

VHC Update

House Health Care Committee

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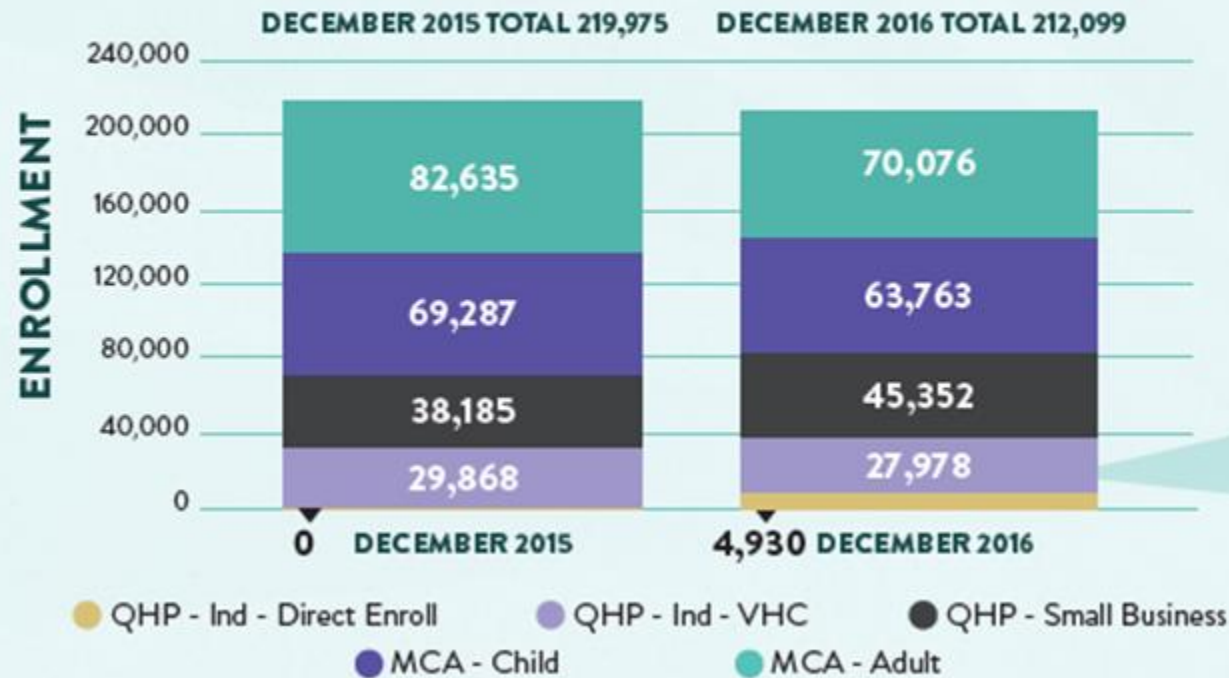
February 8, 2017

VHC Update Agenda

- ▶ Enrollment Overview
- ▶ New KPI Dashboard
- ▶ VHC Next Steps
 - ▶ Direct Enrollment of Unsubsidized Population
 - ▶ Premium Processing Options
 - ▶ Improving Data Quality and Integration
- ▶ Development Roadmap

VHC Enrollment

























INDIVIDUALS ENROLLED IN QUALIFIED HEALTH PLANS (QHP) OR MEDICAID FOR CHILDREN AND ADULTS (MCA)



Key Performance Indicators

- ▶ Are we available when customers need us?
 - ❖ Customer Support Center Response Time
- ▶ Are we able to process customer requests timely and efficiently?
 - ❖ Customer Service Case Resolution
- ▶ Are we able to process and transmit data accurately and timely?
 - ❖ Integration Error Rates and Aging
- ▶ Are we maintaining the integrity of our data and financial systems?
 - ❖ Discrepancy Resolution
- ▶ Does our online interface serve as a viable channel to support customers' needs and reduce demands on staff?
 - ❖ Self-Service Rates

