

So, you think you want a state-based marketplace? Here's how!

Friday, May 10, 2019
2:00pm-3:30pm Eastern

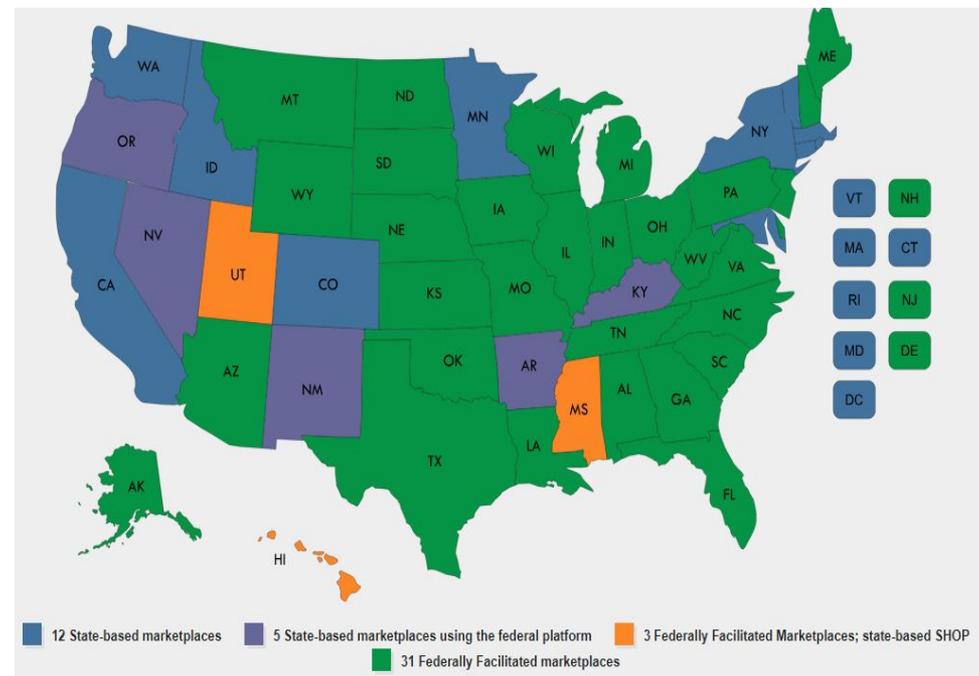
Today's Experts

- **Moderator: Trish Riley**, *Executive Director, National Academy for State Health Policy*
- **Audrey Morse Gasteier**, *Chief of Policy and Strategy, Massachusetts Health Connector*
- **Pat Kelly**, Executive Director, Your Health Idaho
- **Mila Kofman**, Executive Director, DC Health Link
- **Heather Korbulic**, Executive Director, Nevada Health Link

State flexibility and creativity yields results

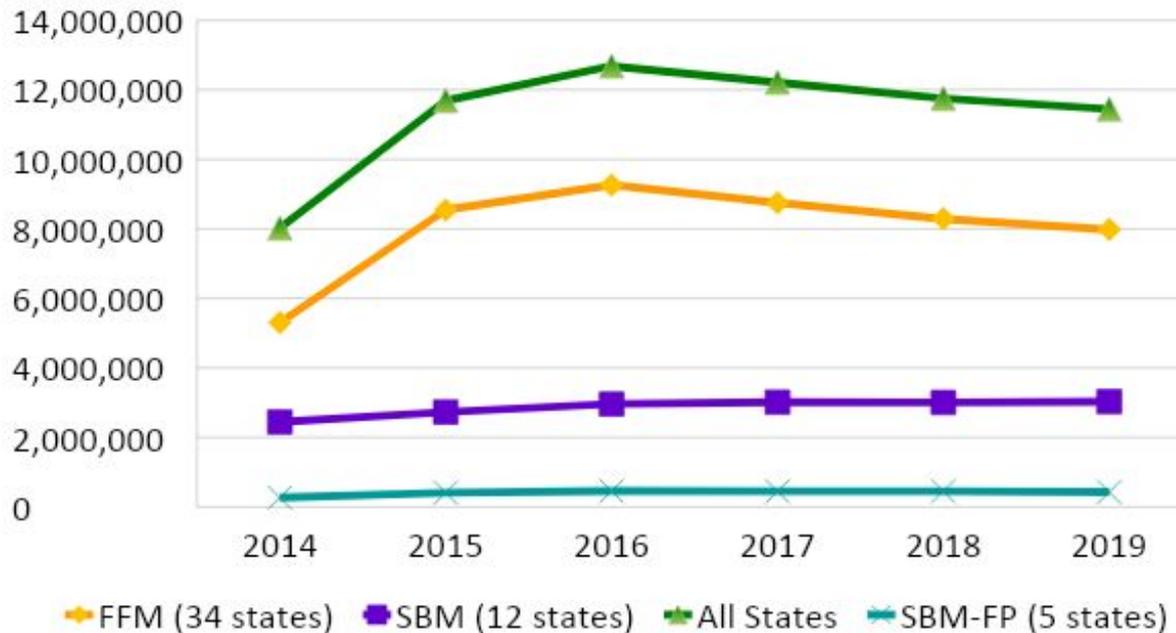
- SBMs have more autonomy over their marketplaces and insurance markets. **States with SBMs outperform FFM states on enrollment, affordability, and choice.**
- Some states are exploring transition to an SBM model. Nevada will implement an SBM this year. New Jersey plans to begin transition in 2020.
- The House has proposed legislation to provide \$200M in federal grants to states that wish to establish SBMs.

