

LAWRENCE MILLER  
Chief of Health Care Reform



State of Vermont  
OFFICE OF THE GOVERNOR

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TO: HCHC, SCHW, SCF, HROC, JFC  
FROM: Lawrence Miller, Chief of Health Care Reform  
Date: June 27, 2016  
RE: Vermont Health Connect Report

A handwritten signature in blue ink that reads 'Lawrence Miller'.

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I am pleased to submit this Vermont Health Connect's report in conformance with Section C.106 of the budget bill passed in 2015.

As we approach the end of the State's fiscal year, I think it's important to take stock of where we've come over the past year, where we are now, and where we expect to go in the months ahead.

Let's start with the reason that Vermont chose to pursue a state-based marketplace in the first place: to increase access to quality health care for all Vermonters by ensuring access to quality health coverage.

### **Health coverage**

By all accounts, Vermont Health Connect has helped drive down the state's uninsured rate. At the start of 2015, the Vermont Household Health Insurance Survey revealed that Vermont's uninsured rate was cut nearly in half from fall 2012 to fall 2014 (from 6.8% to 3.7%). The survey also reported that Vermont had done particularly well in terms of covering children in the state. The number of uninsured children in Vermont fell from nearly 2,800 in 2012 to fewer than 1,300 in 2014.

In early 2016, the National Center for Health Statistics used U.S. Census Bureau data to estimate that Vermont's uninsured rate was driven even lower in 2015, down to 2.7%. This followed late 2015 reports from the Census Bureau that Vermont had passed Hawaii and Washington, D.C. to attain one of the two lowest uninsured rates in the nation.

Vermont's enrollment success can be attributed to an integrated approach to QHP and Medicaid enrollment to ensure that Vermonters don't fall through the cracks or face multiple applications, a commitment to state programs to reduce the cost of health insurance, and a strong consumer assistance program that offers telephone support and online tools while collaborating with community partners and stakeholders across the state.

More than one in three Vermonters is now covered by a Vermont Health Connect health plan, either a qualified health plan (QHP) or Medicaid for Children and Adults (MCA). As of May 2016, over 220,000 Vermonters possessed such coverage. QHP enrollment consisted of more than 77,000 Vermonters

covered either as individuals through the exchange or direct-enrolled through a small business employer. MCA enrollment included more than 82,000 adults and 62,000 children.

## **Partnerships**

Vermont Health Connect's Assister Network consists of more than 230 Navigators, Brokers, and Certified Application Counselors. These Assistors provide in-person enrollment assistance in all 14 counties of the state. They also coordinate with Vermont Health Connect's outreach campaign to promote health insurance literacy, help customers understand the total cost of insurance, and ensure that Vermonters are aware of the increasing federal fee for not having health insurance.

In fall 2015, Vermont Health Connect partnered with community libraries and pharmacies to hold a series of "Health Insurance 101" workshops across the state. The sessions were free to the public and designed to help customers and potential customers better understand health insurance terms, financial help, and how to interact with the Vermont Health Connect system.

During open enrollment, Vermont Health Connect launched a new online Plan Comparison Tool to help Vermonters better understand their subsidies and assess how various plan designs and out-of-pocket costs could impact their total health care costs. The tool was created by the non-profit Consumers' Checkbook and was named the nation's best plan selection tool by Robert Wood Johnson. It has engaged Vermonters in nearly 30,000 sessions since its launch and played a key role in equipping individuals and employees of small businesses to choose the best health plan for their families' needs and budgets.

## **Health plans**

In terms of health plan offerings, the Department of Vermont Health Access (DVHA) maintained the same benchmark plan that has been in place for Vermont since 2014. Minimal changes were made to enrollee cost-share amounts in order to remain within required actuarial values (AVs) for all 2016 standard plans. Also for 2016, Blue Cross Blue Shield of Vermont and MVP Health Care were asked to prepare one additional non-standard plan at the Gold metal level with equal deductible and maximum out-of-pocket values. This plan design had been popular among small businesses in Vermont and was determined to be a valuable addition to the array of QHPs offered in the marketplace.

In compliance with state law and the original guidance of the Affordable Care Act, Vermont Health Connect expanded availability of qualified health plans to small businesses with up to 50 employees to those with up to 100 employees for 2016. This expansion contributed to the 18 percent increase in QHP enrollment by small business employees over the last year.

## **Operations and System**

Technology-wise, Vermont Health Connect faced major challenges and has made significant progress.

Consider where we were at this time last year.

Because of a lack of automated functionality, 2015 had started with time-intensive contingencies for processing renewals and making changes to accounts. While processes were in place to ensure that all

customers had access to care, many customers experienced delays. Renewals weren't completed until May 2015 and the queue of customers awaiting change requests topped 10,000 at that time.

Optum, which Vermont had hired to replace its previous System Integrator, delivered its first deployment at the end of May 2015. These system upgrades supported automated changes of circumstance (COC). Staff were able to enter changes into the Vermont Health Connect system using a simple wizard tool with pre-populated data, and then have those changes updated automatically into the insurance carriers' and payment processor's systems. Prior to this upgrade, requested changes required staff to re-enter entire health insurance applications – often more than one hundred fields of data – and then work with additional teams of workers to transmit and update the information into as many as six different systems over a period of weeks. The new functionality greatly reduced the amount of time it took to process change requests.

At the beginning of October, Optum deployed a system upgrade to support automated renewal functionality for QHP customers. When open enrollment began in November, this automated process took care of four out of five renewing households. State staff assisted with the completion of the remainder of the cases, which typically needed additional information before they could be processed into 2016 health plans.

In early November, key subcontractor Exeter announced that it was going out of business. The State quickly secured the license to Exeter's OneGate software and moved to transition key personnel to Optum and other contractors. Prior to closing its doors, Exeter delivered code to support such additional upgrades as Medicaid redetermination integration, Department of Labor verifications, billing and payment functionality, and notices.

The State and its contractors focused on testing the code and preparing multiple deployments in order to manage scope and deliver the best service for Vermonters. The final upgrade, deployed in March 2016, enabled Medicaid renewals for enrollees already in the VHC system. It also marked the conclusion of major system development activities. This meant that the State, Optum, and other partners no longer had to manage continual cycles of major code changes. Instead they could focus on identifying and remediating defects and making process improvements within a stable system. This effort came to be known as the Maintenance and Operations (M&O) Surge. The M&O Surge began in March and is scheduled to wind up over the coming weeks. Work to continuously improve the customer experience and to address the remaining punch list items will continue under the regular Maintenance and Operations contract as well as small contracts for specific work, such as premium processing enhancements.

The results of the Surge are already visible and can be seen in the charts and graphs of the attached report. Escalated cases are down 80 percent. Integration errors are also down 80 percent. Customer requests are being processed in an increasingly timely manner. The Level 1 Customer Support Center is resolving more phone calls themselves without having to transfer. All of this is happening at a time that, with Medicaid renewals, the Customer Support Center and Health Access Eligibility and Enrollment Unit are experiencing customer service volumes even higher than during QHP open enrollment.