Key Performance Indicators

DVHA-HAEEU KPI Dashboard - January 2017						
	Meeting key goals.		Better than prior period.			
	Attention needed.		Same as prior period.			
	Action needed.		Worse than prior period.			
Goal 1: Promptly answer members' calls 						
Primary Metric	Dec-16	Jan-17	Status	Trend	Green	Yellow
Tier 1 Calls Answered <24 seconds	82%	71%			>=75%	60-74%
Secondary Metrics						
Tier 1 Answer Rate	97%	95%			>=95%	90-94%
Tier 1 Internal Transfer Rate	19%	17%			<=10%	11-20%
Tier 1 Internal Transfer ASA (s)	74	133			<=90	91-180
Transfer Rate (to Tier 2)	8%	10%			<=7%	8-10%
Tier 2 Calls Answered <300 seconds	44%	39%			>=75%	60-74%
Goal 2: Process member requests timely 						
Primary Metric	Dec-16	Jan-17	Status	Trend	Green	Yellow
Customer requests resolved in 10 days	92%	90%			>=85%	75-84%
Secondary Metric						
Customer requests resolved in 60 days	97%	97%			>=99%	95-98%

Key Performance Indicators

Goal 3: Transmit data files timely and accurately Y						
Primary Metric	Dec-16	Jan-17	Status	Trend	Green	Yellow
VHC-Carrier errors >10 days old	25	17	G	↑	<=20	21-50
Secondary Metrics						
VHC-WEX errors >10 days old	82	226	R	↓	<=20	21-50
VHC-Carrier total error inventory	33	46	G	↓	<=100	101-200
VHC-WEX total error inventory	105	322	R	↓	<=100	101-200
VHC-Carrier error rate	1%	1%	G	↔	<=3%	4-6%
VHC-WEX error rate	6%	7%	R	↓	<=3%	4-6%
In-Flight Over 4 Days	54	17	G	↑	<250	250-500
Goal 4: Resolve discrepancies expeditiously (monthly reconciliation) Y						
Primary Metric	Jan-17	Status	Trend	Green	Yellow	
% discrepancies resolved in 30 days	64%	◇		<=90%	81-89%	
Secondary Metrics						
Total potential discrepancies identified	4,260	R		<=1000	1001-2000	
Discrepancy work inventory	1,536	R		<=750	751-1500	
% 1-month carryover (of total potential)	N/A	◇		<=5%	6-10%	
% 2-month carryover (of total potential)	N/A	◇		<=3%	4-6%	
Goal 5: Facilitate use of self-service functionality						
To be added in March 2017						

VHC Next Steps

- ▶ Review VHC functions with fresh eyes to understand what we're doing well and where improvement is needed.
- ▶ Review operating budget & identify areas of savings based on increasing operational efficiency.
- ▶ Employ a “Back to Basics” approach - focus on essential services & doing those well.
- ▶ Target activities that will provide meaningful improvement in customer experience within 3 to 6 months.
- ▶ Work with Agency to realize long term vision for an integrated benefit platform.

Options Explored

Encourage unsubsidized individuals to direct enroll with the carriers.

- ▶ 5,474 direct-enrolled individuals.
- ▶ 6,915 unsubsidized through Vermont Health Connect.

Key Issues

- ▶ The State remains responsible for eligibility & enrollment in qualified health plans.
- ▶ Current law prohibits making direct enrollment mandatory so the State and the carriers can only work together to encourage individuals to make the switch.
- ▶ Positive impact on cost allocation, reducing general fund budget impact.
- ▶ Enrollees may not want to switch to direct enrollment.
- ▶ Individuals who choose this option cannot receive a tax credit, even at the end of the year.
- ▶ State is developing outreach plan to kick off in March.
 - ▶ Letters
 - ▶ Call Center Script
 - ▶ Message on website