Map of States by Health Insurance Marketplace Model



State-based marketplace (SBM) enrollment holds steady

Health Insurance Marketplace Enrollment
(Plan Selections) 2014-19



- Enrollment declines began in 2016, largely in states that use the federal marketplace (FFM)
- Enrollment in the FFM dropped by 3.7% in 2019
- SBM enrollment rose slightly (0.9%) in 2019

CMS Marketplace Open Enrollment Period Public Use Files, 2016-2019, available at:

<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/index.html> CMS Marketplace Open

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<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/index.html>; ASPE Health Insurance Marketplace 2015 Open Enrollment Period: March Enrollment Report

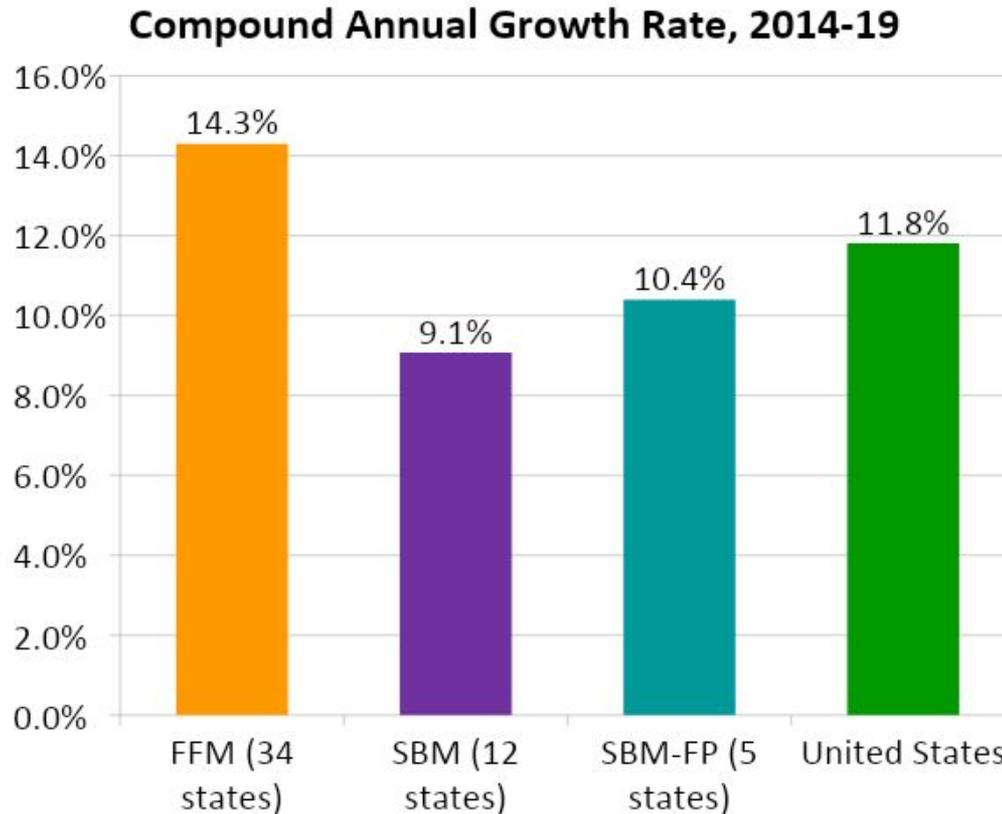
<https://aspe.hhs.gov/pdf-report/health-insurance-marketplace-2015-open-enrollment-period-march-enrollment-report> CMS Marketplace Open Enrollment Period