## **Medicaid renewals**

Redeterminations for Medicaid for the Aged, Blind and Disabled (MABD) beneficiaries began in October and have continued through the winter and spring. In January, Vermont Health Connect began redeterminations for Medicaid for Children and Adults (MCA), also known as “MAGI Medicaid” because federal eligibility rules are based on Modified Adjusted Gross Income (MAGI) criteria. The first stage, transitioning MAGI Medicaid households from the State’s legacy ACCESS system to Medicaid or qualified health plans in the Vermont Health Connect system, is drawing to a close. The second stage, focusing on Medicaid households that are already in the Vermont Health Connect system, began in April and will run until October.

For the renewal, Vermont Health Connect contacts 9,000 MCA households per month and requests that they update their household and income details. Eligibility is based on current income and can change as Vermonters’ incomes change. Of the renewing Vermonters who have had their new information entered into the system and received an eligibility determination, nearly nine in 10 are still eligible for Medicaid. Most of the rest qualify for subsidies to bring down the premium and out-of-pocket costs of a QHP.

## **Next steps**

Goals for the summer and fall include: 1) continuing to improve system performance by performing root cause analysis of errors, remediating existing issues, and preventing future incidents, 2) providing quality customer service, 3) completing Medicaid renewals, 4) working with stakeholders to finalize a comprehensive state rule detailing policies and procedures for recertification of existing QHPs and issuers, as well as the processes for new medical and dental issuers wishing to become certified, 5) providing a smooth 2017 renewal/open enrollment process for QHP customers and supporting their plan selection process, and 6) advancing the state’s progress toward universal coverage by continuing to enroll Vermonters and drive down the uninsured rate.

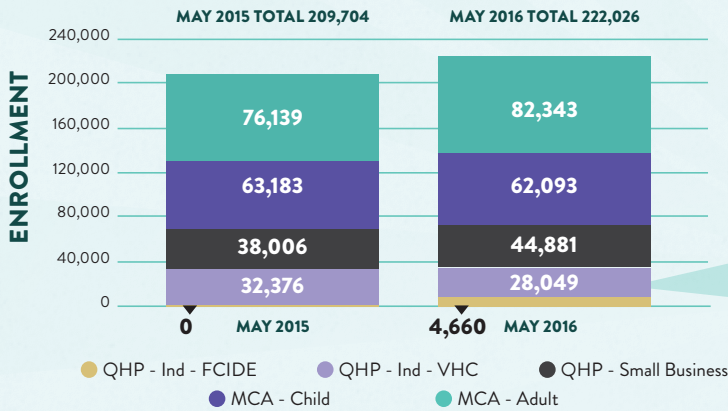
As we embark on these next steps, I want to thank Vermonters for their patience with this major transition in how health insurance works in our country. I also thank the state staff, contractors, and Assistants who worked tirelessly to make sure that every Vermonter who needed health coverage was able to find and enroll in the right plan. And I thank all the community partners and individual Vermonters who helped us connect to family, friends, and neighbors and get them covered.

You are the reason we are putting in the work necessary to complete Vermont’s integrated system for Medicaid and QHP Enrollment, when the seemingly easy path would have been to call it quits, go to the federal marketplace, and let customers deal with the higher fees, inconvenience of multiple applications, and frustration of out-of-state customer service. You are the reason that Vermont has one of the highest insured rates in the nation. You are the reason we will achieve virtually universal coverage.

# VERMONT HEALTH CONNECT MAY 2016 DASHBOARD

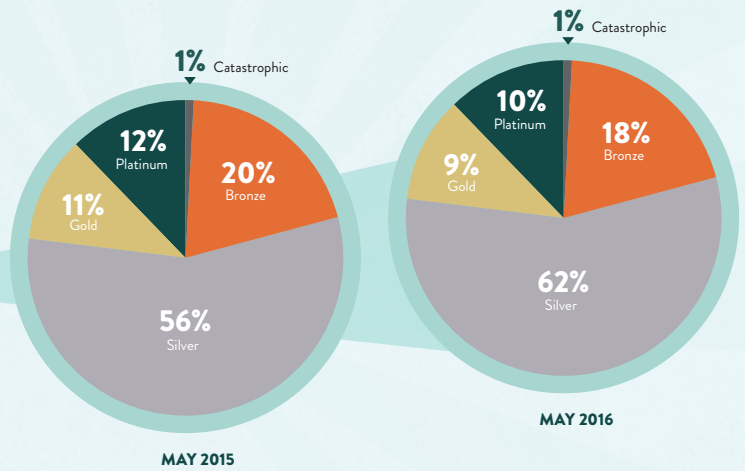
## COVERED VERMONTERS

### INDIVIDUALS ENROLLED IN QUALIFIED HEALTH PLANS (QHP) OR MEDICAID FOR CHILDREN AND ADULTS (MCA)



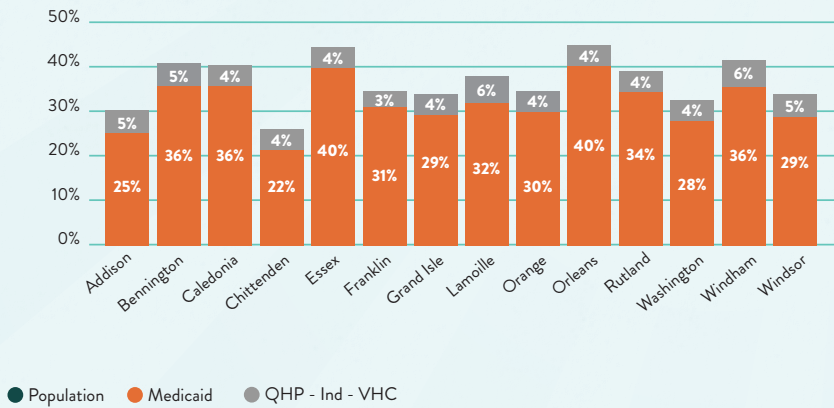
Note: Effectuated enrollments for QHP as reported by insurers to VHC. As of January 2016, individuals have the option for Full Cost Individual Direct Enrollment (FCIDE) in addition to VHC managed enrollment. Medicaid for Children and Adults (MCA) as reported by Vermont Health Connect and Vermont's legacy ACCESS system. MCA includes Dr. Dynasaur and CHIP but does not include Medicaid for the Aged, Blind, and Disabled (MABD).

