

Pennsylvania Health Insurance Exchange Authority – Board of Directors Meeting

December 17, 2019



Pennsylvania Health Insurance Exchange Authority



Meeting Agenda

1. Preliminary Matters
2. Standard Administrative Updates
3. 2020 Budget Discussion
4. Exchange Authority Branding Discussion
5. The Work Ahead of Us

Preliminary Matters



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Administrative Updates



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Administrative Updates

Updates

- Personnel
 - Chief Counsel
 - Chief Information Officer
 - Other updates
- Advisory Council
 - Update on membership
 - Next steps

2020 Budget Discussion



Pennsylvania Health Insurance Exchange Authority



Section Overview

Agenda:

- Federal Funding Cost Allocation Opportunities
- Discussion of Navigator and Outreach Funding
- 2020 Budget Snapshot
- Additional 2020 Budget Details
 - Marketing
 - Other Technical Assistance
 - Operating
 - IT System and Consumer Assistance Center
- *For Consideration:* Approval of Proposed 2020 Budget



Cost Allocation Opportunities

Exchange functions serving the Medicaid program could be eligible for federal funding

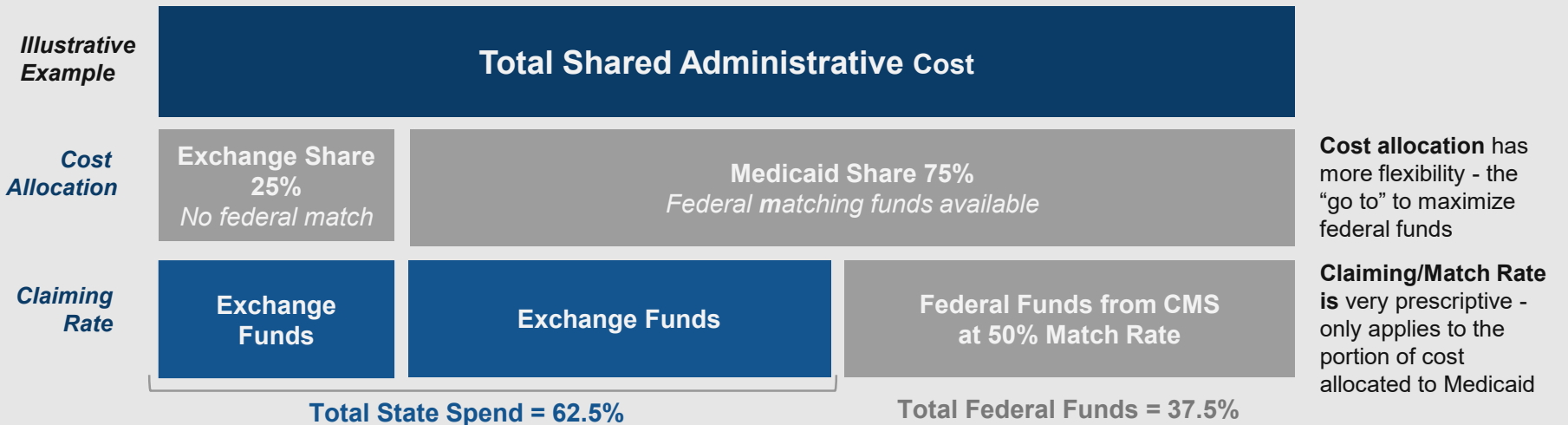
- A Department or Program “getting Medicaid match” means the program work is eligible for Medicaid match because it is serving the Medicaid program.
- A non-Medicaid Department’s or Program’s expenses can be matched only if:
 - The Department is “working for” or performing administrative tasks for Medicaid
 - The work is being performed under an Interagency Service Agreement (ISA)
- A state source of funds for shared programs must be identified in order to get a federal match, sometimes referred to as “state match.”
 - State funds are required in order to “draw down” federal matching funds.
 - The expenditure is paid with 100% state funds, then the state is reimbursed for the state expenditure that is matchable.



Cost Allocation Opportunities

Illustrative example of how Medicaid matching works

Cost allocation and claiming are both expressed as percent and multiplied together to determine available federal funding.



Matching rates can differ considerably depending on the type of service being performed. Below are examples.