Public Use Files, 2016-2019, available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/index.html>;

ASPE Health Insurance Marketplace 2015 Open Enrollment Period: March Enrollment Report

<https://aspe.hhs.gov/pdf-report/health-insurance-marketplace-2015-open-enrollment-period-march-enrollment-report>; Health Insurance Marketplace Summary

SBM states consistently contain premium growth



- SBM states have been more successful at containing premium growth.
- Since 2014, premiums have nearly doubled in FFM states, compared with 1.5-times in SBM states.
- SBMs have focused on methods to improve outreach and enrollment including supporting policies intended to improve individual market risk (e.g., reinsurance)

Unweighted averages, based on average benchmark premiums as analyzed by the Kaiser Family Foundation. Data available at:

<https://www.kff.org/health-reform/state-indicator/marketplace-average-benchmark-premiums/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

New opportunities for future SBMs

- 2013: States built systems from scratch
- 2019: Options for states! --4 perspectives/ approaches represented today
 - ID: SBM 101
 - NV: Transition from Federal Partnership to SBM
 - MA: Key policy and operational considerations
 - DC: One IT solution, cloud-based, agile, open source code



What does the SBM
Model entail?

Functions of the SBM Model

Enrollment & Eligibility

- Income verification and tax credit eligibility*
- QHP eligibility
- Application portal
- 834 process
- Reconciliation
- Appeals

**Idaho Department of Health and Welfare*

Communications

- Marketing and advertising
 - Social media
 - Paid & earned media
- Community outreach and education
- Front end website



- Administration
- Human Resources
- Finance
- Policy
- Privacy & Security
- IT

Customer Support

- Phone and email
- Support ticketing system
- Seasonal staffing
- Internal training program
- Agent and enrollment counselor training

Stakeholder Engagement

- Board of Directors
- Department of Insurance
- Department of Health and Welfare
- Agents, brokers, and enrollment counselors
- Carriers
- Vendors
 - Technology
 - Creative

What does it take to
be an SBM?

Engagement with key stakeholders

- State Agencies – Division of Insurance, Medicaid
- Enrollment Professionals – Navigators/Brokers
- State lawmakers, federal delegation
- Community partners/advocates
- Governor's office
- Consumers
- Carriers
- CMS



Early Considerations

- Transparency
- Stakeholder Engagement – early and often
- Project Management Support
- Political will
- Financial implications
- Exchange position



Transition Timeline



- Discussions with CMS
- Governor letter of intent (first step in blueprint)
- Stakeholder meetings
- Enabling legislation
- Financial resources
- RFP – contract negotiations/approvals

- Vendor begins Design Development and Implementation (DDI)
- Being to connect to FDSH, Medicaid, ATC – MANY Information Security requirements
- Staff PMO
- Develop comprehensive communications strategy

Y1	Jan.			Apr.			Jul.			Oct.		
Y2	Jan.			Apr.			Jul.			Oct.		

- User Acceptance Testing
- Stakeholder training material
 - Plan certification

- EDI testing with carriers
- FDSH connection
- Integration with state Medicaid
- Operational Readiness Reviews (ORR)
- Information Security Assessment
- Call center implementation
- Policies, policies, policies!

- Consumer engagement
- Enrollment professional engagement
- Plan preview
- Window shopping

**NOVEMBER 1
OPEN
ENROLLMENT
BEGINS!**



Policy and Member Service Considerations: Perspectives from Massachusetts

Policy Considerations for State-Based Marketplaces

- State-based marketplaces are where Affordable Care Act policy objectives and local market needs are braided together to provide coverage to individuals and small businesses while advancing state policy objectives around coverage and optimal market performance.

