

August 12, 2015 Testimony - VHC Status

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As always, I want to thank the State for allowing me to testify on the issue before the committee.

There may be members here that heard me in the past when I spoke on this subject of how things were progressing with Vermont Health Connect. It was a while ago, and if you were there you will recall that at that time, when there was some significant frustration amongst many people because of the issues VHC was experiencing, I actually commented that as someone who had had to manage an extensive system conversion and multiple minor ones in my 38 years in the insurance business I was not ready to criticize the work being done on VHC. I strongly believed, based on all I knew from almost four decades in the industry, the State had been presented an impossible timeline to meet by the federal government.

I think the question as to how VHC is functioning today is greatly influenced from perspective. I recently attended a Medicaid and Exchange Advisory Committee Meeting (MEAB) and heard a very positive presentation to the group about the status of VHC from the state's team. When viewed from the perspective of where VHC was and where it is now, I think the presenters had a right to be proud. However, I think the carriers and public tend to view the status of VHC more from the perspective of where should it be after this much time, and many arrive at the conclusion there is still some way to go. We at Northeast Delta Dental believe VHC is not yet where it should be at this time.

At the end of June with roughly 1700 people, mostly adults, covered by Delta Dental Plan of Vermont we were owed as much as \$60,000 in premium for people who we are informed by the State are eligible, but for whom we have not received premium due to system issues. The exact number owed is unclear as one of the on-going problems is while we receive eligibility files with no payment the payments, at least for 2015, may or may not come-in at a later date. We have informed the State that we cannot be paying for claims until the premium is provided, and so there can be instances where people are in a limbo of being eligible, according to the State, but not eligible with Delta Dental until, or unless, the money is received.

At the end of June Delta Dental also found itself having paid roughly \$9,000 for claims where the State had notified us the people were eligible, and then retro-actively terminated them back to a date prior to the dates on the claims we paid and also took back the premium payments. Roughly \$6000 of this was for 2014 dates of service, for which we do not ever expect to show eligibility reinstated, and \$3000 is for 2015 dates of service where it is still possible the people may have their eligibility reinstated.

The State gave itself until May 31st to have the Change of Circumstances (COC) working or, if not, we understood the decision would be made to not move forward and to begin a transition to a Federal or alternate Exchange. Of the twenty-one (21) COC case scenarios that the State and Delta Dental had agreed needed to be tested by May 31st close to 60% (*twelve/57%*) were never tested by May 31st. The cases that were tested (*nine/43%*) were the simpler of the identified scenarios and none of them were tested at any significant volume level. COC testing and errors in production are still continuing at this time, long after the May 31st date. While we are still focused on testing and having the COC issues

perform properly it is important to note that there is still significant testing, and possibly development, that needs to take place concerning the Dunning Process and the Renewal Process.

While the numbers are probably small, in comparison with what is experienced by the medical carriers, the fact is at Delta Dental we have one person working full-time just to manage the testing and production work for our 1700 VHC covered people, and this does not count the people working under contract to Delta Dental who must also interface with VHC for testing and production purposes.

To help you benchmark where VHC is in its development it might be helpful to know where it stands in contrast to the Federal Exchanges. Northeast Delta Dental markets its dental products not only on VHC but also on the federally run Exchanges in Maine and New Hampshire. For some time now the Federal Exchanges have been functioning properly with minimal issues. We are experiencing none of the problems being encountered with VHC. In the words of our vendor who interfaces with VHC for us (July 2015), *"We support 7 states on the Federal Exchange (FFM). It would be safe to say that VHC takes as much time if not more than all of the other seven Federal Exchanges together, especially at this late date where the FFM processes are maturing and becoming business as usual. The problem is the VT Exchange is still trying to implement, using interim (solutions) and chang(ing) their processes."*

We understand the State has, as one of its considerations, possibly moving to the Federal Exchanges. We can say from our experience the Federal Exchanges are working properly. We would caution that should the State move to a Federal Exchange we would think it is possible the eligibility files, as they currently exist in VHC, might not be able to be mapped directly into the Federal Exchange, so it may be possible that complete re-enrollment of Vermont citizens would be necessary. We are also not sure how the State would then address eligibility and payment information for dates prior to the complete re-enrollment. These questions would need to be explored in detail to make certain all the ramifications are taken into account in order that such a conversion ends-up with clean and appropriate data in the Federal Exchange database, else if the data mapped over is bad it will only result in continuing problems.

We would be remiss not to note that current Federal Exchange software does not allow for the independent purchase of a Stand Alone Dental Plan, as VHC currently does, and while this may be addressed in the future by the Federal Government as it currently stands moving to the Federal Exchange will remove this option which is currently available on VHC to the people of Vermont.

Thank you for this opportunity to speak with you today.