



Date: APRIL 01, 2015

TO: Senator Ellen Roberts, Chair, Legislative Health Benefit Exchange Implementation Review Committee

CC: Amanda King, Colorado Legislative Council, Research and Committee Staff

From: Gary Drews, Interim CEO, Connect for Health Colorado

RE: Responses to Committee Members Questions from 3/18

The Legislative Health Benefit Exchange Implementation Review Committee asked Connect for Health Colorado the following questions during the March 18 meeting. Below are Connect for Health Colorado's responses.

1. What is status of interoperability between CBMS (Medicaid) and Connect for Health computer system (private insurance)? How is functionality being measured? How close are we to real-time Medicaid eligibility denial so that customers can quickly apply for private insurance plan? (Asked by Kefalas-D)

In the fall of 2013, the Centers for Medicare and Medicaid Services (CMS) mandated Connect for Health Colorado (The Marketplace) and the Department of Healthcare Policy and Financing (HCPF) implement a single eligibility application and rules engine for determinations of Medicaid, CHP+, Advance Premium Tax Credits, and Cost Sharing Reductions. The Marketplace and HCPF jointly built a Shared Application and Shared Eligibility System that was made available to applicants on November 10, 2014. Applicants can access the Shared Application from either their Marketplace account or their PEAK account. Regardless of how one enters, an applicant will complete and submit one application. Once their application is submitted, the Shared Eligibility System, which is part of CBMS, provides the applicant with an eligibility determination for all programs (Medicaid, CHP+, APTC, CSR). This determination is either provided in real-time (i.e. appears on the user screen directly after submission) or in a letter that is mailed to the applicant. An eligibility determination letter is mailed after a caseworker has manually made a determination.

During the 2015 Open Enrollment Period, a total of 224,171 applications for financial assistance were submitted through the new System. Applications submitted from Connect for Health Colorado totaled 76,783. Of the Marketplace customers who went through the Single Application and Shared Eligibility System, 78% received a real-time eligibility determination. It is important to note that the 78% does not take into account an applicant that accessed the application through PEAK or through a caseworker entering directly into CBMS.

In our first year of interoperability with HCPF, the Marketplace has identified areas where the Shared System has negatively impacted our customers. These include:

- *The Shared System doesn't work well where Medicaid and APTC / CSR federal policies do not align (for example, Medicaid counts income on a current monthly basis and the Marketplace counts income on a projected annual basis),*
- *The Shared System does not work well for populations of returning customers or people with complex income or family situations.*
- *The Shared System does not work for APTC/CSR customers who wish to report a change*
- *The Shared System is resulting in a large number of Medicaid calls to the Marketplace customer sales and support channels; and unanticipated numbers of Marketplace calls to Medicaid – potentially reflecting confusion among Coloradans over roles of the two organizations.*
- *Marketplace customer service representatives, Brokers and Health Coverage Guides don't have visibility into the eligibility portion of the application and can't assist customers with questions about how their eligibility was determined, why their application may be "stuck", and they also cannot modify data in CBMS to correct eligibility determination errors caused by incorrect income entries, technical glitches or incomplete relationship definitions*

Due to the feedback received from customers, our sales-channels and key stakeholders, the Marketplace and HCPF have committed to improving the user experience. The Marketplace and HCPF have proposed a joint recommendation to the Marketplace Board of Directors.

2. **Has Connect for Health done a SWOT analysis - strengths, weaknesses, opportunities and threats? (Asked by Kefalas-D)**

The Marketplace has not conducted a recent SWOT analysis for the current planning cycle, as this information is largely understood. However, the staff and Board are currently conducting a strategic planning process that has included a variety of 'inputs' including identifying the Marketplace's value propositions, SWOT-like feedback from its several Advisory Groups, surveys from sales channels (brokers, health coverage guides, service center), informal environmental scans, and internal analyses. Staff is currently in the process of drafting analyses/business cases for initiatives for 2015/2016, building a financial forecast/budget, and collecting additional data to support strategic directions anticipated.

