



2014 Open Enrollment Check-in

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Overview

- We are 19 days from the first effective date of new ACA-compliant coverage
- As we have done previously, we will be providing you with operational updates – highlighting continued challenges with the new HIX IT system
- Even with IT challenges, we have created pathways to coverage that ensure that in Massachusetts, coverage will not be lost or delayed as we transition to the ACA
 - Our principal and unique goal in implementing the ACA is to protect the coverage gains already achieved in Massachusetts. We will meet this objective
 - In addition, with extraordinary efforts and collaboration among multiple state agencies, carriers, stakeholders and our customer service vendor, we will be adding new people to the ranks of the insured
- The persistent underperformance of the IT vendor, CGI, remains a serious concern that requires urgent resolution. We will report in January on steps to rectify problems and ensure accountability

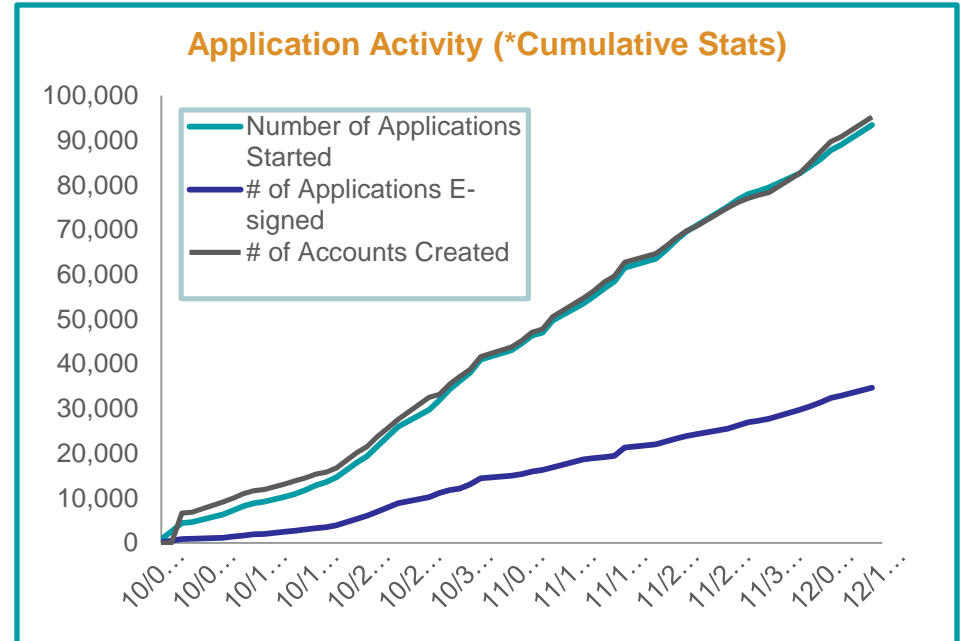
Where Are We Now: Application Submission



Accounts Created and Application Activity (as of 12/09/2013)

We will be reporting in January on actual enrollment based on completion of plan selection and payment of applicable premiums.

Check-in Date	10/08/2013	11/11/2013	12/12/2013
Accounts Created	10,028	54,700	95,205
Applications Started	7,258	53,511	93,436
Applications Submitted	1,704	18,625	34,690