### QHP INDIVIDUAL VHC COVERAGE BY METAL LEVEL

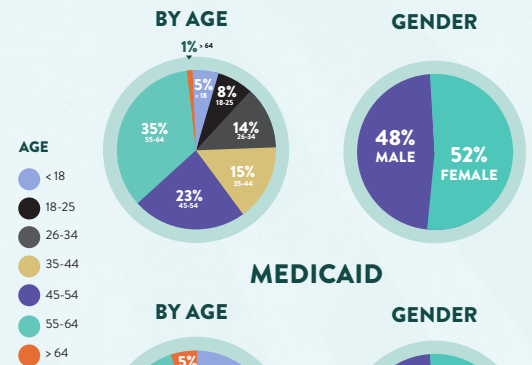


## DEMOGRAPHICS

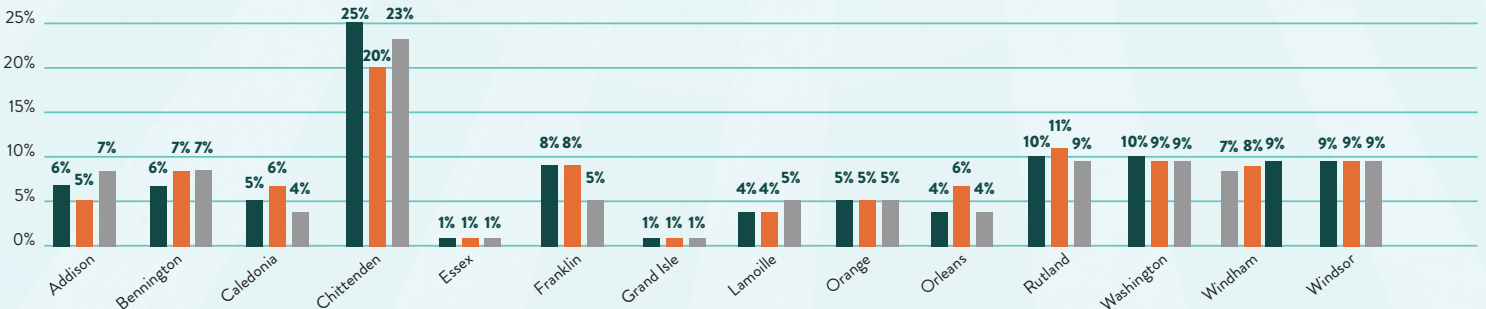
### PERCENTAGE OF COUNTY BY TYPE OF HEALTH COVERAGE



### QHP - IND - VHC



### WHO IS COVERED BY VERMONT HEALTH CONNECT?



## WHO IS NEW

### QHP INDIVIDUALS WHO ARE YOUNG ADULTS (26-34)



21% of new enrollments

12% of re-enrollments

### QHP INDIVIDUALS RECEIVING FINANCIAL HELP

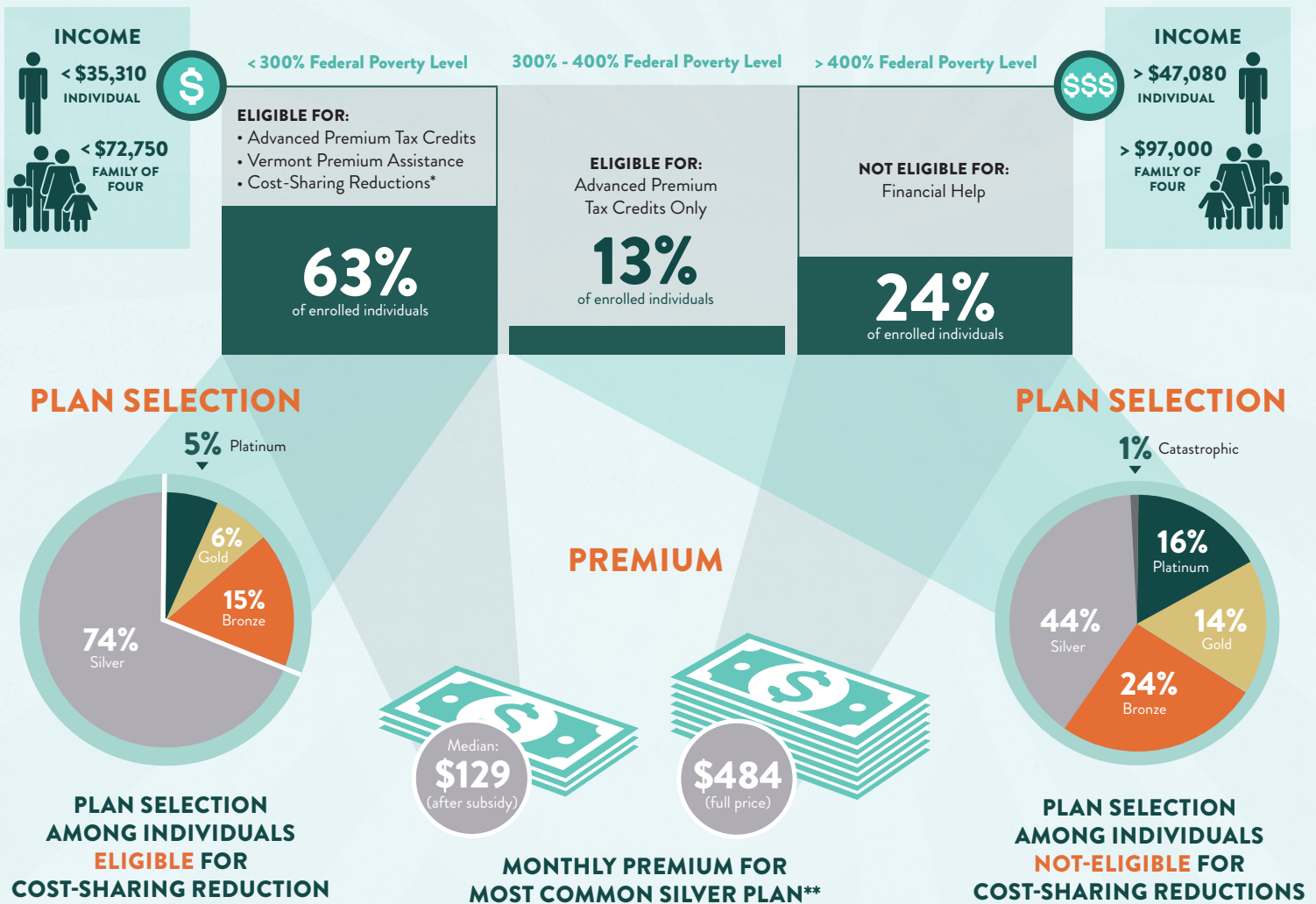


87% of new enrollments

73% of re-enrollments

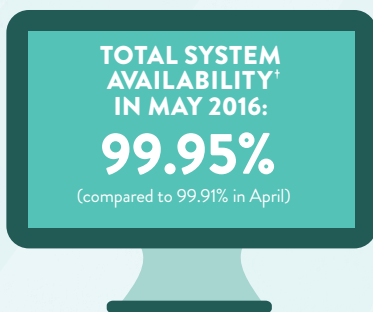
# FINANCIAL HELP

## WHO GETS FINANCIAL HELP TO PURCHASE A QHP AND WHAT ARE THEY PAYING FOR HEALTH CARE?



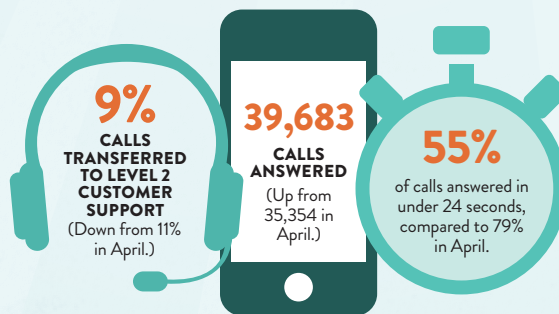
# CUSTOMER SUPPORT

## ONLINE

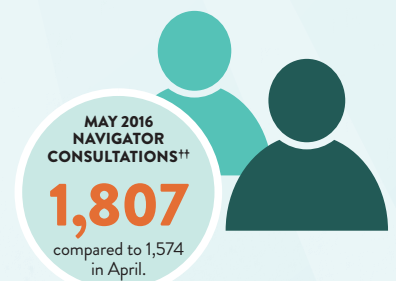


<sup>†</sup>Percentage of time web portal and other systems were up and running outside of scheduled maintenance period.

## BY PHONE



## IN PERSON



<sup>††</sup>Unique interactions with individuals lasting at least 10 minutes, including those that result in an application and follow-ups for health coverage.

\*Note: There are four tiers of cost-sharing reductions. Depending on income, an individual in a Standard Silver CSR plan could have a deductible between \$100 and \$2,000 and a maximum out-of-pocket between \$500 and \$4,500.

\*\*The BCBSVT Standard Silver Plan is the most common plan. To see which plan will likely have the lowest total costs for your particular family situation please click "Decision Tools" at <http://VermontHealthConnect.gov>

# VERMONT HEALTH CONNECT

*AN UPDATE ON VERMONT'S INTEGRATED SYSTEM FOR  
MEDICAID AND QHP ENROLLMENT*

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*PREPARED BY VERMONT HEALTH CONNECT AT THE DIRECTION OF  