3. **What has been done to address the deficiencies found in the sample audit? What new policies are in place? (Asked by Landgraf-R)**

*Connect for Health Colorado hired full-time General Counsel on September 2, 2014; the same day the OSA held its exit meeting at Connect for Health Colorado's offices. General Counsel fulfills the role of Compliance Officer for the organization and has implemented a comprehensive **Management & Oversight Plan** reviewed and approved by our federal regulators, CMS/CCIIO. Moreover, General Counsel has established a comprehensive **Procurement Policy** and associated procedures to address the procedural and documentary issues identified in the OSA Audit Report.*

Each audit and review to which Connect for Health Colorado is subject is used to identify areas that need to be addressed. Connect for Health Colorado's **Implementation Plan** (attached) provides a status report on what has been completed and what is underway to address OSA's findings and recommendations.

It is important to note the OSA launched its audit in January 2014 –three months after the Marketplace launched and halfway into its inaugural Open Enrollment Period. A comprehensive reading of the OSA's report and its findings in context of the input and responses provided by Connect for Health Colorado reflects that the greatest shortcoming in the early operation of the organization concern adequate documentation surrounding procurement, contracting, and Board/Senior Leadership decision-making processes. In OSA's report, costs are "questioned" if the underlying documentation is inadequate or not sufficient. Contracts were found to be non-compliant with law if they were missing certain clauses (e.g. – failure to require a vendor to adhere to "Executive Order 11246 'Equal Employment Opportunity' as amended by E.O. 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulations at 41 CFR part 60, 'Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.'")

The absence of adequate documentation with respect to a given contract resulting in "questioned costs" should not lead anyone to conclude that a vendor did not provide the service, or that funds were wasted or lost. In each case, the service was necessary and provided. The fault lay in the adequacy and availability of documentation to substantiate (from an audit perspective) the expenditures.

Connect for Health Colorado leadership, Board and staff takes our stewardship of public dollars very seriously. As recipients of federal grants, we are held accountable to operate with responsible and compliant financial systems, and performance practices and policies. The US Department of Health and Human Services, the Centers for Medicare and Medicaid Services, the Office of the Inspector General, the Internal Revenue Service, and others have closely and continuously monitored us since 2012 and approved our operations, policies and procedures.

This was in a very complex environment; while creating a brand new enterprise; within an ambitious timeframe set by Congress; and under federal regulations that changed sometimes weekly.

It should be noted that Connect for Health Colorado has undergone approximately 27 audits, reviews and reports by federal, state and external agencies and auditors during the past 30 months; currently five are in various stages of progress. Each of the independent audits and reviews has brought tremendous value to us as a start-up, and we have implemented their recommendations to improve the organization. The Marketplace is currently conducting its own reviews internally as well to reduce future findings incidents and strengthen policy adherence. Additionally, the organization is hiring internal audit staff to manage the volume of audits and oversight anticipated to continue indefinitely.

4. What reason is there for the overpayment on contracts? Has that money been refunded? Or earned? (Asked by Landgraf-R)

Connect for Health Colorado entered into contractual arrangements with various vendors to supply services. As needs dictated that additional services were required to launch the Marketplace, vendors provided these services and Connect for Health Colorado paid for them. However, the documentation associated with the additional services in the form of additional "statements of work" was not adequate. Absent this context, the OSA report makes it appear that there were overpayments on contracts resulting in "questioned costs." In fact, Connect for Health Colorado received all services paid for on its contracts, but did not present adequate documentation (from an audit perspective) to reflect that the payments were related to services provided. In that the services were provided, no requests for "refunds" is appropriate; rather Connect for Health Colorado's vendor and procurement documentation policies and procedures have been materially revised to avoid future documentation inadequacies.

