HIX Project Update

Board of Directors Meeting, July 10, 2014

Summary of Dual Track Implementation

- After the success of hCentive release 1.0 on June 30, CMS has given the Commonwealth the green light to continue dual track implementation

- This approval allows us to continue to prove hCentive's readiness for Fall 2014 Open Enrollment. We established early August as the decision point for moving to a single track

- hCentive release 2.0, slated for July 30, is on schedule and will include key milestones, including a solution for State Wrap. We purposely front loaded releases 1.0 and 2.0 with core Exchange functionality to ensure the Commonwealth can meet ACA requirements and provide a streamlined end-to-end experience for consumers and the marketplace

- Additional gains for consumers have been made ahead of schedule. We are now able to leverage hCentive capabilities and components of the existing HIX/IES system to provide a single front door this Fall, rather than in 2015. A single front door will prevent consumer confusion and ensure the Commonwealth can continue to provide nation-leading access to affordable, quality health insurance
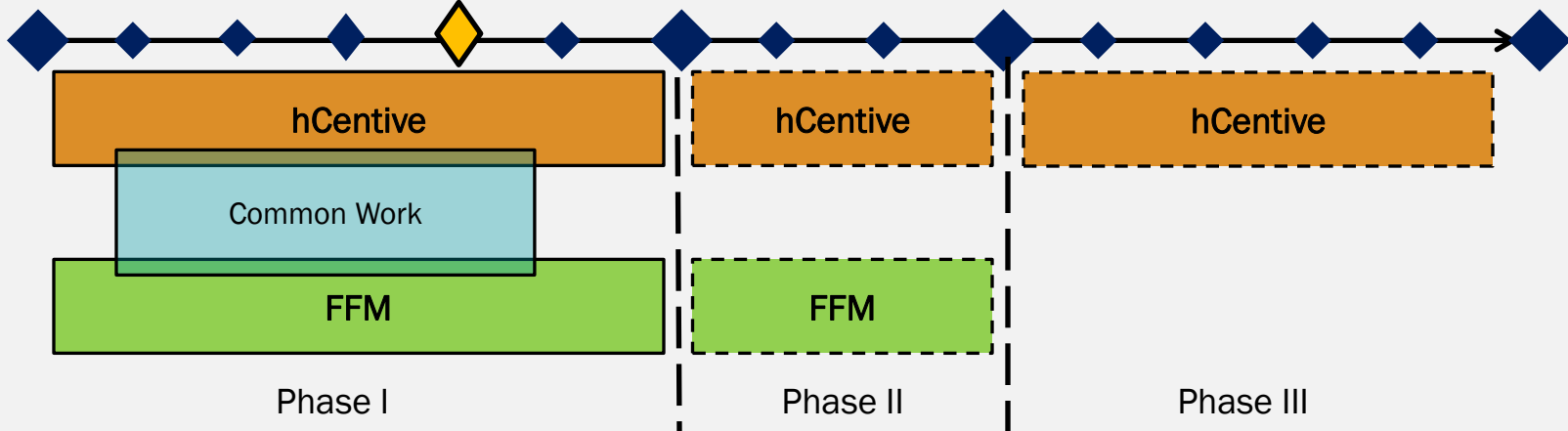
Evaluation Framework

FFM Track Update

FFM Track Overview

The FFM team has made tremendous progress over the past two months standing up a viable alternative pathway to Fall 2014 Open Enrollment.

- As a reminder, if Massachusetts were to pursue the FFM for Fall 2014 Open Enrollment, the Health Connector would remain a state-based Marketplace with the continued authority to oversee health plan certification, risk adjustment and outreach, among others

- Since our last Board meeting:

    – We have worked closely with our Issuers to support them in filing their plans for 2015

    – Finalized the Dell "clearinghouse" model and began initial integration work with the FFM

    – Developed project plans with the MassHealth team related to eligibility verification and transferring applicants to MassHealth that appear to be Medicaid-eligible based on Massachusetts rules

    – Analyzed existing training materials, notices and outreach materials to determine changes that will need to be made in the event we transition to the FFM

