



New York Health Benefit Exchange
Overview of Business Operations Blueprint:
Recommendations to the State

Stakeholder Presentation

February 16, 2012

Agenda

- Purpose of Business Operations Blueprint
- Review of Exchange Principles relative to Operational Functions
- Discussion of Core Work Processes

Purpose of Business Ops Blueprint

Provide New York State with a high level overview of the business functions that must be established, the type of work that must be undertaken by exchange staff, and a relative timeline and chronological order for standing up its Health Benefit Exchange

Purpose of Business Ops Blueprint (con't)

- Other uses of document:
 - A starting point for the development of more detailed project plans for each core work process,
 - Identification of potential resource “bottlenecks” that may require project prioritization or resource augmentation for timely completion of all tasks,
 - Identification of key dependencies, and
 - An order of priority for the type of expertise and skill sets for the early hiring of exchange personnel

New York's Exchange Principles and Ops Functions

Promote affordable, comprehensive health insurance options

- Premium Tax Credits; Qualified Health Plan (QHP) Certification; Plan Rating System; Risk Adjustment

Consumer oriented

- Website; Customer Service Operations; SHOP-specific Processes; Eligibility Verification; Outreach & Marketing Plan; Navigator/Broker Program; Enrollment, Billing & Collections

Transparent and accountable

- Governance & Oversight; Internal Administration; Financial Management; Outreach & Marketing Plan; External Reporting; Mandate Determination & Appeals

It must work!

- All of the above

Structure of Ops “Blueprint”

Business Requirements (5)	Core Work Process (17)
1. Exchange Set-up	1. Governance & Oversight
	2. Internal Administration
	3. Financial Management
2. Core Systems	4. Eligibility Verification
	5. Premium Tax Credit Administration
	6. Website & Decision Support Tools
	7. Enrollment & Billing
	8. Customer Service Call Center
	9. SHOP-specific functions
3. Communication & Outreach	10. Outreach & Marketing Plan
	11. Navigator Program
	12. Broker Program

Structure of Ops “Blueprint” (con’t)

Business Requirements (5) - continued	Core Work Processes (17) - continued
4. QHP Plan Management	13. QHP Certification
	14. Plan Rating System
	15. Risk Adjustment, Reinsurance, Risk Corridor (3R’s)
5. Regulation Compliance & Reporting	16. External Reporting & Consumer Protection
	17. Exemption Certificate & Eligibility Determination Appeals

Exchange Set Up

1. Governance and Oversight

2. Internal Administration

3. Financial Management

- Enabling legislation
- Establishing legal entity and BOD
- Hire Key Personnel
- Meeting aggressive deadlines and operationalizing the business plan require full time staff and permanent leadership
- Process for vetting a number of policy issues and business decisions

Exchange Set Up (con't)

1. Governance and Oversight

2. Internal Administration

3. Financial Management

- Hire staff level personnel:
 - Project Managers
 - Finance staff (Budgets / Accounting)
- Establish exchange as legal entity (Tax ID, mailing address)
- Locate and secure physical space
- Secure computers, office equipment
- Employee Benefits
- Establish Organizational Policies & Procedures
 - Purchasing, contracting, compliance

Exchange Set Up (con't)

1. Governance and Oversight

2. Internal Administration

3. Financial Management

- Assess and implement an accounting system
- Payroll
- Develop chart of accounts (backbone of financial reporting)
- Strong system of internal controls needed (underpinning of system needed to prevent & detect fraud, waste and abuse)
- Financial & Management Reporting

Core Systems

Eligibility Verification

Premium Tax Credit
Administration and
Cost Calculator

Website & Decision
Support Tools

Enrollment & Billing

Call Center &
Customer Service

SHOP-specific
Processes

- Centralizing eligibility verification
- One Eligibility system for MAGI - Medicaid, Child Health Plus, BHP (if offered) and Exchange enrollees (Individual and SHOP)
- Coordination with Non-MAGI
- Employer data, immigration and incarceration verification

Core Systems (con't)

Eligibility Verification

Premium Tax Credit
Administration &
Cost Calculator

Website & Decision
Support Tools

Enrollment & Billing

Call Center &
Customer Service

SHOP-specific
Processes

- Tax credit and cost sharing subsidy determination
- Change in circumstances
- Coordination with IRS/Treasury and Issuers of QHPs
- Tax credits and subsidies will be key enrollment driver for exchange as these are not available outside of exchange
- Cost Calculator on website
 - Automated calculator tool must quickly, simply, and accurately inform applicant of costs after credits and subsidies

