive and Reward Programs

350+ employees

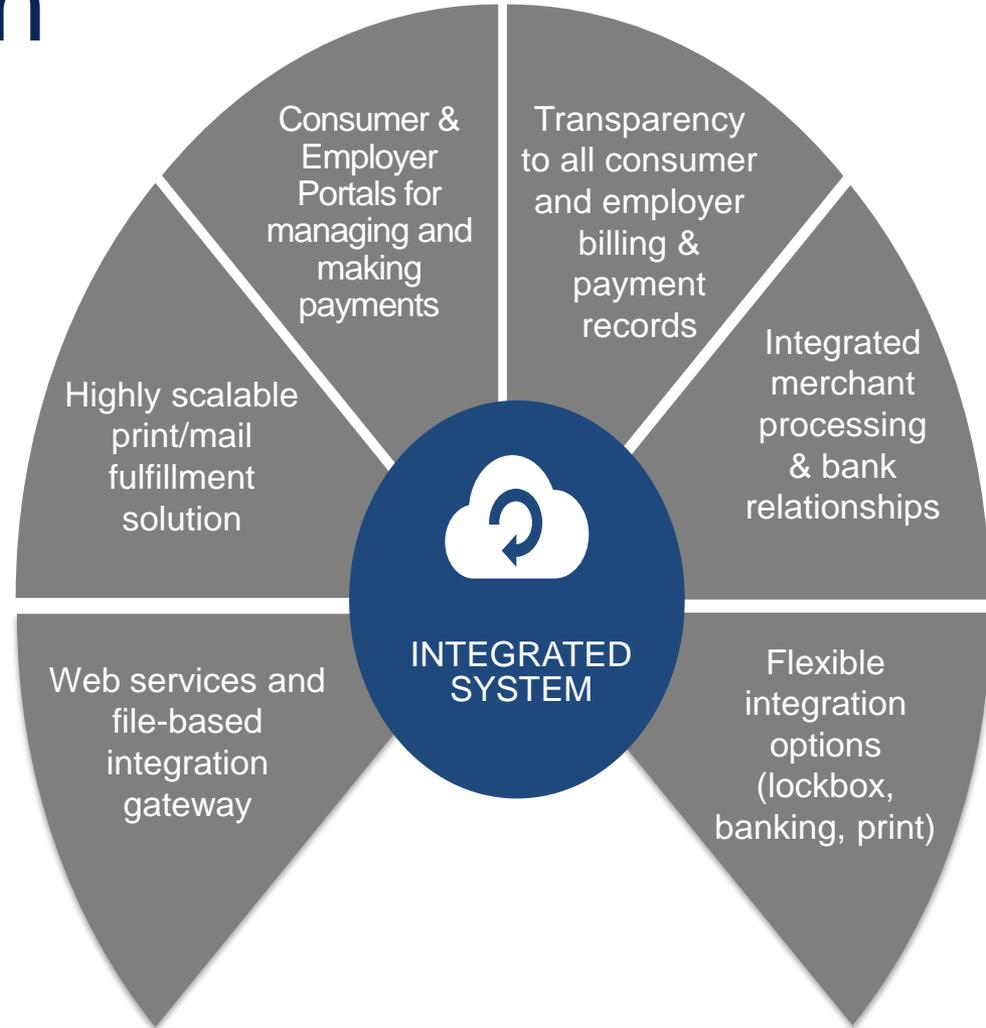
Primary Campuses:  
Minneapolis, Hartford, Fargo, and St. Louis