Administrative Services	Operational Services	Development Services
<ul style="list-style-type: none">Regular Medicaid program administration – administrative activities related to enrollees (e.g. <i>Customer Service Activities</i>)Outreach/ eligibility screening to <u>potential</u> Medicaid eligibles (e.g. <i>Navigator contract</i>)	<ul style="list-style-type: none">M&O of Medicaid Eligibility Systems, if linked to Exchange eligibility system (e.g. <i>Ongoing IT and Customer Service Activities specific to MAGI eligibility assessments and account transfers</i>)	<ul style="list-style-type: none">DDI of Medicaid Eligibility Systems, if linked to Exchange eligibility system (e.g. <i>Development of IT functions and Customer Services Activities specific to MAGI eligibility assessments and account transfers</i>)



Navigator and Outreach Follow-up

Efficacy of exchange spending on Navigators and Marketing / Outreach programs to increase enrollment

Data shows:

- Marketing and outreach spending => increase in enrollment and healthier risk mix, leading to lower costs for consumers¹.
- Navigator spending => higher cost per generated enrollment than marketing, however, more likely to help harder-to-reach, lower income uninsured populations. Significant anecdotal evidence, minimal quantitative data.
 - CoveredCA spends 0.08% of premium on Navigators, to generate about 3% of enrollment¹
 - CoveredCA requires grantees to have cost per acquisition of consumer to be less than \$200 per enrollee¹
- Broker spending => less cost to an exchange, however, less likely to work with key uninsured populations (e.g. uninsured, limited English proficiency, lacked internet at home)².
 - CoveredCA spends 0.24% of premium on Brokers, to generate about 47% of all enrollees¹
- Federal data only available for plan years post-Navigator cuts (PY2018)

Recommendations:

- Increase Navigator Program funding by 20% (in second half of 2020 from \$500k to \$600k and for a full contract period from \$1 million to \$1.2 million)
- Pursue all available federal funding to help pay for the Navigator program
- Procure a new contract in advance of OEP to expand network and access to in person assistance in 2021

1 – "MARKETING MATTERS: Lessons From California to Promote Stability and Lower Costs in National and State Individual Insurance Markets", Peter V. Lee, Vishaal Pegany, James Scullary and Colleen Stevens, September 2017

2 - Kaiser Family Foundation, "Data Note: Limited Navigator Funding for Federal Marketplace States", Karen Pollitz, Jennifer Tolbert, and Maria Diaz, Nov 13, 2019



2020 Outreach and Navigators

Cost: \$600,000

Current Navigator contract (\$400K from Sept. 2019 to Sept. 2020)

- Administered by Pennsylvania Association of Community Health Centers
 - Network includes 43 federally qualified health centers (FQHC), five FQHC Look-Alike 501(c)3 organizations, rural health and four subgrantees – equal to >100 community-based enrollment assisters
 - Estimated reach: 300k consumers in 12 months (in-person, phone, web)

Future Navigator contract

- Seek to expand and reorganize the network of assisters based on data/findings related to the uninsured and culturally-specific disparities
- Seek federal Medicaid matching funds to enhance contract value

Additional in-person assistance and education events

- Offer educational events staffed by constituent relations and marketing staff or community educators, carrier partners invited
- Host Enrollment Fairs / “pop-up shop” enrollment events in areas with high concentration of uninsured

Stakeholder/community relations facilitation and support

- Participate in partner/community engagements
- Support constituent relations and triage efforts



2020 Budget by Quarter

Total proposed 2020 budget: **\$14,252,663**

	Q1	Q2	Q3	Q4	TOTAL
Personnel	\$500,000	\$625,000	\$750,000	\$1,123,180	\$2,998,180*
PID Loan	\$217,305	\$217,306	--	--	\$434,611
Marketing	\$300,000	\$500,000	\$3,000,000	\$1,100,000	\$4,900,000
Outreach/Navigators	\$100,000**	\$100,000**	\$100,000** \$300,000	\$300,000	\$600,000
IT and Customer Service	\$0	\$0	\$0	\$0	\$0
Other Tech Assistance	\$505,000	\$870,000	\$800,000	\$1,120,000	\$3,295,000
Operating	\$202,048	\$202,048	\$202,048	\$202,048	\$808,192
				TOTAL	\$13,035,983
				Contingency	\$1,216,680

*Reflects a staged hiring approach, salaries and an adjusted fringe calculation for 30 full-time staff

**Funds currently committed via the State Opioid Response grant from the Pennsylvania Department of Drug and Alcohol Programs



2020 Marketing

Cost: \$4,900,000

Market Research

- Deep dive on our customer-base: develop customer personas to understand sentiments, core demographics and behaviors (surveys and focus-group)
- Assess the remaining uninsured