Core Systems (con't)

Eligibility Verification

Premium Tax Credit
Administration and
Cost Calculator

Website & Decision
Support Tools

Enrollment & Billing

Call Center &
Customer Service

SHOP-specific
Processes

- NY is 1 of 11 states participating as a design partner in the Enroll UX 2014 project led by IDEO
- QHP Plan Comparisons
- Financial Disclosures
- Source of consumer information
- Website will begin shopping experience for many

Core Systems (con't)

Eligibility Verification

Premium Tax Credit
Administration and
Cost Calculator

Website & Decision
Support Tools

Enrollment & Billing

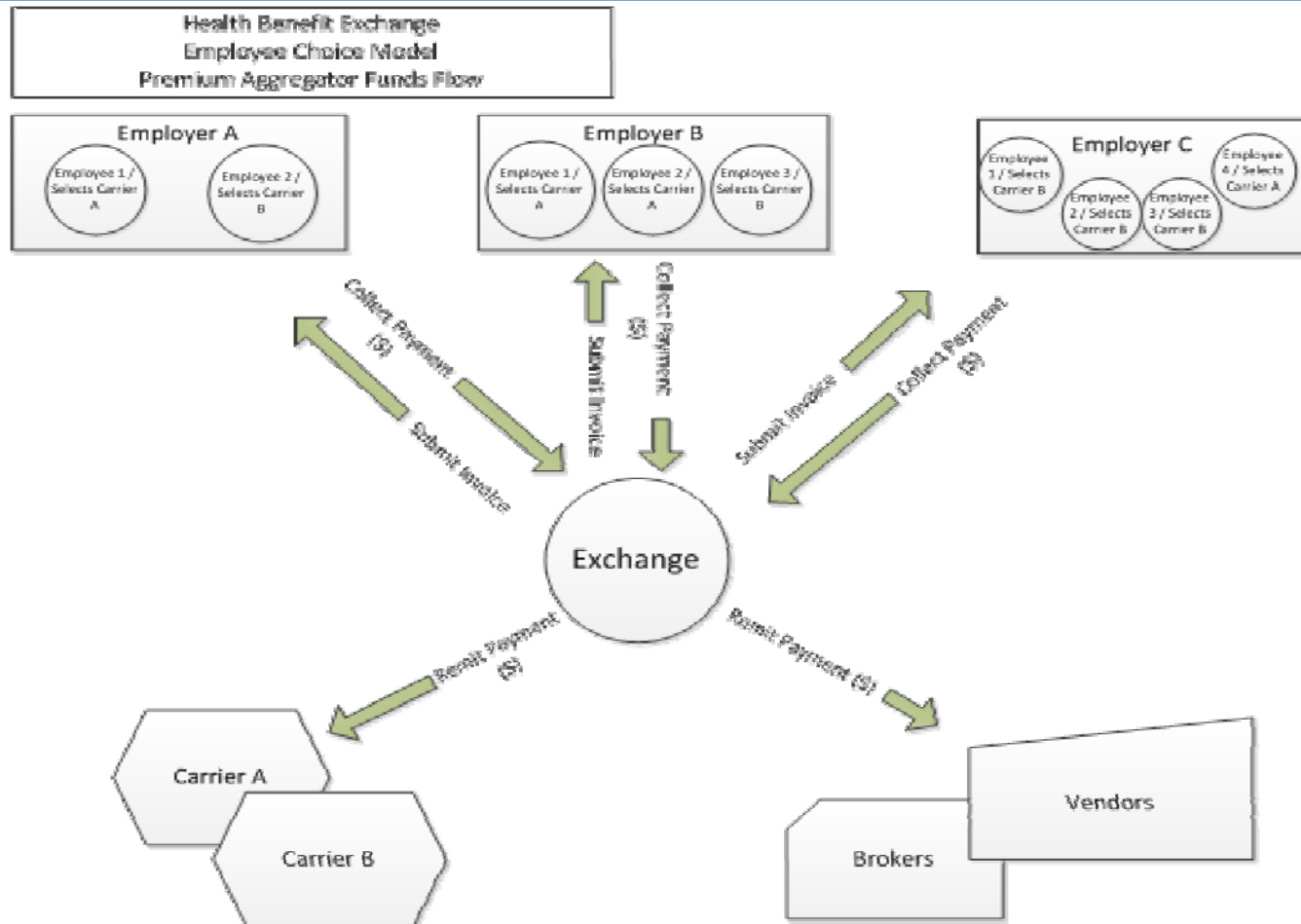
Call Center &
Customer Service

SHOP-specific
Processes

- Enrollment Interface
- Open Enrollment (NG); Continuous Enrollment (SG)
- Coordination of QHP enrollment rules
- Premium Billing Aggregation (SHOP)
- Possible Aggregation of Individual Premiums
- Tracking and Reconciliation

Core Systems (con't)

Diagram of SHOP Funds Flow



Core Systems (con't)

Eligibility Verification

Premium Tax Credit
Administration and
Cost Calculator

Website Decision
Support Tools

Enrollment & Billing

Call Center &
Customer Service

SHOP-specific
Processes

- Toll free 800 # mandated
- Can be different for individual and SHOP exchanges
- Consumer Assistance functionality
- Assistance with:
 - Application
 - Advance payment of tax credit
 - Benefit levels available (precious metals)
 - QHPs offered, etc.

Core Systems (con't)

Eligibility Verification

Premium Tax Credit
Administration and
Cost Calculator

Website & Decision
Support Tools

Enrollment & Billing

Call Center &
Customer Service

SHOP-specific
Processes

- Eligibility Determination
- Employer/Employee Communications
- Small Business Verification
- Composite / List Billing
- Level of standardization across QHPs
- Enrollment Process
- Employee mid-cycle changes
- Renewal Process
- Billing and reconciliation
- Broker Training, Commission Payment, Account Management

Outreach & Marketing

Outreach &
Marketing Plan

Navigator
Program

Broker Program

- Development of a Communications Strategy
- Broad-based Marketing vs. Targeted segments
- Varied Media Options:
 - Advertising
 - PR
 - Media relations
 - Partnerships with other public or private entities