# Key Billing Services



# Billing - Complete & Flexible Solution

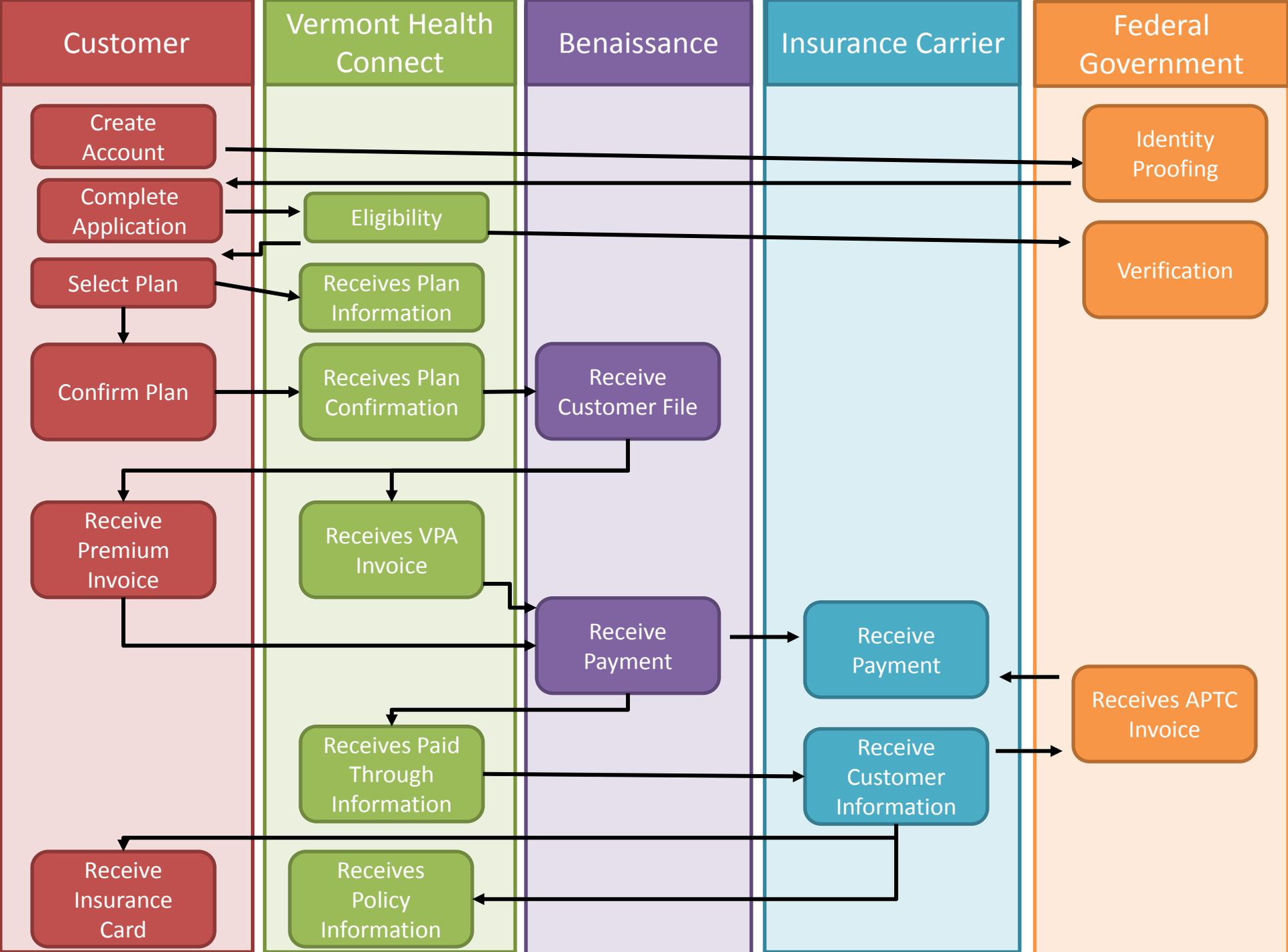


evolution<sup>1</sup>®

a **wex** company

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# **PREMIUM PROCESSING AND VHC'S INTEGRATED SYSTEM**



# Basic premium processing rules

- Due Date = Postmarked Date
- VPA + Customer Premium = Full Payment
- Accept check, credit card, debit card and ACH payments \*2.5% transaction fee for credit cards
- *NEW* October 2015 - Recurring monthly payments on or around 25<sup>th</sup> of month (currently~700)
  - Must make initial payment before setting up recurring
  - Must be paid current for recurring payment to pull
- Check processing time is 5 to 7 days

# Processing Payments

- Coupon included – payments applied to account automatically
- No coupon included – Evolution1 attempts to locate proper account using info available
  - Name, address, amount on check is used to confirm proper account
- If Evolution1 is unable to locate account, image is sent to VHC for review and instruction
- If account is termed, VHC reviews checks received for accounts that don't owe money
  - Don't cash unless customer owes money

# Refunds

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- Monthly refund process
- Terminated accounts with a balance remaining
- Approximately 45 days out from termination date
- VHC reviews every refund before it is sent to customer
- Goal to increase speed
- Expedited refunds for emergencies

# Payment Stats

## **Paper payments have been predominant**

- Over the last 12 months, VHC received between 17,000 and 23,000 payments each month
- Up until October, more than 80% of payments in every month were paper; fewer than 20% were electronic
- 501 payments were received after due date of 1/26/16 and before 2/5/16 – approx. 3% of all payments.