2015 ACT 58 SEC. C. 106.*

*JUNE 27, 2016*

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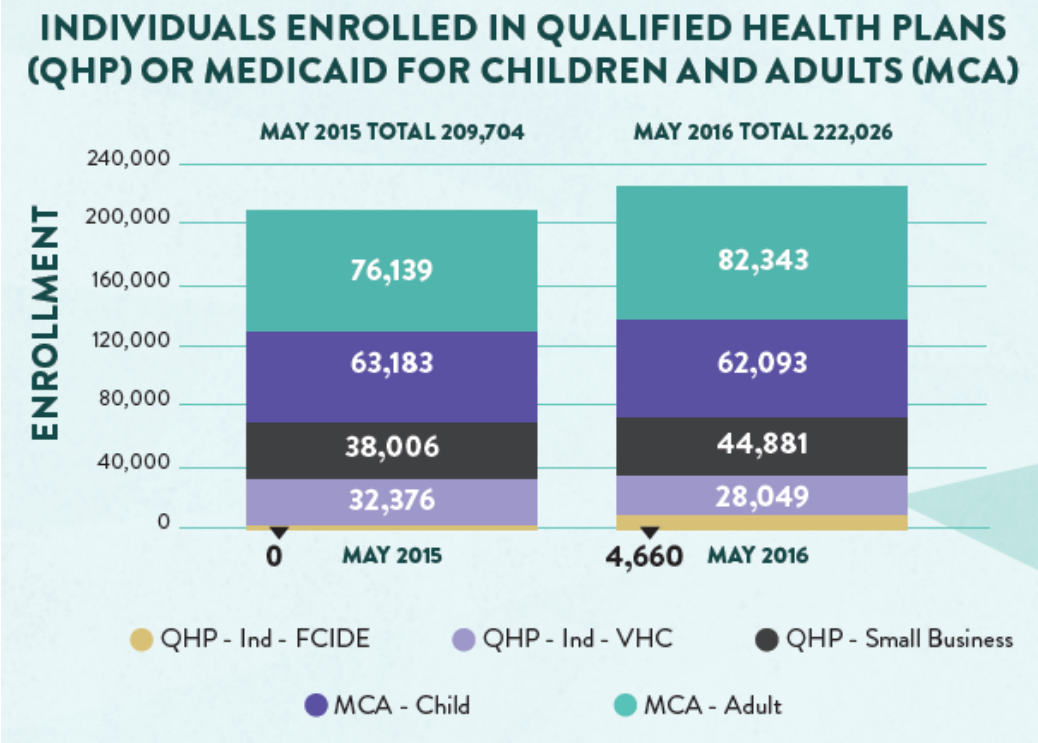
- Enrollment Update
- Operational Update
- “M&O Surge” Overview
- Operational Metrics



# ENROLLMENT UPDATE

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- 12,000 more Vermonters were covered by Qualified Health Plans and Medicaid for Children and Adults in May 2016 than one year before.
- National Center for Health Statistics estimates that Vermont's uninsured rate fell to 2.7% in 2015.
- Continuation of positive enrollment reports, such as those from Census Bureau showing that Vermont passed Hawaii and Washington, D.C. to attain one of the two lowest uninsured rates in the nation.



Note: Effectuated enrollments for QHP as reported by insurers to VHC. As of January 2016, individuals have the option for Full Cost Individual Direct Enrollment (FCIDE) in addition to VHC managed enrollment. Medicaid for Children and Adults (MCA) as reported by Vermont Health Connect and Vermont's legacy ACCESS system. MCA includes Dr. Dinosaur and CHIP but does not include Medicaid for the Aged, Blind, and Disabled (MABD).



- 2016 VHC enrollment data shows that Vermont is:
  - continuing to chip away at the last 2.7% uninsured, and
  - reaching the challenging “young invincible” demographic.
- At time of 2014 Vermont Household Health Insurance Survey, 25-34 year olds were more than twice as likely as any other age group to be uninsured.
- They are now enrolling at a much higher rate.
- More than one in five (21%) new VHC QHP enrollees are in the 26-34 age group, compared to just 12% of the renewing population.