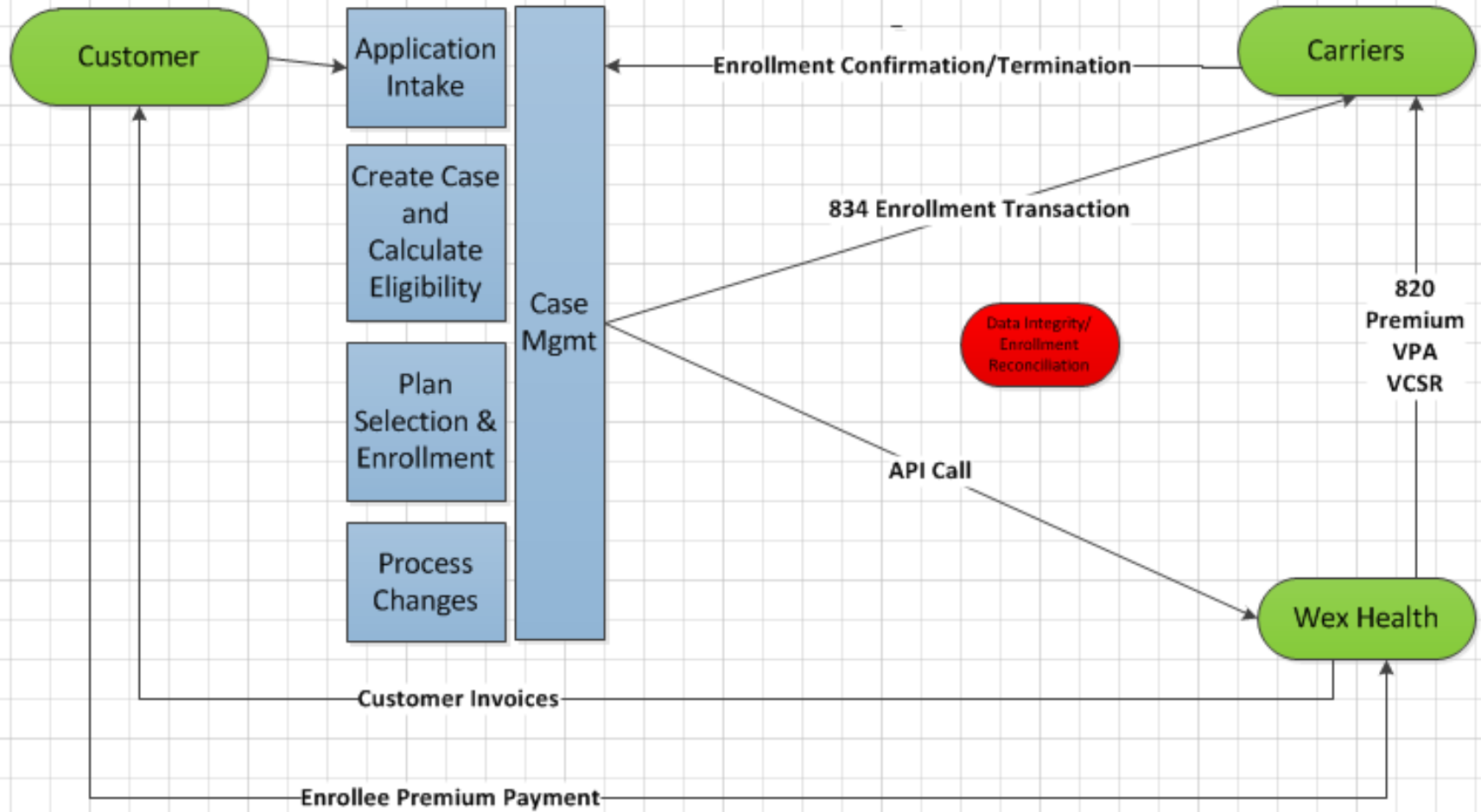
Options Explored

Cease premium processing at Vermont Health Connect for Qualified Health Plans and return premium processing and billing to insurance carriers.

Key Issues

- ▶ Doesn't Cover Everybody: Vermont still needs to process premiums for Medicaid enrollees.
- ▶ Customer Service Remains with the State: The State remains responsible for eligibility & enrollment in qualified health plans.
- ▶ Takes Time: Billing change should be effective at the start of a new plan year to minimize enrollee confusion - earliest possible implementation is January 1, 2018.
- ▶ System Limitations: Limitations exist in carrier system which may or may not be possible to overcome.
- ▶ More Work to Do: This incremental step does not reduce the need to invest in the tools necessary to ensure the integrity of enrollment data & transactions.
- ▶ Reconciliation: A mechanism must be developed to protect the integrity of VPA and VCSR payments to ensure good stewardship of tax payer dollars.
- ▶ Decommissioning Costs: Shifting premium billing will require some spending to decommission data/functionality and to educate enrollees on new process.