Media Buy

- Tailored strategy for each rating area with a focus on areas with higher uninsured rates
- Launch multi-phase approach: 1) pre-Open Enrollment awareness campaign, 2) Open Enrollment call-to-action push
- Tactics to include: paid search, digital and terrestrial radio, Over-the-Top, television (leveraging reduced cost via PA Association of Broadcasters), Out-of-Home (OOH), paid social media, geofencing and retargeting

Creative Services and Branding

- Conduct initial brand ideation sessions, test and develop creative
- Perform a social media audit and launch platforms
- Develop regional, multi-channel campaigns inclusive of customized messaging to meet population needs
- Campaign concepting and production likely to include: video production (TV and digital), radio, digital display, OOH asset design, gorilla marketing to be considered if in alignment with Outreach strategies, email marketing graphics

Front-End Website

- Design and develop optimized consumer-facing website
- Run user experience testing with attention to usability and readability



2020 Other Technical Assistance

Cost: \$3,295,000

Quality Assurance (QA) and User Acceptance Testing (UAT)

- Scope to include:
 - Quality review and feedback on GetInsured deliverables (to supplement staff reviews)
 - Design and implementation of UAT for each system platform release
 - Testing of FFE data migration
 - End-to-end testing prior to Open Enrollment Period
 - Structured support for UAT completed by State staff
 - Post-go-live case and notice audit, as well as UAT of emergency fixes

Cost: \$2,795,000

Other Related Costs

- Short-term Information Technology Lead to assist with vendor on-boarding
- Expert technical and contract management assistance
- Privacy and security assistance
- Initial auditing

Cost: approximately \$500,000



2020 Operating

Cost: \$808,192

General operational expenses include:

- Real estate, renovations, and office supplies, furniture and fixtures
- Telecom voice and data service
- Hardware server, networking, storage, desktop devices and peripheral
- Travel, education/development and vehicle expenses
- Subscriptions and software licenses
- Postage and printing



2020 Budget Discussion

	2020
Total Revenue	\$ 14,252,663
User Fee Revenue	\$ 14,252,663
Prior Year Contingency Carryover	\$ -
Total Expenses	\$ 13,035,983
Personnel	\$ 2,998,180
PID Loan	\$ 434,611
Marketing	\$ 4,900,000
Outreach and Navigators	\$ 600,000
IT and Customer Service Vendor	\$ -
Other Technical Assistance	\$ 3,295,000
Operating	\$ 808,192
(Deficit)/Surplus	\$ 1,216,680
Contingency	\$ 1,216,680

Recommended Motion: To approve the Plan Year 2020 (January 1, 2020 – December 31, 2020) Operating Budget of the Pennsylvania Health Insurance Exchange Authority, as proposed by the Executive Director and modified by discussion and agreement of the Pennsylvania Health Insurance Authority Board of Directors.

Exchange Authority Branding



Pennsylvania Health Insurance Exchange Authority



Branding and Design Services

Goals, process and Board engagement

Branding and design services shall include, but not be limited to, all of the following:

- Brand identification and key messaging;
- Design and production of a visual identity;
- Creation of impactful name and tagline;
- Creation of company-wide Brand Style Guide;
- And research and brand testing.

Process and timeline

- Leveraging Invitation to Qualify (ITQ) contract number 82100000-92
- Week of Jan 5 - Selection Committee scores bids
- Week of Feb 2 - Three name recommendations presented to the Board of Directors
- April 2020 – Name, identity and visual design concept development and testing completed
- May 2020 – Finalization of visual identity design and presentation to the Board of Directors
- June 2020 – Finalization of comprehensive Brand Style Guide

For Discussion: What role would the Board like to play in this process? Is there interest in convening a subgroup to meet at set points in the process?

State-Based Exchange The Work Ahead



Pennsylvania Health Insurance Exchange Authority



The Work Breakdown (1)

BUILD THE AGENCY

- Recruit full team
- Set up working facilities
- Define organizational policies
- Finalize additional vendor support agreements
- Establish governance and reporting
- Build financial processes, establish bank accounts, ACHs, etc.
- Implement vendor management mechanisms

READY THE CORE SYSTEM

- Complete full lifecycle for system configurations & required customizations
- Plan and implement data migration from the FFM
- Implement Keystone SSO
- Implement two-way Medicaid account transfer and other coverage checks
- Implement FDSH connectivity
- Build information migration processes from FFM
- Confirm security design & complete security documentation
- Review and approve system infrastructure & scalability plans
- Review information repository/reporting; adapt to PA needs