## QHP INDIVIDUALS WHO ARE YOUNG ADULTS (26-34)

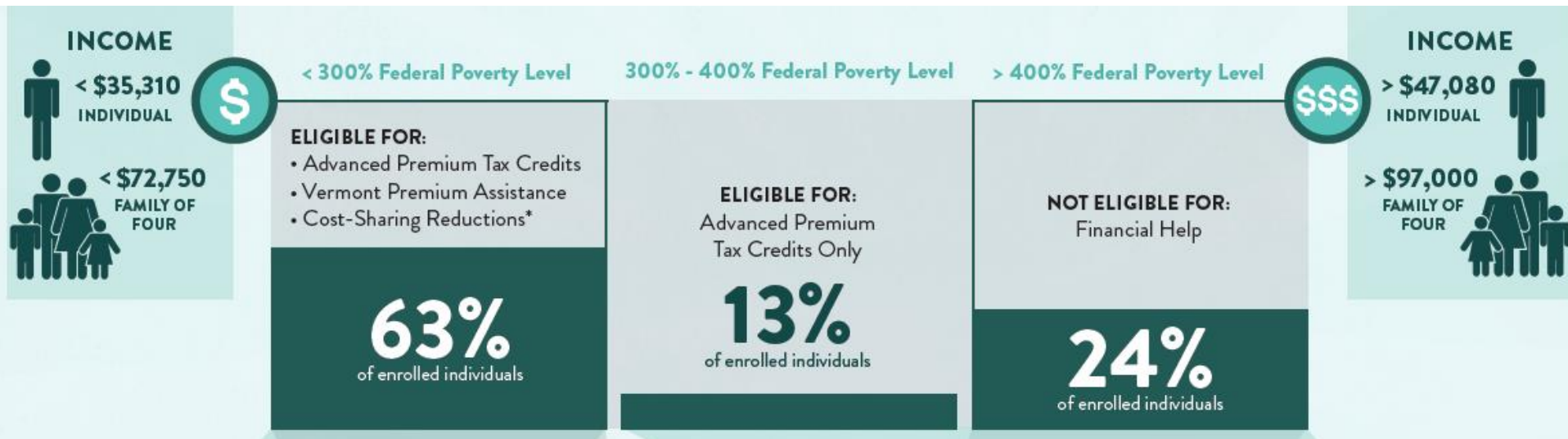


**21%** of new enrollments

**12%** of re-enrollments

# QHP Enrollment: Financial Help

- More than three-quarters (76%) of VHC-managed QHP enrollees receive financial help to make premiums and/or out-of-pocket costs more affordable.
- Proportion is even higher (87%) among newly enrolled QHP customers.



## QHP INDIVIDUALS RECEIVING FINANCIAL HELP



**87%** of new enrollments

**73%** of re-enrollments

# OPERATIONAL UPDATE

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- **QHP Verification Notices**
  - Mailed to approximately 320 households the week of 6/20.
  - Similar to last year, the District Offices coordinating with DVHA to accept documentation from customers who want to drop it off in person, not by mail.
- **Partial Payment Notices**
  - In July, WEX Health will be implementing a partial payment notice.
  - The notice will also include the customer's Contact ID to ensure accurate service at the Customer Support Center.
- **Customer Support Center**
  - Medicaid renewals driving highest volume of the year.
- **Medicaid Renewals**
  - Initial notices mailed in June to third group of 9,000 households already in VHC.
  - Final notices mailed to customers with June 30 closure date.
  - Blast calls urge them to apply soon to avoid coverage gap and federal fee.
  - Provider communication will be key to guiding cancelled members.

# “M&O SURGE” UPDATE

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The successful March deployment of an upgrade to support VHC-system Medicaid renewals, last in year-long series of system upgrades, allowed focus to shift to immediate priorities related to business operations and customer experience.

Dubbed the “Maintenance and Operations Surge,” a partnership between Optum and State of Vermont aligned work streams and resources to improve:

- **Medicaid Renewal:** optimize new functionality for enrollees already in system
- **Integration across all systems:** Carriers, Payment Processor (WEX), Legacy Medicaid system (ACCESS)
- **Reconciliation:** on-going monthly reconciliation
- **Operations:** inventory reduction and process optimization

## Goals

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- For each stream, the definition of success includes:
  - Root cause analysis
  - Remediation of existing issues
  - Prevention of future incidents

## Benefit for Vermonters

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- Improve the customer experience
  - More efficient enrollment and renewal experience
  - Increase billing accuracy and reduced consumer inquires on billing
  - Correct coverage



- “M&O Surge” effort began after final system deployment in March.
  - Goal: improve customer experience by performing root cause analysis of errors, remediating existing issues, and preventing future incidents.
  - Significant deployments every three weeks to implement codes fixes, data clean-up, and process resolution – including a successful deployment on June 22.
  - More than 200 defects addressed in first five deployments.
- Impact of last three months of “M&O Surge” can be seen in following section’s data.

# OPERATIONAL METRICS

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- Medicaid renewals driving high call volume.
- Customer Support Center answered more calls in May than any month in over a year (since 2/15).
- Transfer rate is down to 9% as Level 1 Customer Support Representatives (CSRs) can process most applications on initial call.
- Maximus is hiring; 13 more CSRs were added to the phones June 14 to bring down wait times.



Month	Calls Offered	Answer Rate	Calls Answered	Calls Answered <24 Sec	Transfer Rate
January 2016	42,769	83%	35,352	32%	10%
February 2016	45,043	81%	36,514	46%	9%
March 2016	41,661	93%	38,678	75%	11%
April 2016	36,774	96%	35,354	79%	11%
May 2016	43,940	90%	39,683	55%	9%

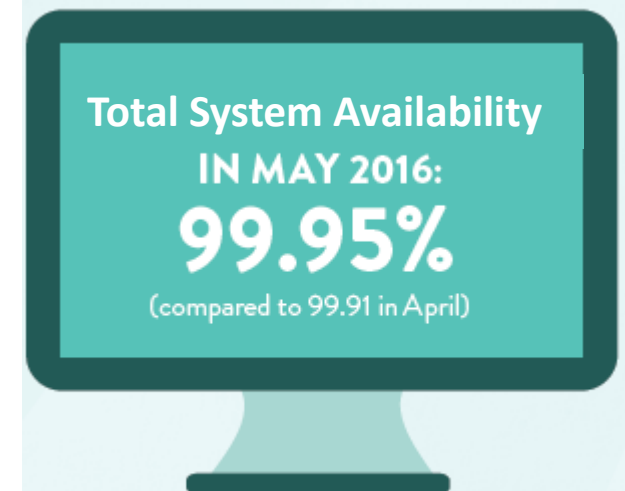
Service Level Agreement (SLA): answer 60% of calls within 25 seconds.

- Met SLA in March and April after missing first two months of the year.
- Met SLA nine out of 12 months in 2015.

Comparison: Average wait time over the three months of 2016 Open Enrollment (Nov-Jan):

- Vermont: 5min 3sec; Federal: 10min 30sec

- System continues to operate as expected.
- Fastest page load times of the year in May.
- 99.95% availability across all systems in May.
- 100% availability on customer-facing website.



Month	Total Availability	Average Page Load (sec)	Max Peak User	Visits
January 2016	99.86%	2.02	136	67,911
February 2016	99.91%	1.72	168	52,952
March 2016	99.90%	1.45	106	62,509
April 2016	99.91%	1.36	113	59,458
May 2016	99.95%	1.09	107	58,174

Service Level Agreement (SLA): Optum-Liable Availability not <99.9%; Load Time not > 2 seconds.