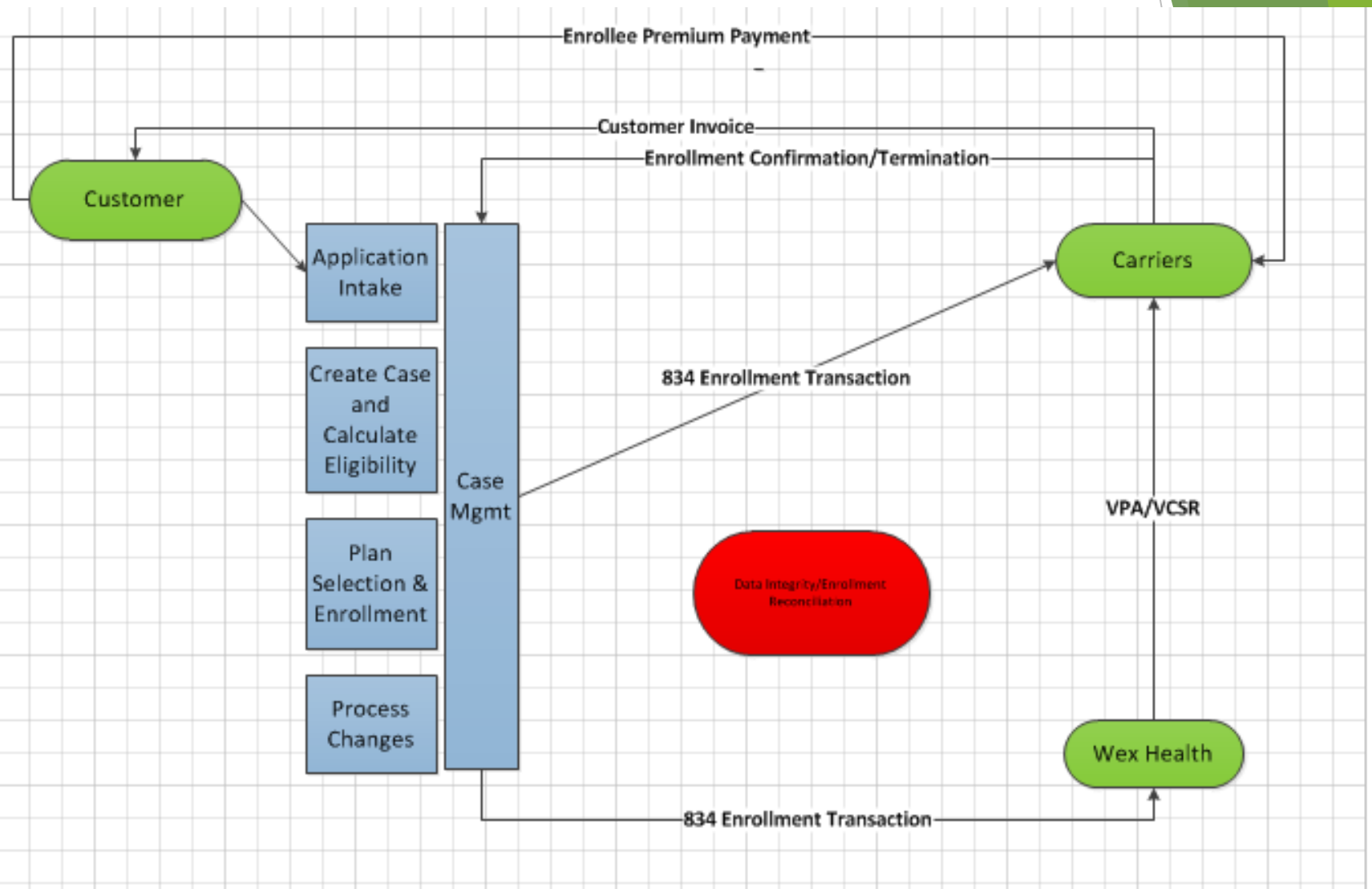
Current State



Current State

- ▶ State collects enrollee premium, adds VPA, and transmits money to the carriers in a single transaction.
- ▶ Lack of appropriate tools to support data quality and monthly reconciliation leads to inconsistencies between systems and incorrect customer invoices.
- ▶ Differences in the communication vehicle between the CRM/Wex and CRM/carriers complicates reconciliation efforts.
- ▶ Enrollment data and financial data are stored in two different systems.
- ▶ Billing (State) and dunning/terminations (Carriers) are handled by two different entities.

Scenario 1: Bulk VPA Transfer



Scenario 1: Bulk VPA Transfer

- ▶ Transfers billing and VPA management to the carriers. VPA is paid to the carriers in a bulk payment once per month.
- ▶ Ensures that billing, dunning, and terms are handled by one entity.
- ▶ Introduces consistency in enrollment file transfers between State/Wex and State/Carriers.
- ▶ BCBS has indicated this approach is a non-starter due to system limitations.
- ▶ Data quality control and monthly enrollment reconciliation must occur to ensure integrity of carrier billing data.