- Marketing plan must communicate the value proposition of the exchange to both the public and to all potential enrollment constituencies
- Budget implications

Outreach & Marketing (con't)

Outreach &
Marketing Plan

Navigator
Program

Broker Program

- Navigator duties:
 - Educational (QHP comparison and availability of tax credits & subsidies)
 - Facilitate enrollment
 - Referrals to consumer assistance
 - Culturally and linguistically appropriate
- Exchange will need to select, train, certify and measure the performance of navigators
- Must be paid by Exchange, not federal funds

Outreach & Marketing (con't)

Outreach &
Marketing Plan

Navigator
Program

Broker Program

- Role of broker:
 - Enroll qualified individuals, employers and employees in QHPs
 - Assist with applications
 - Assist with advance premium tax credits and subsidies
- Especially relevant in SHOP due to complexity of account set-up
- Exchange should develop broker training
- Development of funds flow (amount and methodology)

QHP Plan Management

QHP Certification,
Recertification &
Decertification

Plan Rating System

Risk Adjustment

- QHP plan management is at core of exchange
- Represents “stocking the virtual shelves” of the exchange with the optimal mix of products
- Purchasing strategy:
 - How much choice? What type of choices?
 - Standardization vs. innovation
 - Same or different for Individual and SHOP Exchanges?
- Coordination with Rate Review Process

QHP Plan Management (con't)

QHP Certification,
Recertification, &
Decertification

Plan Rating System

Risk Adjustment

- Allows the exchange, consumers and employers to evaluate QHPs on the dimensions of quality and value
- Rating system should be established before the RFP process is initiated so carriers know what metrics are important in selection process
- Metrics should reflect goals of the exchange and perhaps larger reform goals of state

QHP Plan Management (con't)

QHP Certification

Plan Rating System

Risk Adjustment

- Implementation of Risk Adjustment, Reinsurance, and Risk Corridors
- Risk Corridors will be federally administered
- Risk Adjustment and Reinsurance can be state or federal model
- A number of design issues related to implementation
- Does not need to be administered by exchange