STAND UP THE CONTACT CENTER

- Complete full lifecycle for CRM configurations and required customizations
- Review / refine operational call flows
- Synchronize with OIM/HHS and carriers on common base of knowledge and terminology
- Collaborate with OIM/HHS, insurance carriers, and FFM on call flows and hand-offs
- Build hiring and training criteria and content
- Recruit and ready call center staff
- Establish reporting mechanisms and SLA management

INTERNAL STAKEHOLDER ENGAGEMENT

- Engage Exchange Board and Advisory Council in relevant decisions/approvals
- Establish clear communication and working process with PA government stakeholders
- Meet statutory legislative reporting requirement
- Monitor and respond to legislative affairs opportunities and issues



The Work Breakdown (2)

COLLABORATE WITH CARRIERS

- Coordinate with PID on plan certification
- Validate plan information loading to core platform through SERFF
- Collaborate with plans on both interface builds and reconciliation tools and processes
- Address plan development and go-live concerns
- Monitor plan OE activities and go-live activities
- Coordinate service support with carriers
- Implement user fee process

READY THE MARKET

- Establish branding
- Build educational and marketing website
- Implement advertising / public communication strategies
- Establish policies & training for brokers, navigators, and enrollment counselors (collectively 'assisters')
- Establish advocate focus groups
- Participate in media relations and public events
- Track results of vendor's other state go-lives

MEET ALL CMS REQUIREMENTS

- Define format for regular CMS progress reporting
- Complete and maintain Blueprint submission
- Work through appropriate CMS data agreements
- Submit required security submissions
- Share operational contingency and recovery plans
- Define IV&V requirements and ensure IV&V certifications
- Complete Operational Readiness Review (ORR)

PREPARE FOR M&O SUCCESS*

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EXECUTE MEMBER AUTO-RENEWAL*

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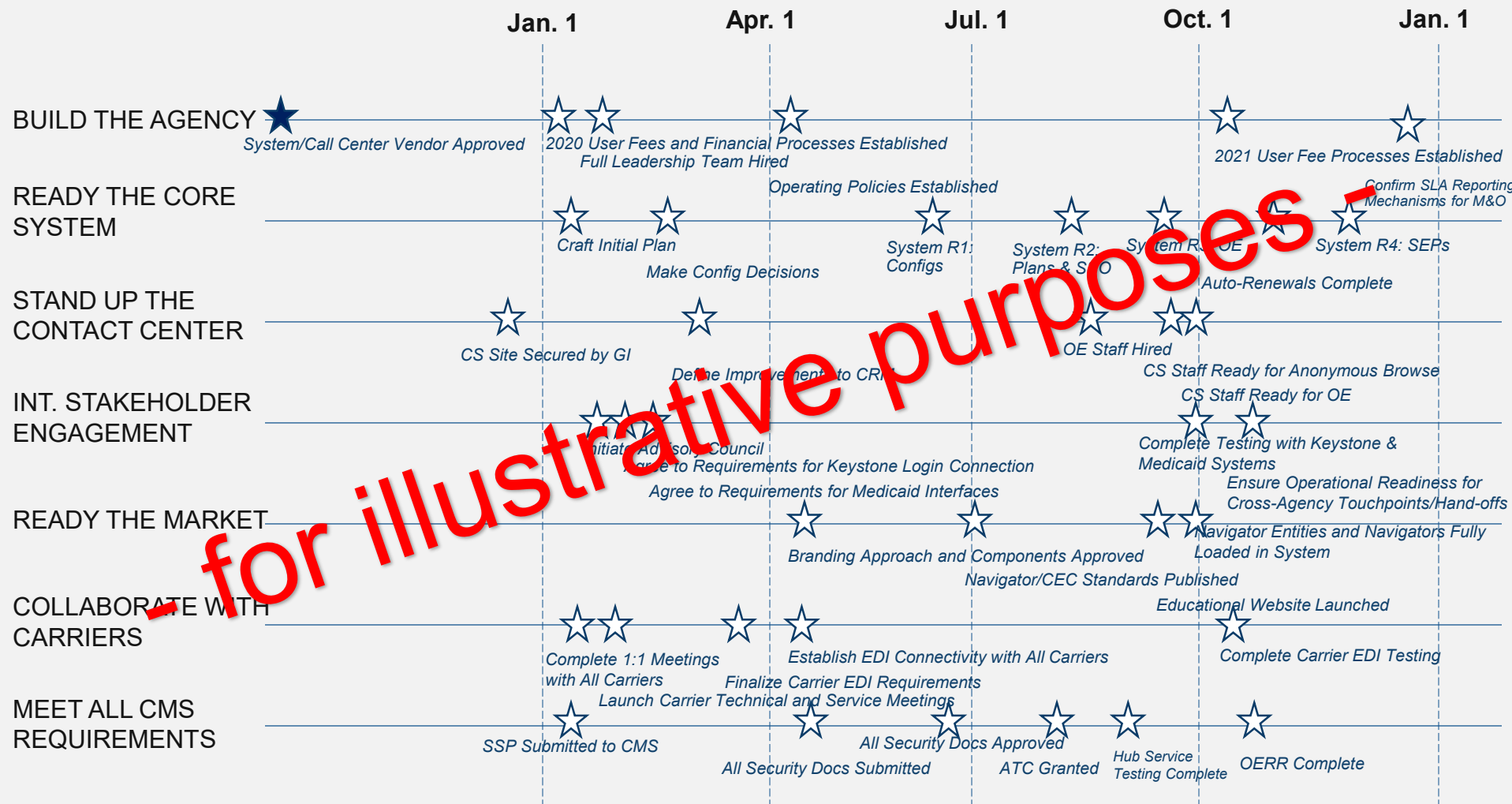
IMPLEMENT GO-LIVE PLANS AND GO-LIVE SUCCESSFULLY (OE and JAN 1)*