    – Drafted detailed end-to-end test plans integrating key elements of the consumer flow on the FFM

    – Worked with Issuers and Consumer Advocates to develop a workaround to support accessing ConnectorCare in the FFM
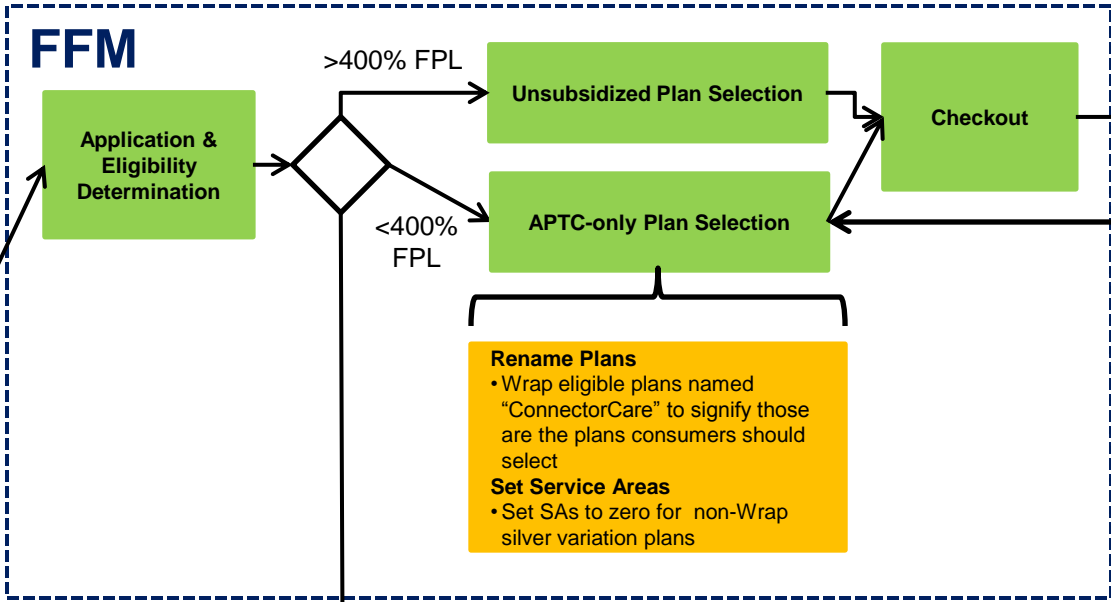
FFM Flow: Opportunities for State Wrap

Pre-Application | *During Eligibility and Shopping* | *Post-Application*

Pre-education and data collection on wrap-eligibility
- Direct subsidized applicants to work with NAV/CACs and/or use paper apps
- Outreach materials
- Outbound calls
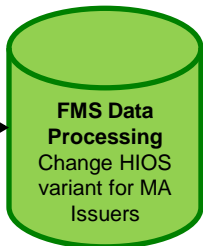- MA-specific landing web page with guidance for potential Wrap consumers

FFM

Application & Eligibility Determination

>400% FPL

Unsubsidized Plan Selection

<400% FPL

APTC-only Plan Selection

Checkout

Rename Plans
- Wrap eligible plans named "ConnectorCare" to signify those are the plans consumers should select

Set Service Areas
- Set SAs to zero for non-Wrap silver variation plans

Account Transfer
- Direct consumers via outreach and education to always seek a full Medicaid determination OR modify AT configuration parameters so that MA's AT sends all consumers at or below 300% FPL
- All consumers identified to be at or below 300% FPL will be outreached via Dell to determine whether they would like to enroll in a Wrap plan

Dell

Intercept
- Phone outreach based on known eligibility from AT, enrollment in variation plan, etc.
- Redirected to web portal with Wrap plan selection and enrollee contribution calculator
- Plan selection processed if offered by same Issuer consumer selected in FFM; otherwise consumer redirected to FFM to select correct corresponding silver plan