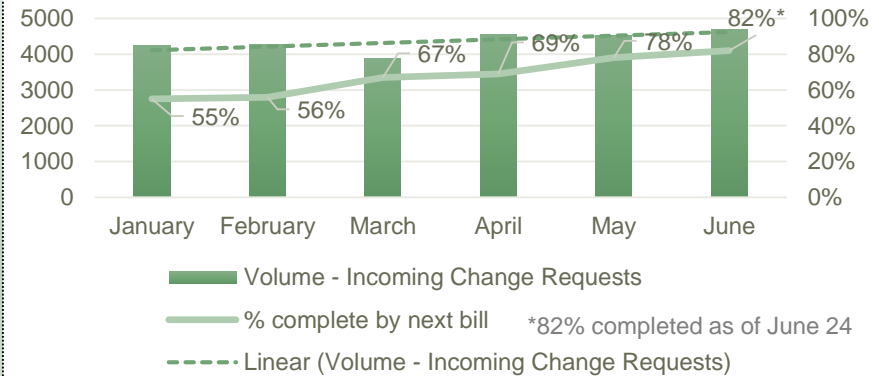
- Have met Load Time SLA in 11 of 12 months since May 2015 system upgrades.
- Have met Availability SLA every month since May 2015 system upgrades.
- Total Availability met same goal in 10 of 12 months.

# Change Requests

- More changes requested in the last month (4,677) than in any month this year.
- Inventory of open requests (2,070 households) is the lowest of the year – fewer than one in three (582) involve a QHP household.
- Four out of five (82%) requests made 5/16-6/15 were completed by 6/24, two weeks ahead of the next bill.
- In each of the last four months, VHC has processed more changes than it received.

### Monthly Change Request Volume and Timely Processing Ratio

(month ending on 15th of month)



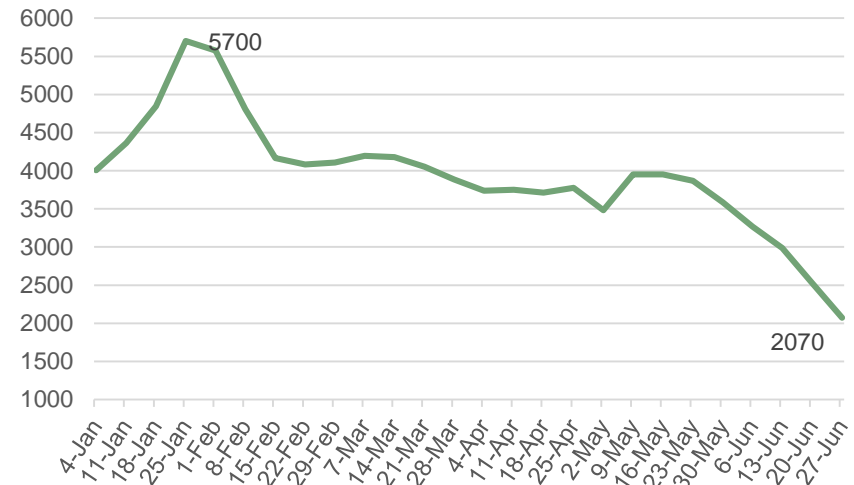
### Change Processing Capacity:

Net Households with Requests Completed vs. Opened



### Net Inventory of Change Requests

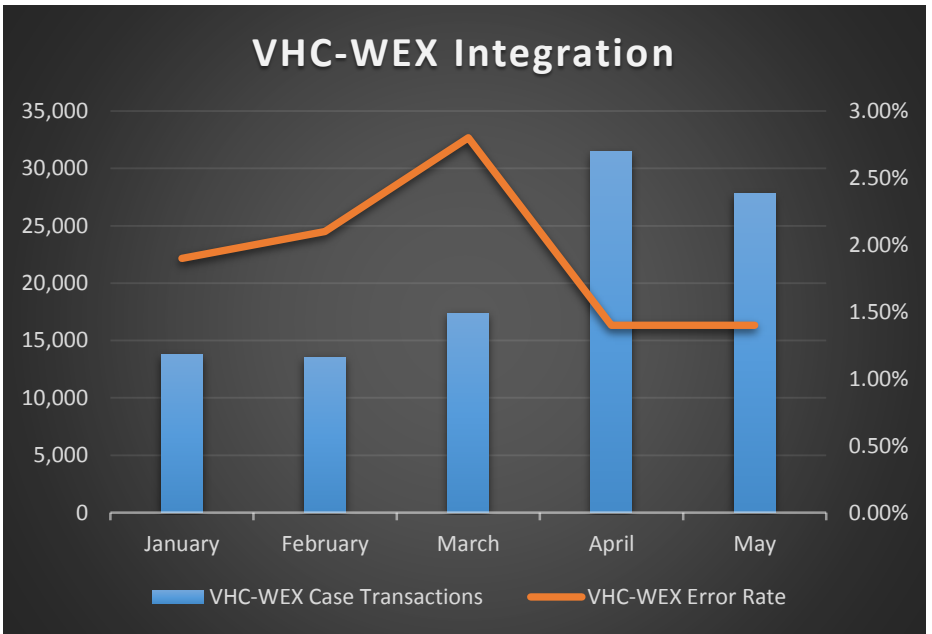
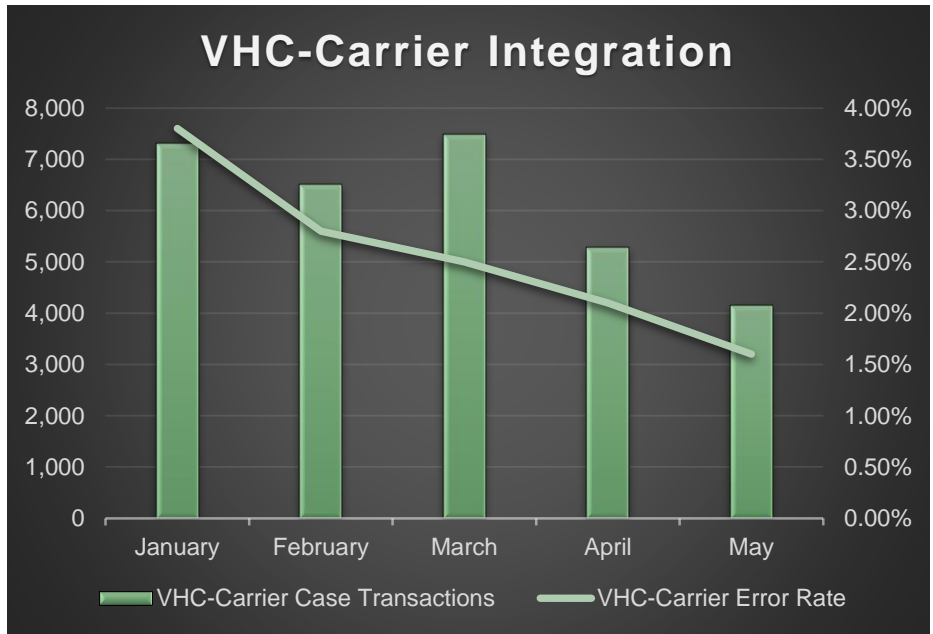
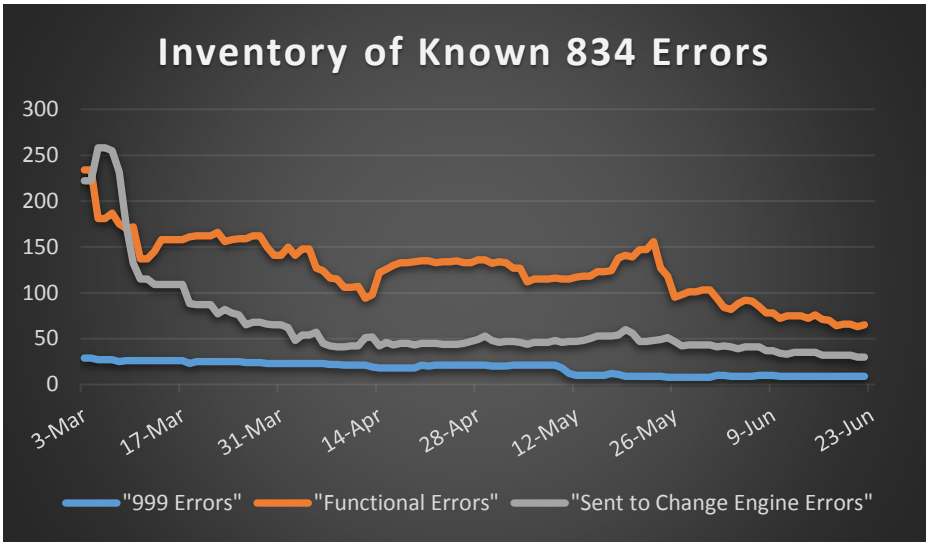
# of Households Awaiting Changes