5. Has Connect for Health conducted customer service surveys? If so, what have been the results and have responses been more favorable over time? If surveys have not been conducted, why not? (Asked by Kefalas-D)

Connect for Health Colorado developed and sent out initial Customer Satisfaction surveys from January 2014 through May 2014. We suspended survey efforts to better develop a methodology for garnering customer survey feedback each month, rather than at one point and time per year. We also decided to wait until Spring/Summer of 2015, to be able to obtain feedback on the whole annual lifecycle of the customer experience, i.e.: renewal, account changes and support mid-year, etc. To be highly successful in taking feedback and developing initiatives, changes, etc. organizations need to also develop an infrastructure to identify and prioritize this feedback. This operationalization is now possible since the Marketplace has experienced a first full cycle of operations. That said, Connect for Health Colorado does conduct the following forums to receive ongoing customer and key stakeholder feedback:

- *Spark Policy Institute- Conducted an annual review of the efficacy of Marketplace efforts in a number of areas (attached)*
- *Kaiser Family Foundation via PerryUndem Research and Communications –Conducts annual studies with stakeholders in the following areas: outreach, implementation, securing provider and plan participation, enrollment, and affordability issues*
- *American Institute of Research – Conducted a study in winter 2014 to assess the user experience and navigation ease for customers (attached)*
- *JVA Consulting – Conducted pre-launch random surveys of the Shared Eligibility System on behalf of the Marketplace and HCPF*
- *Connect for Health Colorado- Conducts:*
 - *Weekly one hour calls with each Carrier (15) on feedback pertaining to technology, process, interfaces, problem resolution, and continuous improvement at all levels*
 - *Daily calls with the Assistance Network to garner feedback, identify themes, and share trends among customers, etc.*

- *Monthly Broker Focus Group meetings to garner feedback, identify customer concerns and themes, develop resolution pathways, etc.*
- *Daily huddle meetings with Service Center staff to identify customer feedback themes, identify problems/solutions, share consistent messaging on critical caller issues, etc.*
- *An Executive Director email address for stakeholders to address concerns, compliments, etc. directly to the CEO*
- *Public comment periods at each Board/Committee meeting*
- *Post contact caller surveys – Service Center interactions*

Customer satisfaction surveys for 2014/2015 will be developed and deployed in summer 2015. For future Open Enrollment Periods, the federal government will provide a standard survey that Marketplaces must send to enrollees.

6. What is relationship between plans offered within health benefit exchange and plans outside of exchange? How are insurance brokers operating in this new health insurance landscape? (Asked by Kefalas-D)

Health insurance carriers who file plans on the Marketplace are required to offer the same plans at the same premium rates outside of the Marketplace. Colorado is a leader in ensuring market stability in this regard. Carriers can offer additional plans beyond Marketplace parity plans in their non-exchange product portfolio.

Insurance brokers are an integral part of our sales channel. For the 2015 Open Enrollment Period we trained and certified over 1,300 brokers and agents to sell health and dental policies offered in the individual and small group Marketplace. Our brokers produced in 40% of our covered lives for this past Open Enrollment Period. Our top producer has over 400 customers on the Marketplace.

7. Does Connect for Health CO have a role in addressing problems with carriers such as Health Care Cooperative regarding their customer service and computer glitches? If so, how does it help to address problems? If not, why not? (Asked by Kefalas-D)

The Marketplace does have a role in “certifying” a Carrier as a Qualified Health Plan offering products on the Marketplace. We work closely with the Division of Insurance, as the regulatory authority over licensed issuers in Colorado. The Marketplace has a Carrier Business Team that works regularly with each Carrier on customer, strategic and operational issues. The Marketplace has a weekly meeting with a subset of the 15 represented Carriers, as a Tactical Issues Team, to identify systemic issues impacting customers and develop resolutions. That said, the DOI is the consumer protection agency and we do work very closely with this partner. The Marketplace does have the ability to remove a Carrier from the Marketplace.

In addition, the Marketplace and its carriers are partners in helping resolve our customers' issues. The Marketplace has a dedicated team within its Customer Service Center that works directly with each carrier.

ATT:

State Audit Implementation Dashboard

Spark Policy Assistance Network Evaluation

American Institute of Research (AIR) Colorado Usability Testing Report

C4HCO Stakeholder Feedback 2OEP