FMS Data Processing
Change HIOS variant for MA Issuers

KEY
- State workaround
- Existing system(s)

hCentive Track Update
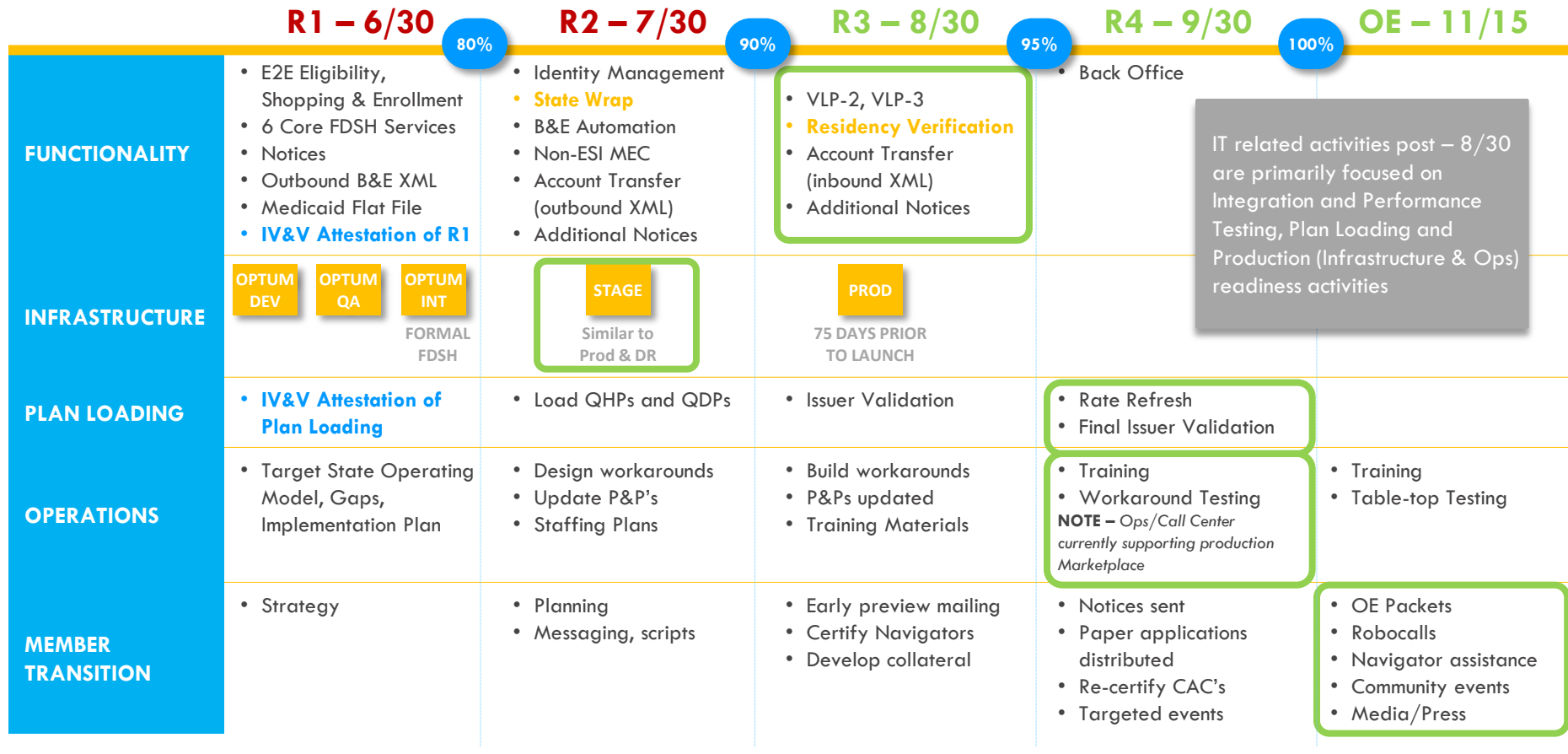
hCentive Release 1.0 Overview

The hCentive track provided a comprehensive demonstration of CMS-required functionality and completed third party IV&V attestations.