**Target:** Changes requested by 15<sup>th</sup> day of month should be completed by the next bill (mailed on or around 5<sup>th</sup> day of next month).

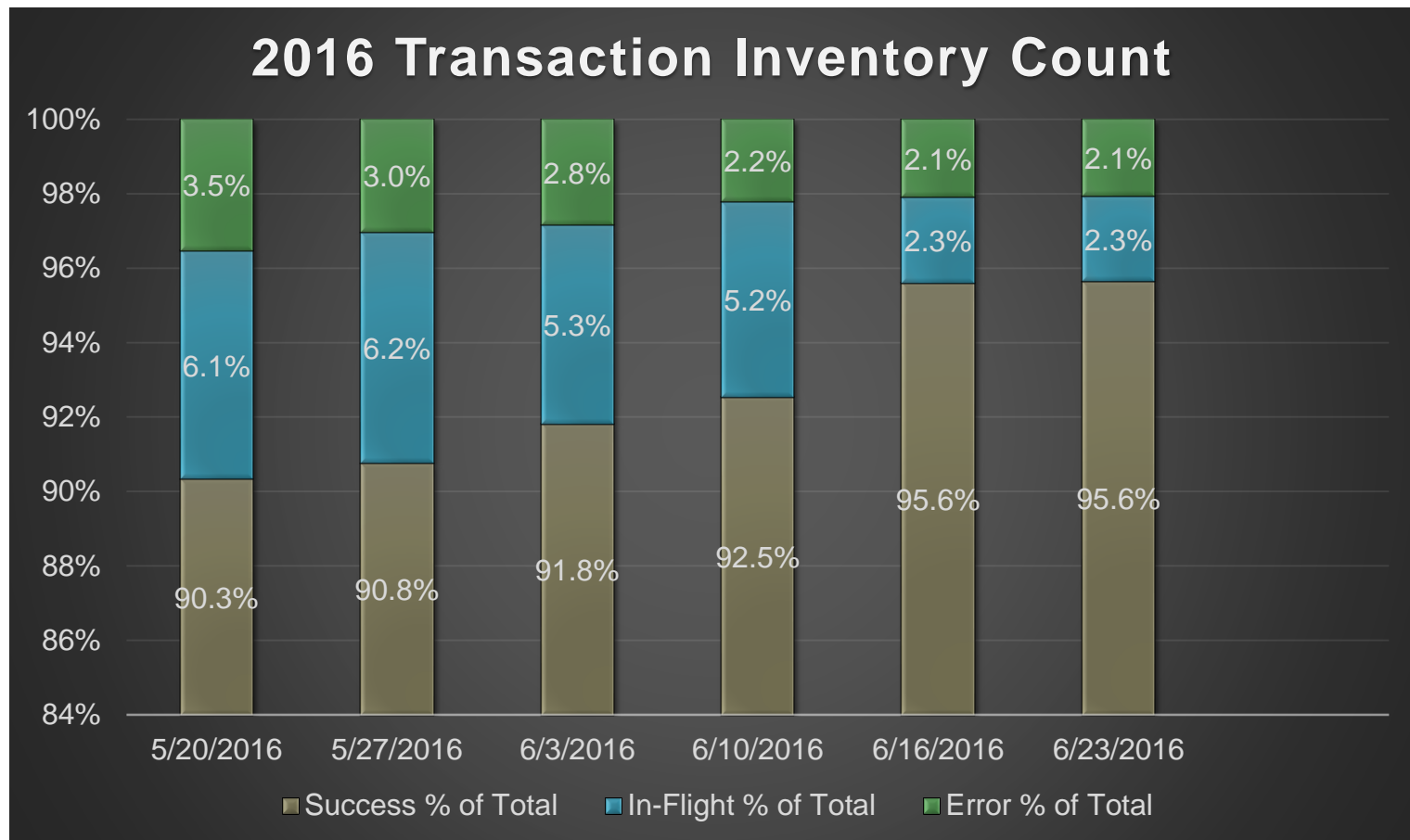
### Since March:

- Inventory of 834 errors down 80%.
- Error rate between VHC & WEX (payment processor) systems cut 50% (2.8% to 1.4%).
- Error rate between VHC & carrier systems cut 40% (2.5% to 1.5%)



In addition to working to resolve these known errors, VHC and carriers continue to work together to make sure transactions are being initiated and integrated across systems as expected.

- “In-Flight” refers to transactions that have been sent from one system, but have yet to receive either a confirmation or an error from the other system.
- In addition to reducing the error rate, Optum and VHC have focused on reducing the number of transactions – and the time – that are in-flight.
- Inventory of in-flight transactions is down 72% since early May.