Regulatory Compliance & Reporting

External Reporting

Mandate Determinations & Appeals

- ACA requires exchanges to carry out many consumer protection and public reporting functions; the bulk on collection and distributing data
- Will require data collection, storage, retrieval, reporting and document management

Examples of Data Collection:

Enrollment, claims denials, financial disclosures, enrollee satisfaction, health plan quality ratings, exchange spending and performance management

Distribute to:

Enrollees, stakeholders, board of directors, the public, the media, state and federal agencies

Regulatory Compliance & Reporting

(con't)

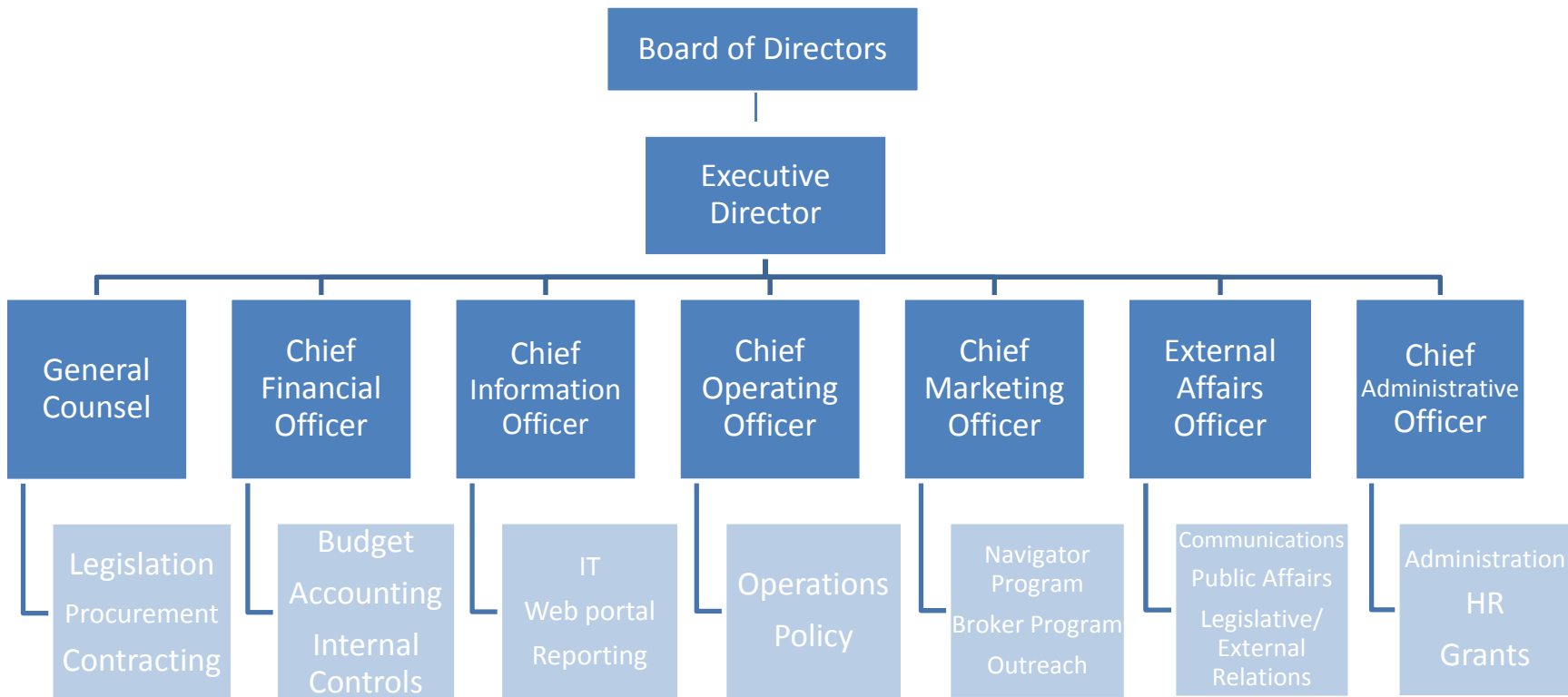
External
Reporting

Mandate
Determinations
& Appeals

- Exchange must build capacity:
 - to accept, review and adjudicate appeals for exemption to the individual mandate
 - inform employers when their employees utilize subsidies, which may result in employer penalties (groups >50)
 - to manage all other appeals
- Appeals program must be supported by a data system that integrates with eligibility, enrollment and employer information systems