...

* Each of these threads will have a detailed plan, but will not be an early priority



Comprehensive Work Plan Will Reflect These Threads





Implementation Approach

Utilize a Program Management Office Structure and Standard Suite of Project Management Tools:

- **Secure File-Sharing with Team, GetInsured, Other State Agencies** (*SharePoint*)
- **Comprehensive Project Plan** (*Project*)
- **Weekly Project Status Report: Summary and Work Thread Level** (*PowerPoint*)
- **RAID Log (“Risks/Action Items/Issues/Decisions”)** (*Excel*)
- **Formal Deliverables Tracker** (*Excel*)
- **Deliverable Expectation Documents** (*Word*)
- **Recurring Meeting Purpose and Audience Tracker** (*Excel*)
- **Change Request Form and Process** (*Word*)
- **System Defect Logs and Reports** (*JIRA*)
- **SLA Tracking Reports** (*Excel*)



Engaging Stakeholders & Partners

Our success depends upon successful partnerships.

Agency	External
<ul style="list-style-type: none">▪ Pennsylvania Insurance Department (PID)▪ Office of Income Maintenance (OIM)▪ HHS Delivery Center (HHS-DC)▪ Keystone SSO▪ ...and more	<ul style="list-style-type: none">▪ Health Insurers▪ CMS/IRS▪ Brokers▪ Navigators▪ Consumer Advocates▪ ...and more

- Early engagement with project overview, timelines, and key milestones
- Identify areas of engagement
- Establish regular functional area working sessions
- Regular status reporting

Executive Session



Pennsylvania Health Insurance Exchange Authority



Proposal: Emergency Procurement for QA/UAT Services

Why Are We Making This Proposal?

- Reduce risk through having experienced supplemental team members focused on testing the system end-to-end
- Source and manage temporary test execution staff at a significantly higher level than will be needed during ongoing operations
- Secure Exchange-experienced expertise as an additional review of vendor deliverables

What Would the Scope of Services Be?

- Review vendor documentation of base system product
- Participate in Design sessions and provide feedback on vendor documents created to reflect implications of Design decisions
- Build and execute test scenarios and test cases specific to each vendor functionality release
- Build and execute end-to-end test case scenarios that model customer & user experience across the full system
- Post-go-live case and notice audit, as well as UAT of emergency fixes

Why KPMG?

- Extensive exchange and HHS experience
- Known team with a multi-year relationship
- Able and willing to identify implementation risks



Proposed Motions

- **Recommended Motion:** *To approve the Pennsylvania Health Insurance Exchange Authority's procurement of quality assurance and user acceptance testing development, implementation and execution on an emergency basis pursuant to Section 516 of the Commonwealth's Procurement Code, 62 Pa.C.S. Section 516, pursuant to the recommendation and justification made by the Executive Director.*
- **Recommended Motion:** *To approve KPMG as the selected vendor for quality assurance and user acceptance testing development, implementation and execution services on an emergency basis pursuant to Section 516 of the Commonwealth's Procurement Code, 62 Pa.C.S. Section 516, pursuant to scope of work and terms negotiated and approved by the Executive Director, thereby authorizing KPMG to begin the immediate provision of such services before the final execution of the a contract memorializing the agreed upon scope of work and terms for the provision of such services.*

THANK YOU

Next Board of Directors Meeting: **January 9**



Pennsylvania Health Insurance Exchange Authority