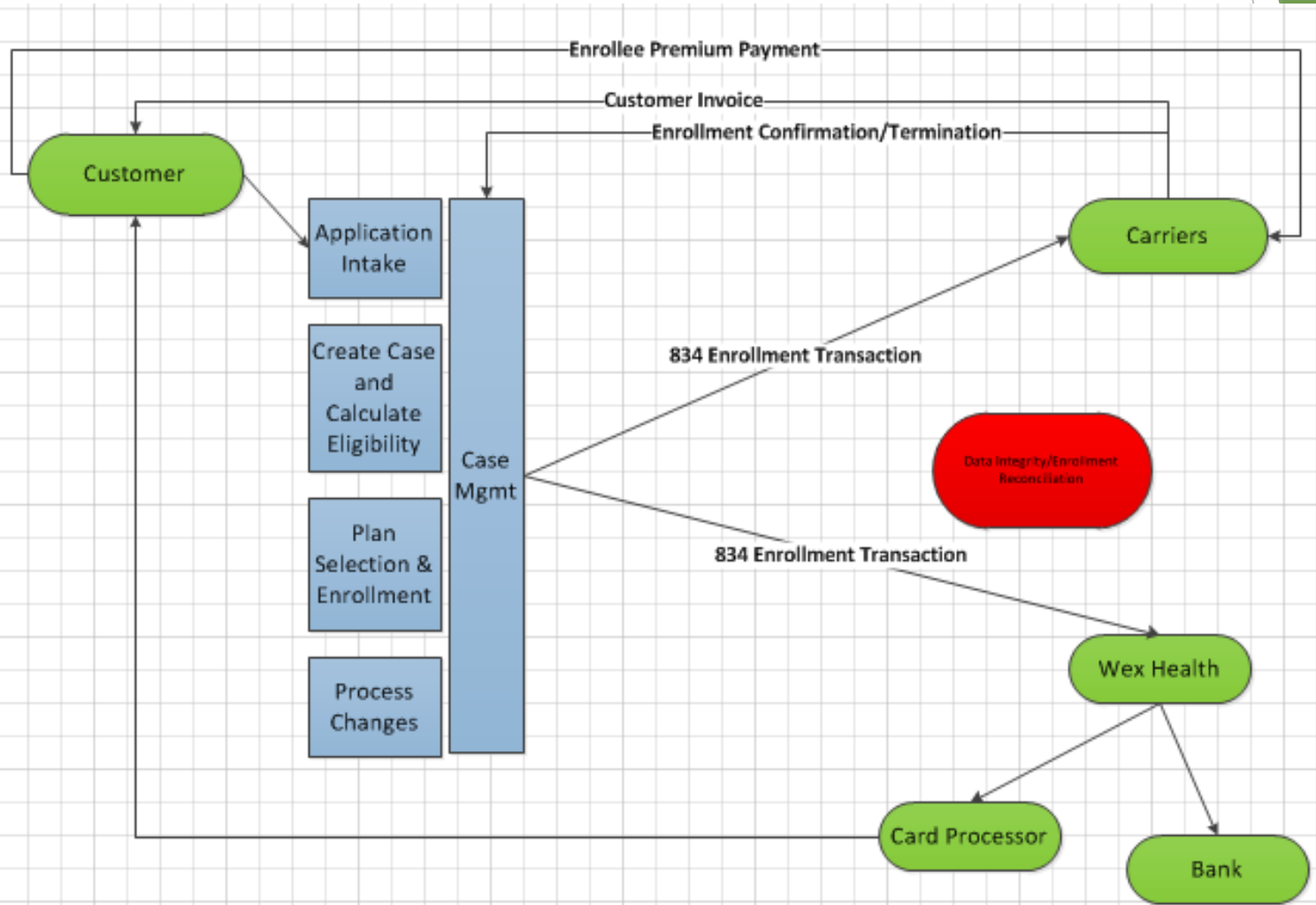
Scenario 1: Bulk VPA Transfer

- ▶ Decommission premium processing
- ▶ Transition to 834 architecture
- ▶ Outreach to Members re: billing change
- ▶ Cost to upgrade carrier systems