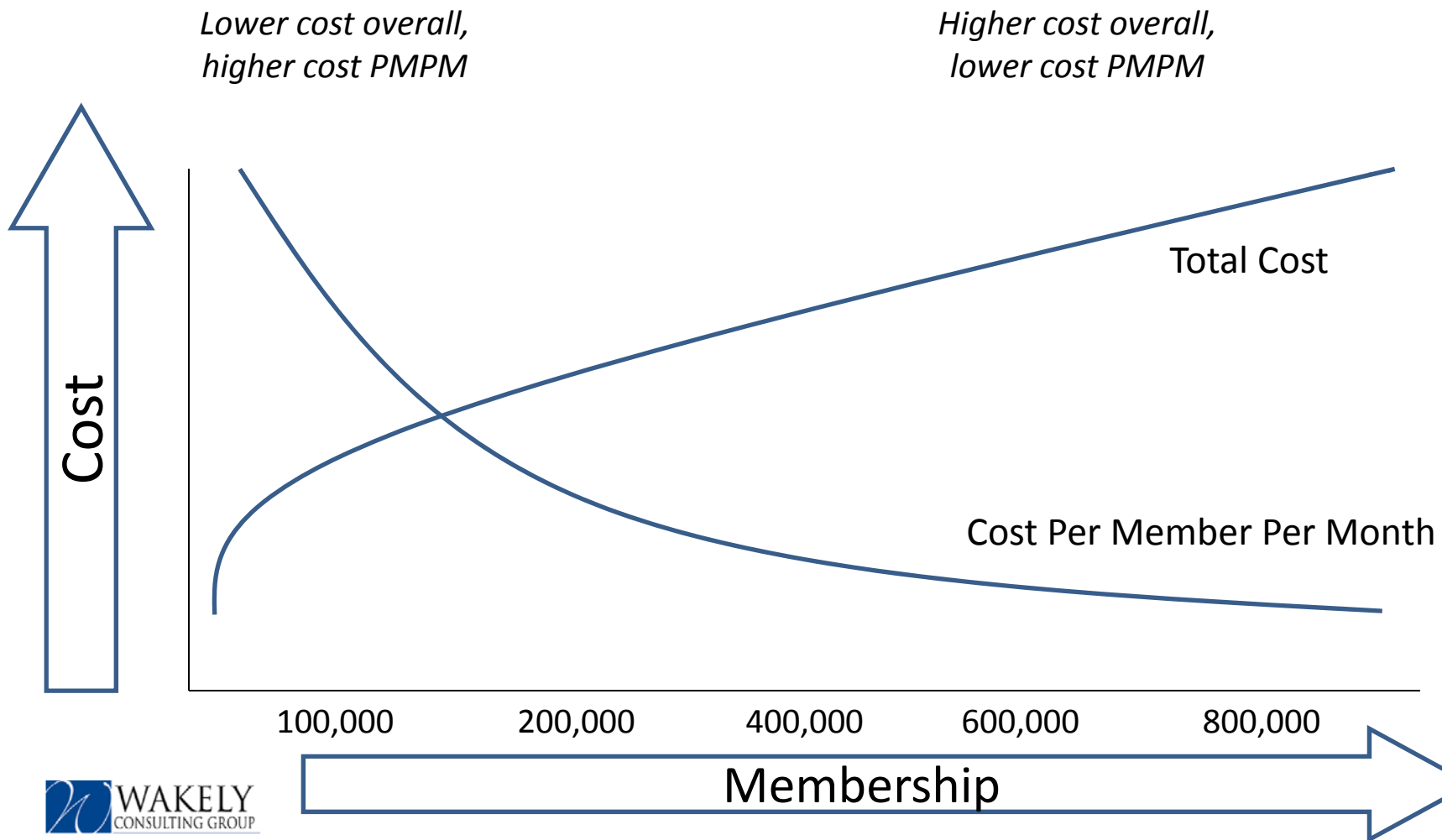
Start-up Staffing

Staffing models vary based on such unknowns as governance, enrollment, management team, and policy decisions not yet made. This is only one possible organizational view:



Operational Scalability of Exchange

Exchange expenses are scalable based on enrollment and the relationship between fixed and variable costs.



Exchange Business Requirements and Core Work Process