- Demonstrated all agreed-upon capabilities included under CMS state-based Marketplace (SBM) Milestones

- Demonstrated additional functionality beyond CMS SBM Milestone requirements

- Completed required Independent Validation and Verification (IV&V) Attestations

- Prepared and executed 4 scenarios, including complex scenarios ahead of SBM milestones

- In addition to live execution of scenarios via hCentive Front End, Back End evidence was provided via real-time generation of files, logs, etc.

- Demo was provided in Optum Integration Environment (with formal FDSH connectivity) – plan to production-ready environment in place

- Team demonstrated progressive functionality during 5/30, 6/13 and 6/20 demos to CMS IT

- Team has already executed significant test cases against demonstrated functionality

Roadmap to Fall 2014 Open Enrollment

After a successful release 1.0, key aspects of the hCentive solution are on track for Production Readiness well in advance of Fall 2014 Open Enrollment.

	R1 – 6/30 (80%)	R2 – 7/30 (90%)	R3 – 8/30 (95%)	R4 – 9/30	OE – 11/15 (100%)
FUNCTIONALITY	• E2E Eligibility, Shopping & Enrollment • 6 Core FDSH Services • Notices • Outbound B&E XML • Medicaid Flat File • **IV&V Attestation of R1**	• Identity Management • **State Wrap** • B&E Automation • Non-ESI MEC • Account Transfer (outbound XML) • Additional Notices	• VLP-2, VLP-3 • **Residency Verification** • Account Transfer (inbound XML) • Additional Notices	• Back Office	IT related activities post – 8/30 are primarily focused on Integration and Performance Testing, Plan Loading and Production (Infrastructure & Ops) readiness activities
INFRASTRUCTURE	OPTUM DEV OPTUM QA OPTUM INT **FORMAL FDSH**	STAGE Similar to Prod & DR	PROD **75 DAYS PRIOR TO LAUNCH**		
PLAN LOADING	• **IV&V Attestation of Plan Loading**	• Load QHPs and QDPs	• Issuer Validation	• Rate Refresh • Final Issuer Validation	
OPERATIONS	• Target State Operating Model, Gaps, Implementation Plan	• Design workarounds • Update P&P's • Staffing Plans	• Build workarounds • P&Ps updated • Training Materials	• Training • Workaround Testing **NOTE –** *Ops/Call Center currently supporting production Marketplace*	• Training • Table-top Testing
MEMBER TRANSITION	• Strategy	• Planning • Messaging, scripts	• Early preview mailing • Certify Navigators • Develop collateral	• Notices sent • Paper applications distributed • Re-certify CAC's • Targeted events	• OE Packets • Robocalls • Navigator assistance • Community events • Media/Press

LEGEND

- ▢ Indicates Production Readiness, if needed
- **MA-Specific Functionality**
- ⬤ % of Total Functionality

SYSTEM READY TO LAUNCH IF NEEDED

ISSUERS AND OPERATIONS READY TO LAUNCH IF NEEDED

2015 OPEN ENROLLMENT

Medicaid Eligibility Platform (MEP) Track Update

Medicaid Eligibility Platform (MEP) Track Overview

- MEP is the MassHealth platform for ACA-compliant Medicaid MAGI program determination, an online user interface and a case management tool. It is based in the HIX/IES system developed by CGI, our former Systems Integrator

- Results of technical assessment and testing of the MEP system include:

  - Critical components for Open Enrollment 2015: program determination and noticing

  - Highest risk components: user interface (portal), case management (worker portal) and verifications

  - Additional components (time clock) require full development

- Approach for Open Enrollment 2015: stable end-to-end solution; clear consumer experience

  - Complete viable components of MEP (PD, notices)

  - Leverage existing hCentive functionality for user interface and case management

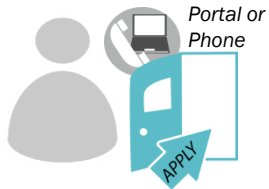 - Full account transfer between hCentive and MEP