Estimated Total Cost to the State: \$895,000

Total Cost to Carriers: Unknown

Scenario 2: Customer VPA Management



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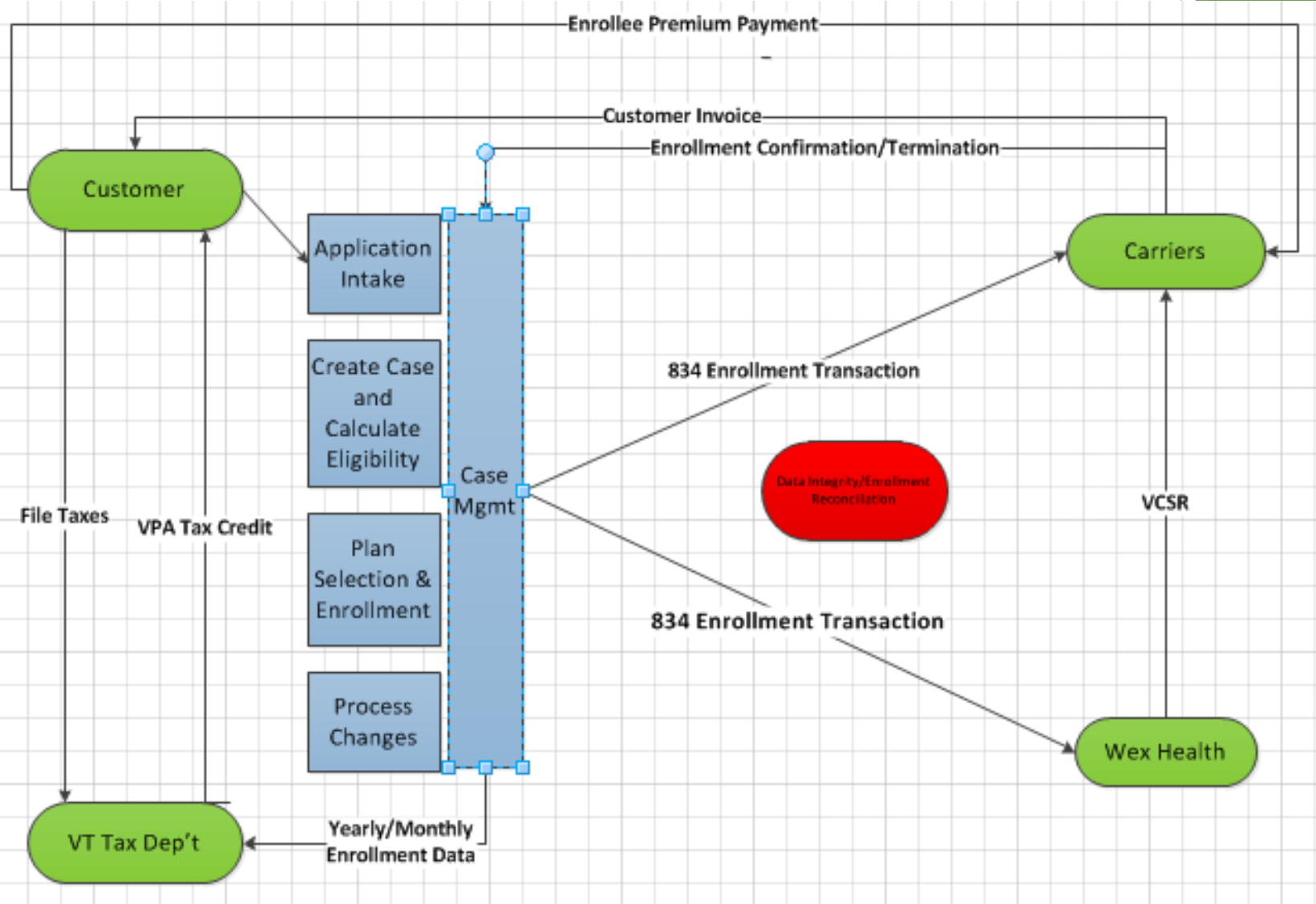
- ▶ Delivers VPA to customer using a monthly debit card.
- ▶ Ensures that billing, dunning, and terms are handled by one entity.
- ▶ Introduces consistency in enrollment file transfers between State/Wex and State/Carriers.
- ▶ Data quality control and monthly enrollment reconciliation must occur to ensure integrity of carrier billing data.
- ▶ BCBS system functionality would have to be expanded to accept debit card payments.
- ▶ Outreach & advertising investment will be needed to ensure customers understand new benefit.
- ▶ Customers will need to utilize two different forms of payment to fulfill their monthly premium obligation.