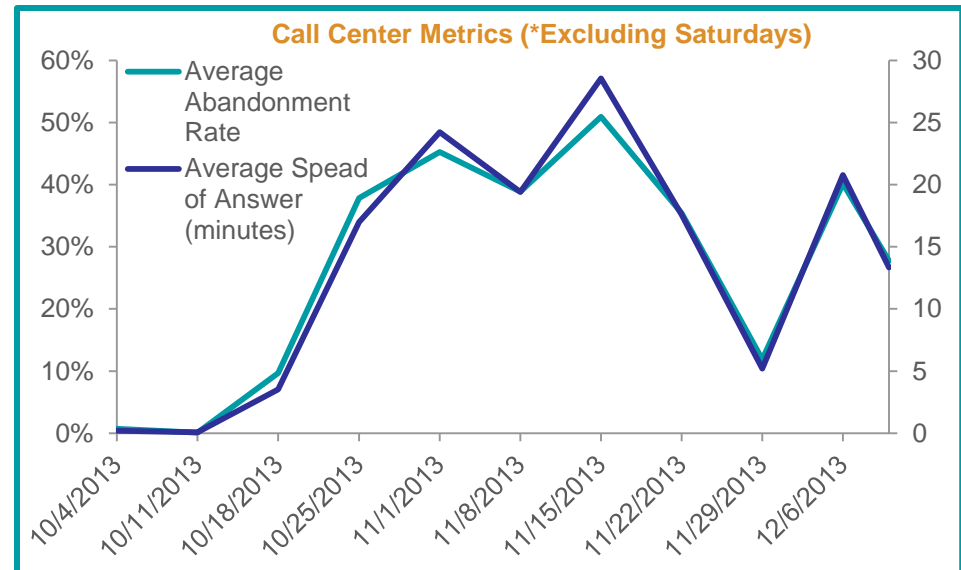
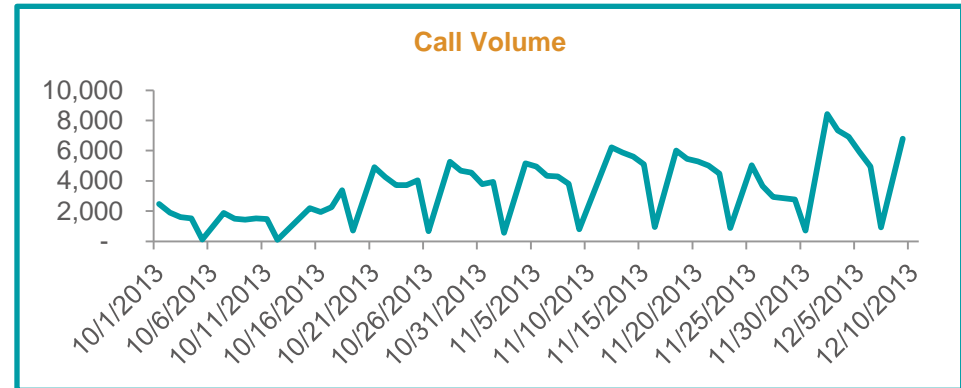


- We have received 560 applications for non-group dental coverage (as of 12/11)
- Outside of HIX, through SBSB, we have received ~220 applications for small group coverage

Where Are We Now: Customer Service

Call Center Activity (as of 12/09/2013)

- The Health Connector has aggressively increased call center staffing to accommodate increased call volume driven by:
 - More people applying
 - Applicants calling to check status of applications submitted
 - Website issues and error messages directing people to contact the call center
- We started Open Enrollment with 65 Customer Service Representatives; we are now up to 155 and adding more through December



Where are we now: IT Functionality



- The new IT system is being developed by CGI, a vendor procured to deliver the Health Insurance Exchange and Integrated Eligibility System (HIX-IES) functionality for the Health Connector and the Executive Office for Health and Human Services (EOHHS)
- Following the launch on October 1, we anticipated a series of updates to improve the user experience
 - Real-time eligibility determination and shopping experience for subsidized individuals
 - Automated billing and enrollment processes for all users through HIX
 - New small-group platform replacing our legacy system and offering expanded functionality
- Since October 1, the functioning scope of the HIX has remained mostly static
 - Individuals seeking subsidized coverage can only submit an electronic application. Eligibility determination, shopping and enrollment through the HIX are still pending
 - Individuals seeking unsubsidized coverage can apply and select a plan. Enrollment functionality through the HIX is still pending
 - Small business functionality remains on the legacy platform as an end-to-end process. Enhancements related to the HIX system, such as integrated account management and broker dashboard, are still pending