Policy Element of SBM Work	Example from Massachusetts Exchange (the Health Connector)
SBMs conduct plan certification to ensure participating carriers' products meet QHP standards. SBMs can add additional plan management and policy goals, as well.	MA has prioritized standardized plan designs for enrollees (though makes non-standardized plans available, as well), and prioritizes QHP compatibility with its ConnectorCare ("state wrap") program.
SBMs work closely with their state Medicaid programs and state Divisions of Insurance (and other state entities and stakeholders) to ensure coordinated policy approach to adjacent market segments .	MA shares an eligibility system with Medicaid program (and the system shares a common governance structure), and works closely on policy consistency with Medicaid (with an appreciation for churn rate between Medicaid and exchange). Exchange also works closely on policy and regulatory matters with its DOI.
Policy objectives and priorities of SBM drive outreach to state populations.	MA utilizes state coverage data to design highly tailored outreach strategies to reach uninsured and those at risk of uninsurance.
SBMs manage other various elements of health reform/ACA/local policy needs , giving a "home" to key health policy efforts at state level.	MA manages state individual mandate policy components, has spearheaded prior 1332 waiver requests, procures student health insurance for public universities, and works closely with other state agencies on health policy objectives.
SBMs are able to manage tailored approaches to additional state subsidy (a.k.a. "state wrap") programs or shape other unique policy approaches per local interest.	MA administers a state wrap program called ConnectorCare, which augments federal APTC with state premium and cost sharing subsidies. Other states/SBMs are contemplating state wrap programs, public options/buy-in programs, etc.
Policy objectives come to life in high-touch collaborations SBMs conduct with carriers and other market participants.	MA works to ensure our back-end functionality can accommodate our carriers' various operational issues and nuances, which keeps carrier participation strong and enables 'market good will' that furthers policy goals

Operational and Member Service Considerations

Sound operations and customer service for members are essential for positive member experience, so are a critical focus for state-based marketplaces in building a strong value proposition.

Member communications:

- Carefully crafted and timed member communications are key to keeping enrolled population informed and insured (e.g., paying bills on time, responding to requests for information, etc.)

In person assistance:

- Many flavors of in-person assistance. Added benefit of coordinating expectations/messages across personnel and our contact center
- Massachusetts:
 - Robust Navigator program with 16 organizations
 - 4 walk-in centers for common business functions (e.g., member payment processing)
 - Statewide network of Certified Application Counselors situated in provider settings

Operational and Member Service Considerations

Call center: key to stable and satisfying member experience

- MA call center receives between 64K and 127K calls each month (OE months on upper end)
- Focus on self- service and ‘first call resolution’ = better service experience to members AND more cost-effective for marketplaces
- SBMs have ability to re-procure or negotiate contracts when changes are necessary

Enrollment and premium billing:

- Most SBMs have carriers handle premium billing and processing
- In MA, marketplace conducts premium aggregation and billing
 - Allows MA to add state-based subsidies and maintain current and accurate enrollment and premium data

Stability and forward-looking enhancements:

- SBMs serve a membership with evolving needs and expectations
- Services must be delivered in a cost-effective manner
- MA examines member experience survey data to understand service and decision support expectations of members



DC Health Link Background

- DC: 96%+ of residents covered
- Uninsured rate cut in half since DC Health Link opened
- Private-public partnership (quasi-government)
 - Stakeholder working groups – consensus policies
- Last to start IT build, 1 of 4 state marketplaces opened for business on time (and stayed open) on Oct 1, 2013
- 100,000 covered lives (private health insurance): 79,000 people in SHOP (5,000+ District small businesses covered; 11,000 Congress -- Members and designated staff in district offices and on the Hill); 17,000 residents (individual); 5,000 residents with individual dental insurance (market didn't exist before);
 - 800+ brokers

Health plans that fit all budgets:

- 152 health plans (3 United Health Companies; 2 Aetna; Kaiser Permanente, and CareFirst Blue Cross Blue Shield) – small group
- 25 health plans (Kaiser and CareFirst) – individual



DC Health Link IT

- 2013: hard-coded COTS solution, hosted in local data-center
- 2015: open source, cloud-based, agile
 - **Open source:** no licensing fees; code is **free and available to states** (state IT agencies, consultants or vendors can deploy DC Health Link code)
 - **Cloud-based (2016):** AWS government cloud (saved \$2m/year moving from data center to cloud for hosting & data)
 - **Agile:** Ability to deploy features as they are developed (sometimes daily; traditional approach is 12 – 18 months)



Benefits of open source, cloud-based, agile cont.

- **Cutting-edge technology:** never a legacy IT system (can add features daily!)
 - On-going development and deployment: improvements, changes, fixes without downtime (no offline time – users can continue conducting business and see improvements next time they log-in)
 - One-on-one user testing, broker IT working groups, customer feedback, federal rules changes
- **Easily configurable**
 - DC-MA partnership: Feb. 2017 signed MOU; Aug. 2017 partial launch; Nov. 2017 Full Launch
- **Use all or parts of the code (modular)**
 - DC-MA only for SHOP (small business marketplace). Individual marketplace code is turned off



Benefits of open source, cloud-based, agile cont.