Scenario 2: Customer VPA Management

- ▶ Decommission Premium Processing
- ▶ Outreach to Members
- ▶ Rebranding (Optional)
- ▶ Debit Card Setup
- ▶ Debit Card Administration

Estimated Total Cost to State: \$2.8 million in year 1, yearly administration ~\$1 million

Scenario 3: VPA as a Tax Benefit



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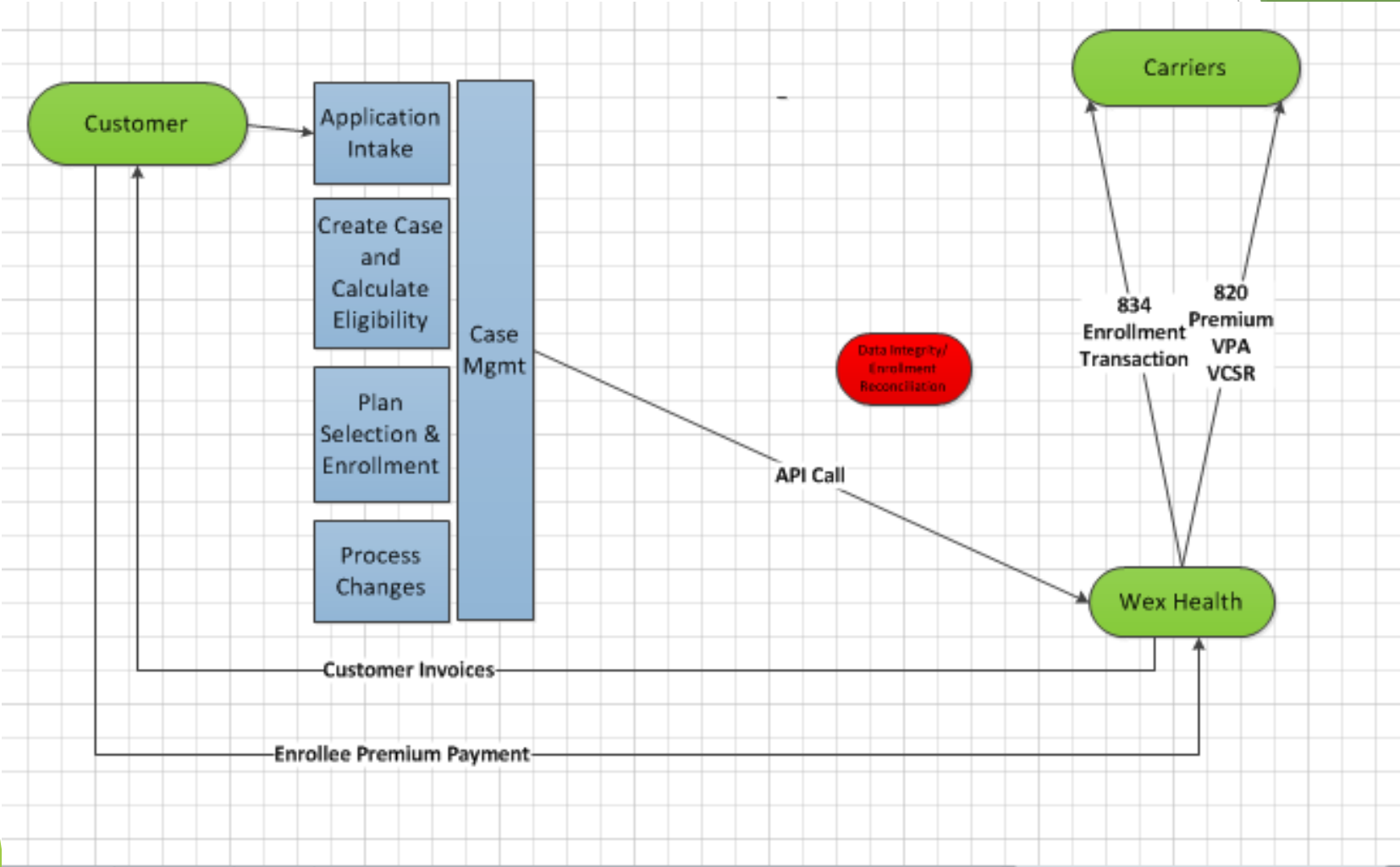
- ▶ Shifts billing to the carriers and delivers VPA to customers as a tax credit to enrollees at the end of the year.
- ▶ Higher monthly premium for enrollees who qualify for financial assistance.
- ▶ Ensures that billing, dunning, and terms are handled by one entity.
- ▶ Introduces consistency in enrollment file transfers between State/Wex and State/Carriers.
- ▶ Requires enrollment data to be shared with the Tax Department.
- ▶ Data quality control and monthly enrollment reconciliation must occur to ensure integrity of carrier billing data.
- ▶ Outreach & advertising investment will be needed to ensure customers understand new benefit.
- ▶ Statute change is needed & Tax Department investment to ensure they can successfully administer the program.