Consumer Experience

Completed Functionality

Currently Functional, Updates Needed

Work Needed

MASSACHUSETTS HEALTH CONNECTOR

1. Front Door

Portal or Phone

Participant enters through a single Front Door for CCA & MassHealth (hCentive)
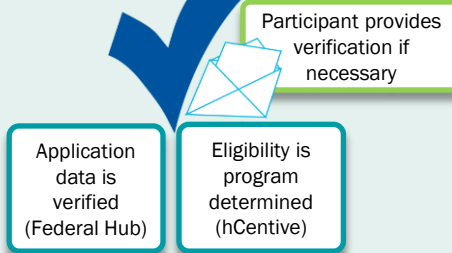
2. Apply

Portal, Phone or Paper

New Application

Participant creates account (Identity Management)

Participant completes application (hCentive)

3a. Verify Eligibility

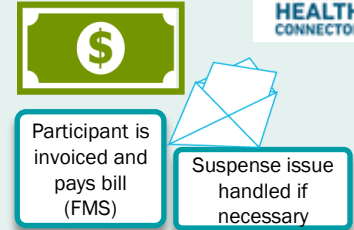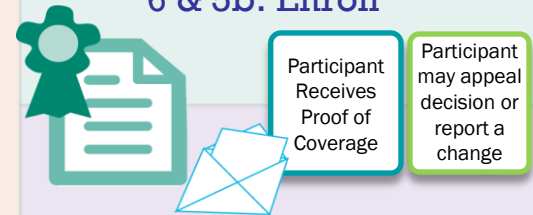Participant provides verification if necessary

Application data is verified (Federal Hub)

Eligibility is program determined (hCentive)

Assessed to be Medicaid eligible

4a. Shop

Participant chooses plan – non state wrap (hCentive)

Participant chooses plan – state wrap (hCentive)
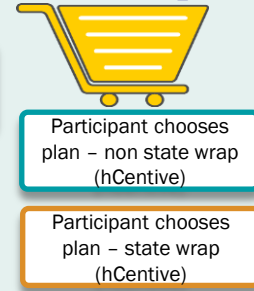
Qualified Health Plan

5a. Bill Pay

Participant is invoiced and pays bill (FMS)

Suspense issue handled if necessary

Account Transfer

Full Outbound Account Transfer of Medicaid referrals (hCentive to MEP)

Full Inbound Account Transfer of Medicaid Denials & Determinations (MEP to hCentive)

6 & 5b. Enroll

Participant Receives Proof of Coverage

Participant may appeal decision or report a change
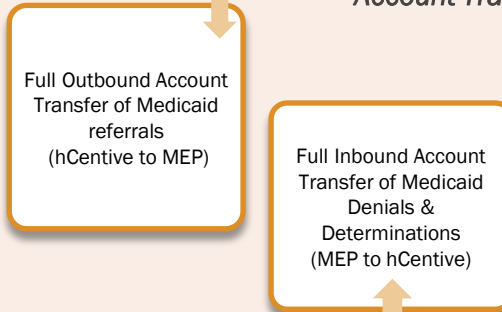
3b. Verify Eligibility
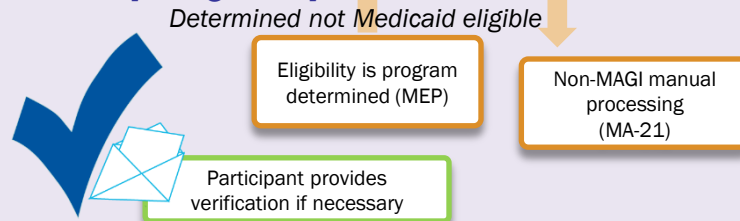
Determined not Medicaid eligible

Eligibility is program determined (MEP)

Non-MAGI manual processing (MA-21)

Participant provides verification if necessary

4b. Notification

Participant is noticed (MEP)

MassHealth

Medicaid Plan

Key Benefits

Single front door and full account transfer provide clear & straightforward consumer experience