## **Recurring payments are starting to lead shift to electronic**

- October 2015, first month with recurring payments was first month with 20% electronic payments
- In December, 26% of payments were electronic
- 696 recurring payments

# Vermont Premium Assistance (VPA)

- Evolution1 invoices State monthly (on 16<sup>th</sup>) for the next month's coverage for each customer
- Invoice is adjusted for retroactive activity
- Paid to customer accounts on the 2<sup>nd</sup> to last Thursday of month
- Paid regardless of receipt of customer payment
- VPA is remitted to carrier with customer portion of premium = full payment
- Successfully started in January 2014

# Payment Remittance to Carriers

- Enrollment is sent to carrier nightly; payments are remitted to carrier weekly
- Wednesday remittance for payments processed prior work week
- Last day of month remittance for payments processed through fourth-to-last business day of month
- Remittance includes adjustments for retroactive enrollment changes
- Never had a mismatch between 820 (data file) and deposit
- 820 is monitored globally for anomalies
- Not subject to same error coding as 834

# Grace Period - APTC

- APTC customers – 3-month grace period
  - 1<sup>st</sup> month – claims are paid
  - 2<sup>nd</sup> month – claims are suspended
  - 3<sup>rd</sup> month – claims are suspended
  - Customer must pay all invoiced amounts to exit grace period
  - Termination on last day of 3<sup>rd</sup> month if not fully paid

# Grace Period – Non-APTC

- Non-APTC customers – 1-month grace period
  - Claims paid during that month
  - Customer must pay all invoiced amounts prior to end of month to avoid termination
  - Termination on last day of month if not fully paid
  - One Time Reinstatement Exception (non-APTC only)

# Dunning (late payment notices)

- Carriers are responsible for dunning
- BCBS – uses VHC’s records to issue notices
- MVP – uses own records to issue notices
- NEDD – uses VHC’s records to issue notices
  
- Payments are due on the 26<sup>th</sup> but considered timely through the end of the month
- Dunning notices are issued on the 2<sup>nd</sup> to 3<sup>rd</sup> business day of month

# Non-Payment Termination

- Customers are terminated at end of grace period
- VHC reviews ALL terms to validate before carrier processes termination
  - BCBS – terminations based on VHC's payment records
  - MVP - terminations based on own payment records
  - NEDD – terminations based on own payment records

# Reinstatement

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- One-Time Exception Policy for non-APTC customers
- If customer was terminated in error, VHC will reinstate
- If customer's payment is postmarked timely but not received until after account is terminated
- Fair Hearing

# Reconciliation

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- Monthly data extracts from Evolution1
- Data compared to VHC system
- Discrepancies reviewed and resolved
  - Prioritize financial data (premium, APTC, VPA, start date, end date, etc.)
  - 1095 impact
- VHC team works closely with Evolution1 and with Carriers on ongoing reconciliation and in preparation for year-end reconciliation

# Year-end Reconciliation

- 2015 account activity will continue through April 15 (limited activity beyond, based on fair hearing orders).
  - Under federal rule, customers have until 4/15/16 to make 2015 premium payments and get credit on their 1095-A.
  - 1095-A corrections that result in account changes may change amount due for 2015 coverage.
- Partners then collaborate on year-end reconciliation
  - By end of April, examine customers' partial payments and resolve priority discrepancy categories (same categories as 2014).
  - As funds in custodial account are attributed through reconciliation process, premiums are forwarded to carriers.
  - Regarding retroactive terminations, BCBSVT first examines whether customers had other coverage (like last year).

# Previous Year Billing

- Unlike last year, VHC now has the ability to bill across plan years.
  - This feature is now possible because of 2015 system upgrades that allow all plan years to be carried on the same account.
  - Invoices that are mailing this winter list remaining 2015 balances (when applicable) and payment is applied to 2015 balances first by default.

# Special Project Read Out

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- Optum and Evolution1
- Daily monitoring of data changes to identify integration failures between systems
- Determine root cause of failures
- Design system enhancements and front end validations that can minimize the need for manual intervention and maximize data quality
- Enhance the traceability of changes by adding additional event logging on key objects and data elements

# Past Challenges

- Inability to process changes on same account, giving customers multiple accounts, causing increased opportunity for:
  - payment to be applied to the wrong account
  - refund on one account when another was not fully paid

*RESOLVED* - May 2015 system upgrades eliminated multiple accounts; allowed all of a customer's information and plans to be carried together in one account.