Scenario 3: VPA as a Tax Benefit

- ▶ Decommission Premium Processing
- ▶ Outreach to Members
- ▶ Rebranding
- ▶ Tax Department Administration

Estimated Total Cost to the State: \$550,000

Scenario 4: SOV Continues Billing



Scenario 3: SOV Continues Billing

VHC continues to bill as it does today.

- ▶ Results in minimal changes for the customer.
- ▶ Allows State to focus on enrollment fixes and establishing monthly reconciliation process.
- ▶ Models file transfer approach after successful approach taken in Massachusetts.
- ▶ Relies on Wex to perform their traditional book of business.
- ▶ Carries risk that, without solving the fundamental problem, you will only shift enrollee issues to a different location with less visibility for customer service workers.

Data Quality & Reconciliation

- ▶ All scenarios require the State to make modest investments in the tools necessary to support data quality and reconciliation. This is necessary to ensure the integrity of enrollment & billing data, which will dramatically improve the customer experience.

Enrollment
Reporting

Integration
Architecture
Consistency

Discrepancy
Resolution Tools

#1 Area of Improvement

Enrollment Reconciliation Reporting

Automate Reconciliation Reporting to allow for more frequent identification of discrepancies and reporting on resolution progress.

Estimated Savings: \$3600/month in staff time

Estimated Cost: \$250,000

Time to Develop: 3 to 6 months

#2 Area of Improvement

Integration Architecture Consistency

Enrollment data should be communicated to Wex and the carriers using the same file format and timing.

Estimated Savings: Reduce monthly discrepancies by 50%.

Estimated Cost: \$700,000*

Time to Develop: 3 months

#3 Area of Improvement

Discrepancy Resolution Tools

Proactive Data Quality Tools: Ensure that SOV is sending quality data to partners before the data has been sent.

- ▶ **Validations in Siebel** - Add system validation enhancement to check for corrupt or possible bad data prior to sending a file to the partners.
- ▶ **Transaction comparison tool**- This tool would allow every CoC, Col, date flip, reinstatement, term and cancel completed each day to have integration confirmed before the file is sent to the partners.

Error Identification & Resolution: Ensure SOV is effectively and efficiently correcting data, files and cases that have discrepancies with one or more of our partners .

- ▶ **SOA Comparison Tool**- Allow SOV to determine if data in the SOA integration layer is in the correct state to send a new transaction.
- ▶ **Mass triggering tool** - a resource that will allow SOV to trigger a large volume of master cases, instead of individually triggering them.
- ▶ **WEX daily comparison** -Report showing real time WEX/Siebel discrepancies each day.
- ▶ **Enrollment management console**- Allows efficient identification of issues with a case without having to review each transaction individually.

#3 Area of Improvement

Discrepancy Resolution Tools

Estimated Savings:

- ▶ Reduce carrier and Wex errors by 50% from 2016 levels (14,000 to 7,000).
- ▶ Reduce Wex error rates to 3.0% from 2016 levels (~15%).
- ▶ Reduce BCBS discrepancy rate to 5% from 2016 levels (~15% to 25%).
- ▶ Reduce the yearly staff hours associated with reconciliation from 6000 to 1500.
- ▶ Significant reduction in calls/case escalations. Reduce yearly BCBS financial reconciliation amount by 75%.

Estimated Cost: \$460,000

Time to Develop: 4 to 6 months

Recommendation

- ▶ Invest in developing the tools necessary to ensure the integrity of VHC enrollment data to improve customer service experience and ensure integrity of carrier billing data.
- ▶ Decommission VHC QHP premium billing functionality and shift responsibility to the carrier.
- ▶ Examine feasibility of alternative approach for delivering VPA as a tax benefit directly to VHC customers at the end of the year.
- ▶ *Alternative:* Fix what we have and continue to administer enrollee premiums.

Development Roadmap

- ▶ Agency led effort
- ▶ Leverage federal dollars to optimize platform
- ▶ Project & resource plan being developed
- ▶ Transition remaining health care programs
 - ▶ SSI Related Medicaid
 - ▶ Medicare Savings Program (MSP)
 - ▶ Working Persons with Disabilities (WPWD)
 - ▶ Breast and Cervical Cancer Treatment (BCCT)
 - ▶ Disabled Child In Home Care (DCHC)
 - ▶ Long Term Care(LTC) Medicaid (Choices for Care)
 - ▶ VPHARM
- ▶ Uncertainty at the Federal Level adds level of complexity to long-term decision making