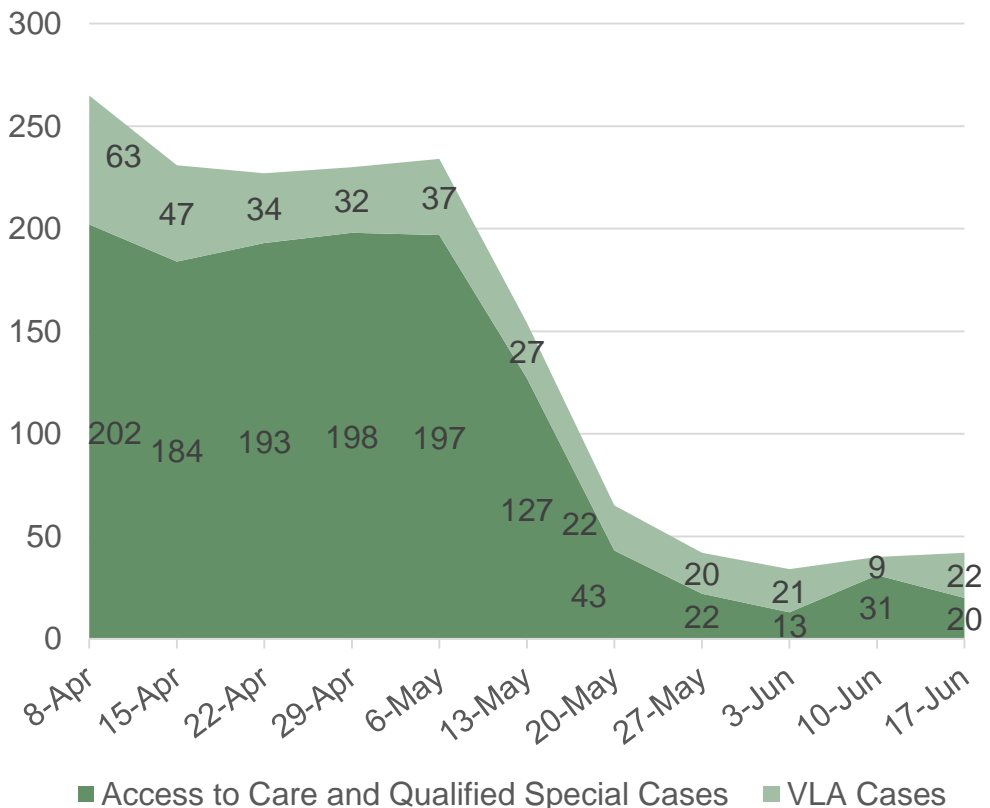


# Escalated Cases

- Integration teams have performed root cause and remediation as part of the escalated case process.
- Number of open escalated cases down 85% from early April to end of last week (6/17).
- Of 16 open Access to Care cases on 6/17, only one-quarter were waiting on action by a VHC team (three-quarters were waiting on information from customer).

Escalated Cases include cases from Vermont Legal Aid, Access to Care, and Qualified Special Cases (cases that are escalated due to their complexity, urgency, or inability to be resolved through normal channels.)

**Open Escalated Cases**  
(including those awaiting action by customer or carrier)



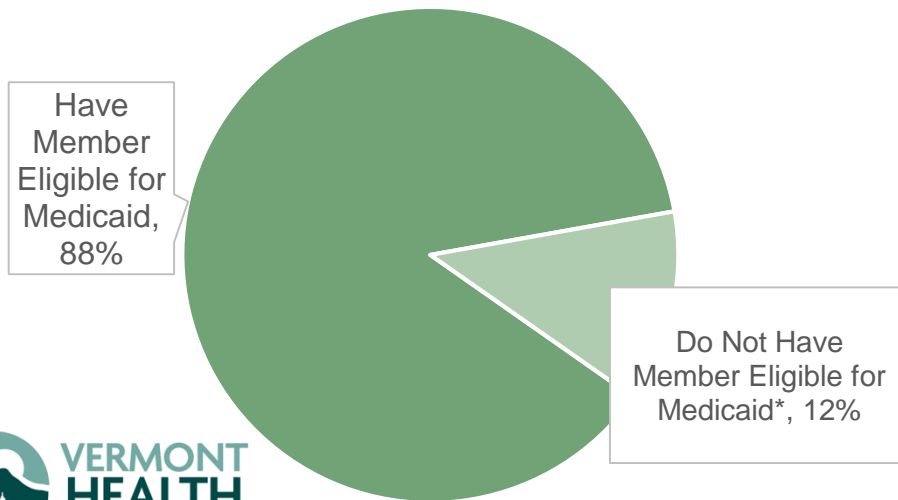
**Target:** Provide Access to Care within three business days.



- VHC continues to process applications from current Medicaid enrollees as part of redetermination process.
- Nearly nine out of ten (88%) households coming from the State’s legacy ACCESS Medicaid System into VHC system have been determined to still be eligible for Medicaid for Children and Adults (i.e. income-based or MAGI Medicaid).
- Of the rest, most (77%) have experienced a modest income increase that now qualifies them for state and federal subsidies to purchase a qualified health plan.
- Income verification process, which is ongoing, ensures accuracy and compliance.

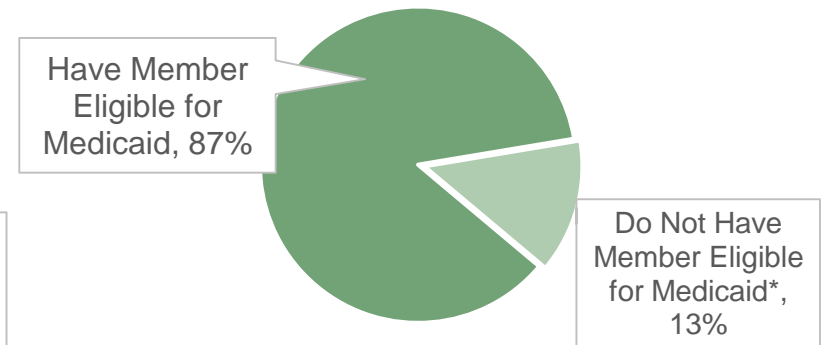
## ACCESS-VHC System Renewals

Of 13,000 Households Entered and Determined:



## VHC-System Renewals

Of 7,000 Households Entered and Determined:



- Number of Assisters up 15% in last three months, largely due to the training and certification of 29 new Certified Application Counselors (CACs).
  - 17 staff at Centurion have become CACs and are helping recently incarcerated Vermonters apply for coverage, which will save the State money by reducing more expensive health care spending.
- Since Open Enrollment, Navigators and CACs have focused largely on Medicaid renewal support, especially for New Vermonters and other vulnerable populations with accessibility challenges.

## Active Assisters

CACs	99
Brokers	80
Navigators	54
<b>Total</b>	<b>233</b>