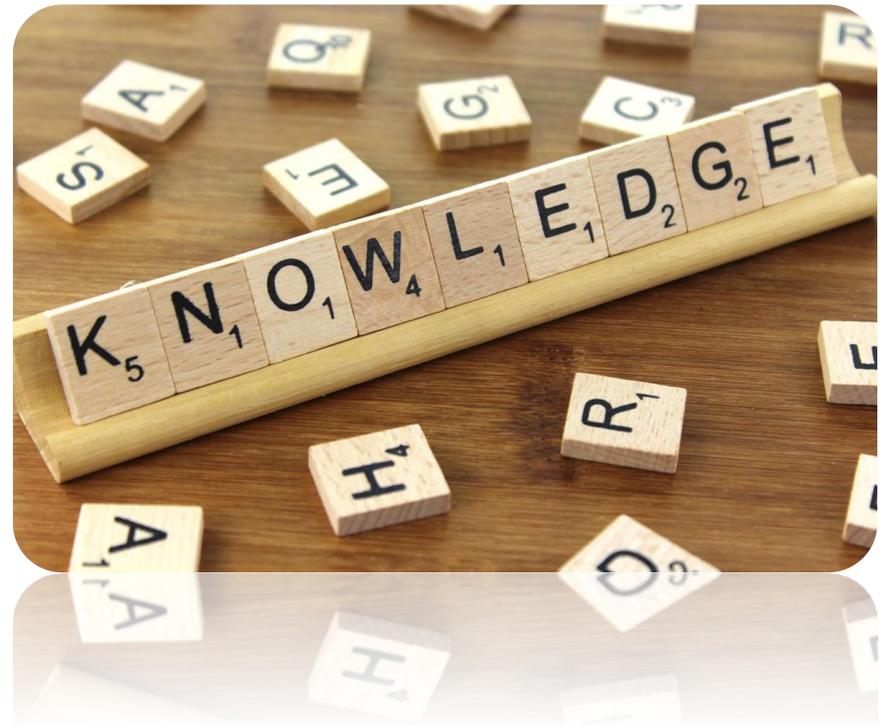
- **“Our asset”**: we keep our code even if we switch vendors
 - Different from proprietary vendor systems (e.g., COTS or “software as a service”)
 - State keeps open source system as their asset (caveat: if improvements are made, they must be available to all)
- **Plug-in (API)**
 - to connect with social services eligibility systems, e.g. Medicaid
- **Broad options**
 - outsource; hybrid (DC); insource (develop & maintain in-house)
- **Local IT talent**
 - instead of out-of-state large vendor (depending on local IT talent pool) (DC 100% local IT talent)



HBX Recent Awards and Recognition

- ✓ **2018 & 2016 Best Practices in Innovation:** Amazon Web Services (AWS) City on a Cloud international competition
 - for shared services with the Massachusetts Health Connector for Business & open source code in the cloud with agile development
- ✓ **2018 and 2017 Ranked #1 for consumer decision support tools** (ranking of SBMs and FFM)
- ✓ **4 PR News Awards in 2018**
- ✓ **2017 AWS IT case study** on cloud solutions (<https://aws.amazon.com/solutions/case-studies/DC-HBX/>)
- ✓ **First in the nation SBM partnership.** Selected by the Massachusetts Health Connector to provide IT solution and on-going operations support for the MA SHOP (Feb 2017)

Key lessons on the road to becoming an SBM



Key Lessons

- **Establish clear leadership and independent authority that can take quick action**
- **Be bold—think through the purpose/function of an SBM for your state**
- **Set clear expectations and timeline**
- **Stakeholder relationships are critical**
 - **State agencies and policymakers**
 - Insurance carriers
 - Vendors
 - Agents/Navigators/Application Assistors
 - **Consumers**

Key Lessons

- **Focus first on basic functions, and financial sustainability**
- **Prioritize the consumer experience**
- **Build and empower your leadership team**
- **Verify everything (especially vendor proposals)**
- **Expect marketplaces to adapt over time**
- **Work closely with CCIIO—leverage their expertise to help**

Learn from other SBMs!

Thank You!

For more information on the work of the SBMs, check out our resource page:

<https://nashp.org/nashp-insurance-marketplace-resources/>

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