Improves alignment with CMS requirements and ACA compliance

Streamlines operational business processes

Fast track to Integrated Eligibility System (IES) by Q2 2015

Improved Total Economic Impact
Expedites reduction in hosting & support costs by decommissioning MEP system in Q3 2015 vs. 2016
Near-term preservation of investment in MEP rules and noticing functionality

Risk mitigation approach for OE 2015

Limits risk exposure to hCentive track by maintaining Medicaid assessment-only scope

Limits risk exposure to MEP track by focusing on most complete and stable CGI functionality (PD, Notices)
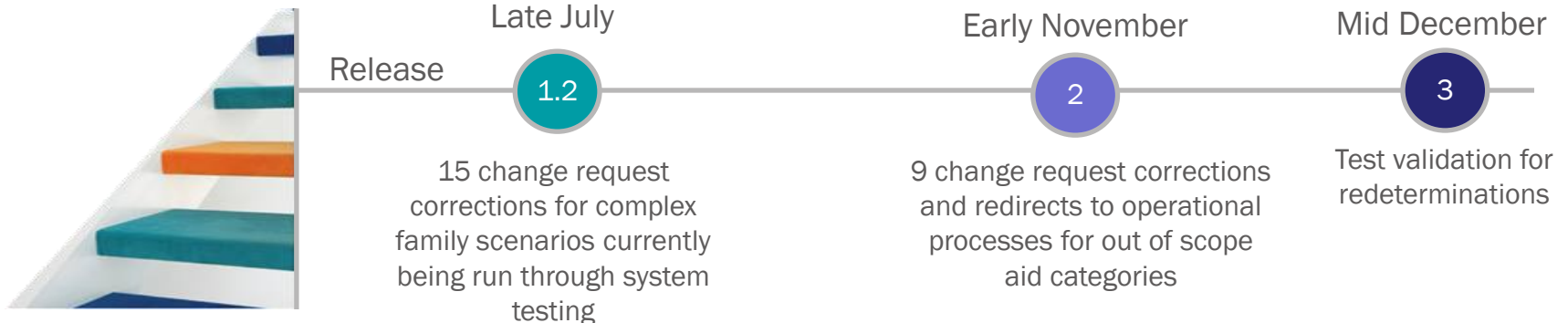
Program Determination

Progress-to-Date

- Sampling tests in March and April showed a pass rate of 80%, leading to decision that PD is viable for Fall 2014

- PD risk has been dramatically mitigated by reducing scope from an original list of 252 aid category types to 24 for this Fall; 24 are focused on most critical MAGI coverage

- 477 test cases have been executed against PD with an 85% pass rate

  – Test case failures are attributed to a known set of change requests which are scheduled for completion in next two releases

  – Test cases for individuals have a 97% pass rate; issues are concentrated in complex family scenarios

Next Steps

Release	Late July **1.2**	Early November **2**	Mid December **3**
	15 change request corrections for complex family scenarios currently being run through system testing	9 change request corrections and redirects to operational processes for out of scope aid categories	Test validation for redeterminations

Project Budget Update

HIX/IES Budget Update

- The federal government has approved $192M in funding for the HIX-IES project. This includes $17.5M approved in June to support the work between February and May 2014 to stabilize our website, ensure we could enroll new people in health insurance and assess our path forward

- Last month we finalized a transition agreement with our former Systems Integrator, CGI. The agreement is critical to delivering a working website for the Fall and keeping the current system running in the meantime

  - As of November 2013, the state had paid CGI $17M out of a total $89M contract

  - The transition agreement calls for an estimated $35M in new payments for accepted milestones, work that CGI or a subcontractor built which provides value to the Commonwealth and O&M support and knowledge transfer throughout the transition

- We continue to negotiate an at-risk, pay-on-delivery contract with Optum. When we have completed those negotiations, we will present an updated cost estimate for this project including the amount of additional federal funding to be requested

Next Steps

Next Steps

- hCentive Release 2.0: July 30, 2014

- Final decision point for dual track plan with CMS: Early August

- Next Health Connector Board Meeting: August 14, 2014