# Areas for Future Improvement

- Working with carriers to uniformly considering VHC as system of record for payments
  - VHC system has record of payments before the carrier's system
  - Using carrier payment record causes unnecessary terminations
- Working with carriers to uniformly reject termination requests for months during which customers have claims
  - Allows VHC to reach out to customer and resolve outstanding issues, including determining other coverage
- Examining timing of dunning/termination process
  - Payments postmarked by due date yet recorded in system after dunning/termination process
  - Leads to need for reinstatement
- Reconciliation – new issues with each release

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# METRICS

# Change Requests (COC)

## Change request inventory:

- 5,848 on Wednesday 1/27
- 5,577 on Monday 2/1
- 4,809 on Monday 2/8

## Note:

- This is the net inventory in an active work queue (does not mean that all but 768 of the households who were in the queue last Monday were in the queue this Monday).
- >2,000 households from the queue have had their requests completed in the last two weeks.
- Of the 5,700 households referenced last week, fewer than 3,700 are now awaiting change requests.

# Change Requests (COC)

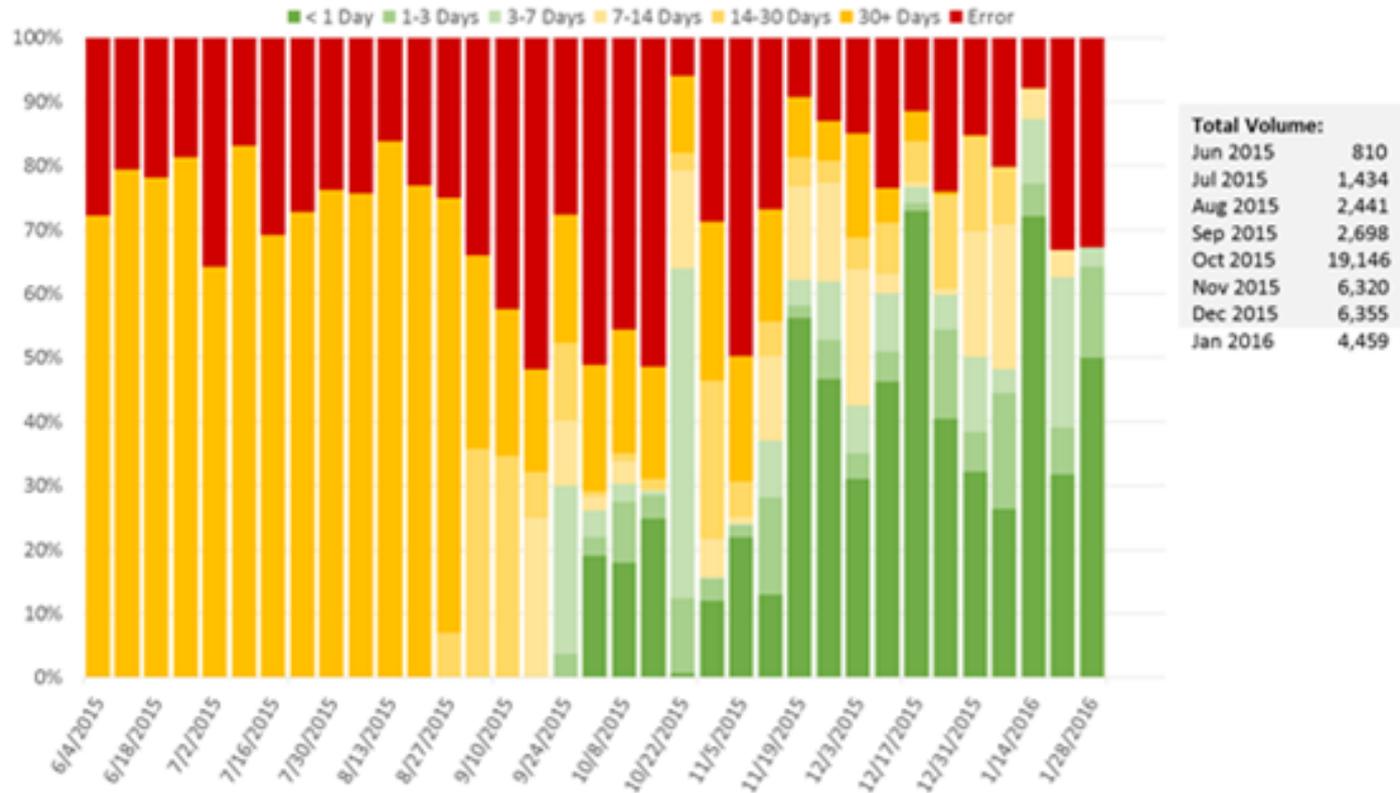
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Fewer changes entering the queue as:

- 1) Incoming change requests have slowed after open enrollment, and
- 2) Maximus is now processing changes over the phone.