Where are we now: IT Functionality (cont'd)



- Besides delayed scope, overall system performance is far from where it needs to be, which has compromised user experience and our ability to rely on the website to effectuate enrollment
 - Performance of the currently deployed system has persistently struggled, causing frustration of users across the market
 - Recurring problems in account creation log-in, slow performance, time-outs, random and sporadic error messages, etc.
 - While some fixes have been implemented (e.g., corrected errors at the MAGI summary screen, reduced the occurrence of account creation failure, adding memory to alleviate latency), the vendor has not been able to resolve problems as timely and effectively as necessary
 - Moreover, the vendor recently uncovered data persistency issues that create barriers to processing many of the applications submitted through the system
 - Upon learning of the issue, the Health Connector and EOHHS demanded additional vendor resources be brought in to rectify the problem as an urgent matter
 - There is no indication that data security has been compromised
- Given where we are on the timeline, it is evident that we will not be able to leverage the new website and IT system as intended to support enrollment into ACA-compliant coverage for 1/1/2014

Pathways to Coverage



- Our highest priority is to ensure that all of our populations that seek insurance coverage will have access to coverage without gaps or delay
- Even without the ability to leverage the new website as intended, through various alternatives enabled by a collaborative effort among many organizations and stakeholders, most particularly our carrier partners, we are still positioned to
 - Achieve the primary objective of ACA implementation for Massachusetts – *i.e.*, protect our coverage gains
 - Add more people to the ranks of the insured

Pathways to Coverage (cont'd)



- Protecting coverage gains
 - ~130,000 Commonwealth Care members will be enrolled in MassHealth on 1/1/2014 via automatic transfer based on their eligibility for newly-expanded Medicaid (133% FPL and under)
 - ~90,000 additional Commonwealth Care members will continue to have access to coverage through their current health plans through 3/31/2014, gaining access to the entire federal open enrollment period to choose new coverage
 - ~13,000 Medical Security Program members will have access to coverage through the Health Connector through 3/31/2014 in order to similarly have access to the entire federal open enrollment period to select a new health plan
 - ~1,000 Insurance Partnership members likely to be eligible for Health Connector subsidized coverage will continue to receive premium assistance payments through MassHealth to help them pay for their employer-sponsored health insurance plans through 3/31/2014 so that they too can take full advantage of open enrollment
 - ~1,400 (as of Dec 11, 2013) applicants for unsubsidized coverage will be enrolled in new commercial coverage as of 1/1/2014 (assuming all remit their first premium by 12/23/2013)

Pathways to Coverage (cont'd)



- Adding new people to the ranks of the insured
 - We have stood up an alternative path to process new applications for subsidized coverage and effectuate enrollment in Qualified Health Plans
 - Program determination via a standalone tool outside of HIX for completed applications
 - Members eligible for Health Connector programs, as determined through this process, are then sent letters explaining their access to subsidies and health plan choices, and are informed to return a plan selection form or call member service to select a plan (similar to the current plan selection process for Commonwealth Care).
 - The call center (Dell) will collect plan selection information to support billing and send enrollment data to Carriers through an alternative file transfer workaround
 - If we are not able to process certain applications through this workaround (e.g., due to data limitations), we plan to provide them temporary access to coverage through legacy systems for 1/1/2014 until we are able to process them into their new ACA-compliant coverage

Key Next Steps

- Continue implementing Pathways to Coverage framework to ensure all members seeking insurance for 1/1/2014 are able to get it
- Address the IT situation with a comprehensive action plan
 - Even recognizing success in protecting and increasing coverage through alternatives, the IT vendor's deficiency in delivering the IT system is a major problem that must be resolved
 - Work is ongoing to fix problems and deliver intended enhanced functionality, but we have serious concerns about timelines and the performance issues that have caused severe market frustrations
 - We will report back to the Board in early January with an action plan for rectifying the issues, including ensuring that accountability for the website problems is appropriately addressed