



Risk Adjustment Update (VOTE)

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Board of Directors Meeting, November 10, 2016

Background & Update On Risk Adjustment



Today we seek approval for a work order to engage our risk adjustment technical consultant, Milliman, Inc., to perform services for Calendar Year 2017 needed to carry out an Affordable Care Act risk adjustment program, for an amount not to exceed \$1,321,194.

- The Health Connector, on behalf of the Commonwealth and in collaboration with other state agencies, implements a state-administered, Massachusetts-specific Affordable Care Act (ACA) risk adjustment (RA) program
- Through a Request for Proposals (RFP) released in September 2015, and with a Board approval on November 12, 2015, the Health Connector retained Milliman's New York Health Practice as its RA technical consultant for a three-year term
- The initial work order under that contract was for work conducted in Calendar Year 2016
- Now, the Health Connector is seeking to enter into a second work order for the period from January 1, 2017 to December 31, 2017

Background & Update On Risk Adjustment (cont'd)



- In July 2016, the Health Connector completed RA calculations, and received/made RA transfer payments, for the 2015 Benefit Year
- We are now beginning the process of analyzing data and conducting simulations for the 2016 Benefit Year
- At this point in time, we are responsible for administering this program for Benefit Year 2016, at the completion of which we will transition the program to the federal Centers for Medicare & Medicaid Services (CMS)
- To complete the 2016 Benefit Year administration, we will need to rely on technical and programmatic support from Milliman throughout 2017
- This involves receiving and analyzing data for the 2016 Benefit Year and running simulations for the benefit of carriers subject to risk adjustment
- Additionally, three carriers have requested reconsideration of the risk adjustment assessments and transfers that the Health Connector calculated for the 2015 Benefit Year and the Health Connector requires the support of Milliman to respond to those requests

Milliman Scope of Work



Milliman will support the Commonwealth on key activities related to administration of the risk adjustment program.

- The scope of work includes:
 - Support the 2016 annual funds settlement
 - Assist the Health Connector and its contractor(s) in RA Data Validation program development and implementation for the 2016 Benefit Year
 - Assist with submission of the 2016 Annual RA program report to CMS
 - Conduct a 2016 statewide RA simulation and data quality reporting
 - Assist the Health Connector and the Center for Health Information and Analysis (CHIA) in data discrepancy resolution and reconsideration, as well as the collection of supplemental diagnoses for risk adjustment
 - Assist in responding to requests for reconsideration filed by carriers after 2014 and 2015 assessments
 - Assist the Health Connector and CHIA in monitoring and analyzing federal rules, regulations and guidance as they relate to risk adjustment as well as the risk adjustment methodology
- This work order is for an amount not to exceed \$1,321,194
- The first six months of the cost of this work order was approved by the Board at the July 2016 Board meeting as part of the Fiscal Year 2017 Administrative Budget, and the final six months were contemplated in the Fiscal Year 2018 Administrative Budget at that time

VOTE



Health Connector staff recommend that the Board authorize the Executive Director to execute a work order with Milliman, Inc. on the terms set out in this presentation.