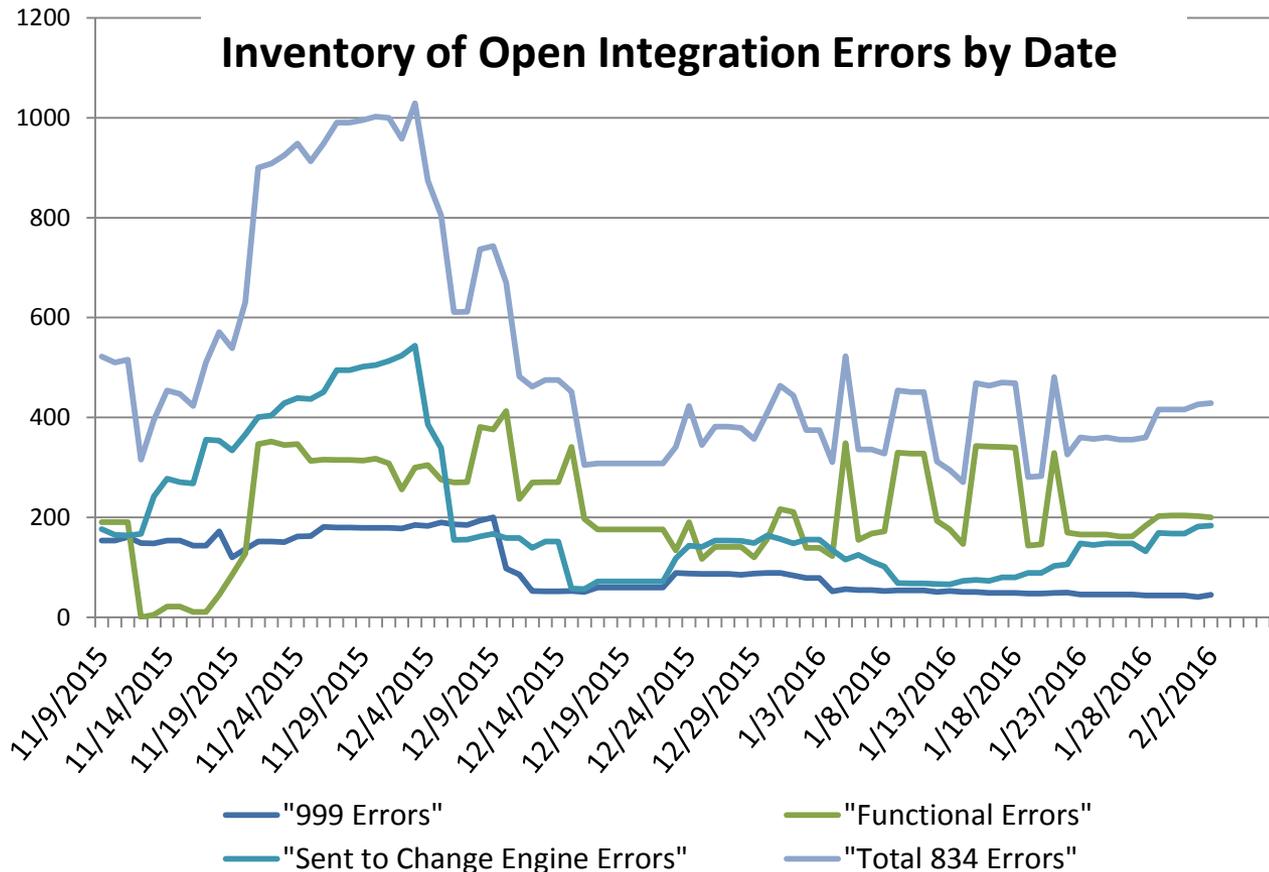
# 834 Transactions

834 Transaction Aging - Weekly



- HIPAA validation errors are down since implementation of new validation tool
- Red does not necessarily mean still in error, just manual touch

# 834 Transactions



In addition to working to resolve these known errors, VHC and carriers continue to work together to make sure other transactions are being integrated across systems as expected.

# Customer Support Center

Month	Calls Offered	Answer Rate	Calls Answered	Calls Answered <30 Seconds
November 2015	32,235	89%	28,605	55%
December 2015	38,969	86%	33,416	57%
January 2016	42,769	83%	35,352	33%
Week of 1/31-2/5	9,848	93%	9,183	60%

For context:

- SLA calls for answer rate of at least 90% and 75% of calls answered within 24 seconds.
- Maximus missed SLA these three months, had met SLA 11 of the previous 12 months.
- Average wait time over first 2.5 months of Open Enrollment
  - Vermont: 4min 44sec
  - Federal: 10min 20sec