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TO: The Joint Fiscal Office and the Office of Legislative Counsel; for further distribution to the:
Health Reform Oversight Committee
Joint Fiscal Committee
House Committee on Health Care
Senate Committee on Health and Welfare

From: Lawrence Miller, Chief of Health Care Reform

RE: Vermont Health Connect 2016 Renewal Contingency Plan per Act 58 §C.106.2(a)(2)

Attached please find a summary of the Vermont Health Connect (VHC) contingency plan for renewing qualified health plans offered to individuals and families for plan year 2016. This contingency plan has been developed in consultation with Vermont Health Connect insurance issuers in accordance with 2015 Act 58 §C. 106.2(a)(2). In my opinion VHC has met this milestone.

The primary goal at VHC is improved service for Vermonters. The main renewal plan offers self-service plan selection during open enrollment, with the option of easily renewing online, by phone, by paper, or by doing nothing and simply allowing the health plan to roll into a new coverage year. VHC has a contract and delivery schedule for this functionality and all parties are working diligently to meet this target. At this time, while there are noted risks, all indications are that the functionality needed for a normal renewal process will be delivered by October 1, 2015, and successfully implemented for the 2016 open enrollment period.

The attached contingency plan focuses on a scenario in which Vermont Health Connect receives no additional system functionality between now and open enrollment. To be fully prepared, Vermont Health Connect is also developing segmented contingencies for the event of partial renewals deployment. Vermont Health Connect will continue to work with its vendor and issuer partners toward the primary renewal plan, while continuing to engage in detailed contingency planning for each part of the process. To be effective as a contingency plan many elements of the primary and contingency approach, such as outreach materials, will need to be developed in parallel work streams.

The additional costs of preparing contingency materials are modest and can be managed within the existing budget but staff augmentation costs to assure successful execution of the contingency plan are not. Neither are those costs extravagant. The projected maximum of \$3.5M is 1.75% of the \$200M premium base, or around \$140 per household. For comparison, the approved fee for broker enrollment services in the small group marketplace is \$20 per enrolled employee per month, or \$240 per year.

Vermont Health Connect 2016 Renewals Contingency Plan Summary¹

For Open Enrollment and Qualified Health Plan (QHP) Renewals for 2016, Vermont Health Connect (VHC) intends to deploy automated renewals functionality within the existing IT platform which will allow self-service plan selection during open enrollment, self-service change reporting, automated noticing, and automated QHP issuer and billing integration. VHC has a contract and schedule in place and is working with its contractors and insurance issuer partners to meet this goal.

At the same time, VHC is also engaged in comprehensive contingency planning and has developed the following "baseline" contingency plan for the unlikely event that no further functionality is delivered in time for renewals.

Under this contingency plan, VHC would process a new 2016 application for coverage on behalf of each enrollee using their most recent information available in the VHC system. Customers would also be able to request changes to their coverage via phone, paper, or online form throughout open enrollment. Change requests would be implemented using automated change of circumstance functionality after the processing of the customer's renewal application.

The advantage of the baseline contingency plan is that it is achievable from a technical perspective, using system functionality already available to us this summer, and can be operationalized with staff augmentation.

To ensure that renewed Vermonters receive invoices in a timely fashion, these applications would need to be entered by December 4, 2015. To meet this deadline, the State estimates that approximately 200 additional staff would be needed for the months of October and November. If this contingency is triggered, the State would first work with the Agency of Human Services to identify State staff from other Departments who may be utilized for this activity. The State would also negotiate with contractors to provide the staff augmentation necessary to achieve this aim on the tight deadline provided. It is estimated that these resources would cost the State up to \$3.5 million.

Risks and Mitigation Strategies

1. Customer experience

Because this renewals methodology involves the back-end submission of new customer applications, customers would not be able to access information about their renewal coverage through the online portal. Instead, VHC would make plan information available for customer browsing on its info site as well as through the call center. VHC would also provide customers with access to their renewed account online, if requested, after their renewal is processed.

¹ Act 58 (2015) Sec. C.106.2(a)(2).

2. Billing

Under this contingency plan, customers with a past-due balance for 2015 coverage would not see that amount reflected in their 2016 invoices, and automated processes to track grace periods would be compromised. To mitigate this concern, VHC would build upon the approach used during the 2015 renewals period in which separate invoices were generated for customers with past-due balances, and manual processes were employed to track grace periods. VHC would work closely with QHP issuers to improve this approach for 2016.

3. Resources and retroactivity

Due to the manual nature of the contingency plan, VHC would need to augment its staff in order to complete the renewals prior to billing for 2016. Even with augmentation, there is a risk that renewal change requests could be processed after the start of coverage.² VHC experienced a large backlog of renewal processing for the 2015 benefit year. This risk is mitigated for 2016, however, by the availability of automated change of circumstance functionality.

Conclusion

This baseline contingency plan would achieve the goal of renewing Vermonters into coverage for 2016 without any additional IT delivery. However, it is unlikely that VHC will need to trigger such a plan. Many aspects of the automated renewal functionality are already available in the VHC IT system and enhancements are on track for deployment prior to the renewals release. Therefore, VHC is also contingency planning for the event of partial renewals deployment. This includes strategies such as manual noticing if automated renewal noticing is not deployed, call center and eligibility worker change processing if self-service COC is not deployed, and report-based enrollment integration if automated Electronic Data Interchange Form 834 integration is not stabilized. VHC will continue to work with its vendor and issuer partners toward the release, while engaging in detailed contingency planning for each aspect of that deployment.

² Customers have until December 15 to request changes for January 1, 2016.