

**Shared Services Forum
for Agency Implementation Leaders
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State-Based Marketplace ACA SHOP Requirements

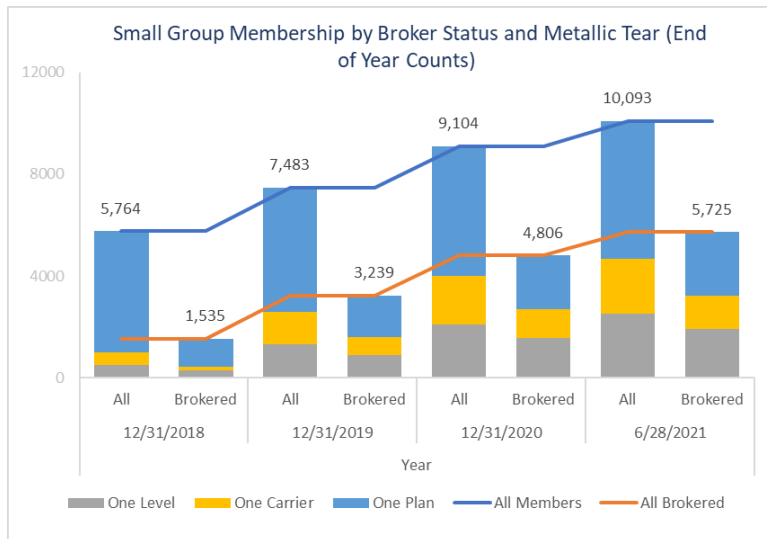
- The Health Connector was formed in 2006 to serve as the state’s health insurance exchange, the first such exchange in the nation. Its enabling statute (Chapter 58 (c. 176Q, s. 3)) directs it to sell plans to small groups, as well as eligible individuals.
- The Affordable Care Act (ACA), passed in 2010, similarly required exchanges to operate a Small Business Health Options Program (SHOP), allowing small businesses to obtain group health coverage.
- The ACA (42 U.S. Code § 18031) required exchanges to offer Qualified Health Plans (QHPs) in accordance with ACA benefits and consumer protections, and to allow small businesses to offer coverage via an “employee choice” model.
- “Employee choice” allowed small businesses to establish a benchmark contribution towards employee coverage, and then allow employees to shop from similarly-generous coverage from a range of carriers (“horizontal choice”) and/or products at different generosity levels from the same carriers (“vertical choice”).
- These choice models imported some of the flexibility and competitive dynamics more typically associated with the individual markets on Massachusetts’ pre-existing exchange, or large group markets, giving small businesses and their employees greater control over benefits.
- The Health Connector’s pre-ACA small business platform did not accommodate the employee choice models required by the ACA, resulting in the Health Connector searching for a new platform option, which yielded the ultimate partnership between the Health Connector and DCHBX that launched in 2017.

Timeline of Health Connector's Small Group Coverage Developments: 2006-2021

Date	Development
2006	Chapter 58 of the Acts of 2006 is signed into law in Massachusetts, creating the nation's first health insurance exchange and directing the Health Connector to offer small group coverage along with individual market coverage
2009	Health Connector begins to sell small group coverage (referred to as "the Contributory Plan") via vendor SBSB
2010	Health Connector acquires SBSB's off-Exchange small group enrollment
2014	ACA becomes effective, directing state-based exchanges to offer SHOPs, including employee choice
2014	CMS allows for flexibility for SBMs to come into compliance with SHOP requirements
2014-2016	Health Connector conducts a series of RFIs/RFRs for vendors that can be SHOP-compliant, which would allow CCA to obtain \$1.5M in federal funds to support a SHOP build
2016	Health Connector selects and partners with DCHBX for ACA-compliant SHOP platform
2017	Health Connector launches Health Connector for Business – pilot launch in August 2017 for Q4 sales
2017	Full Health Connector for Business launches for November 2017
2021	By mid-2021, Health Connector for Business exceeds 9,800 enrollments, with 86% of small businesses reporting satisfaction

Health Connector For Business Membership and DCHBX Supporting Transactions

- With a steady increase in membership enrollment year over year, DCHBX continues to provide a steady level of customer support to Health Connector for Business on a monthly basis, with the main increase overall related to payments.
- Customer service tickets refer to assistance with account creation, management and enrollments. While Health Connector for Business is a self-service model, roster additions and terminations are completed regularly via customer service requests by the DCHBX team.



	PAYMENTS	MEMBER CHANGES	CUSTOMER SERVICE TICKETS
2018	31,464	5,601	13,412
2019	58,186	4,897	10,284
2020	81,367	5,209	7,592
2021 (to date)	46,175	3,313	4,063
Grand Total	217,319	20,837	36,819



DC Health Link: Affordable Care Act State-Based Online Health Insurance Marketplace

- DCHBX: Private-public partnership (private Executive Board) responsible for DC Health Link – DC’s Affordable Care Act online health insurance marketplace
- Last state to start IT build, **1 of 4 state marketplaces opened for business on time** (& stayed open) Oct 1, 2013
- All health insurance for small businesses (SHOP) and residents (individual market) through DC Health Link:
 - **100,000 people** (private health insurance): 80,000+ people with job-based coverage (5,200+ District small businesses covered; 11,000 Congress -- Members and designated staff in district offices and on the Hill) paying over \$520 million annually in premiums (invoiced and collected by DCHBX and paid to 3 United Healthcare insurers, 2 Aetna insurers, Kaiser Permanente, and CareFirst Blue Cross Blue Shield); 15,000 to 20,000 residents with individual coverage paying over \$100 million annually in premiums.
- DCHBX is funded through assessment on health carriers (0.825% of premium for FY22)
- **Cut uninsured rate in half** since DC Health Link opened for business. Near universal coverage with more than 96% of DC residents covered
 - ✓ DC ranks **#2** in U.S. for lowest uninsured (behind MA ranking #1)



DC Health Link Awards and Recognition

- ✓ **Won 2019 Sustainability and Equity Award:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **Featured in the Fall 2019 AWS City on a Cloud International Announcement For Applications:** <https://aws.amazon.com/stateandlocal/cityonacloud/>
- ✓ **Won 2018 & 2016 Best Practices in Innovation:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **Ranked #1 for consumer decision support tools (ranking of SBMs and FFM) in 2018 and 2017 (no report in 2019 and 2020)**
- ✓ **Five PR News Awards in 2018 and 2019**
- ✓ **2017 AWS IT case study on cloud solutions:** <https://aws.amazon.com/solutions/case-studies/DC-HBX/>
- ✓ **First in the nation SBM partnership:** Selected by the Massachusetts Health Connector to provide IT solution and on-going operations support for the MA SHOP (Feb 2017)



DC Health Link IT System (DCHealthLink.com)

- **2013:** GO LIVE with marketplace for both small businesses and residents (in 2013 OPM designated DC Health Link as the Marketplace Exchange for Congress).
- **Initial IT:** COTS (“off the shelf” that didn’t exist) – hardcoded, \$\$ millions in licensing fees, local data center, significant time to fix and deploy new features, downtime, expensive and not nimble.
- **2015 Second Generation (never a legacy system):** AWS Gov’t cloud, agile & open source:
 - ✓ **No licensing fees** (saved millions in licensing fees);
 - ✓ **Saved \$2 million** by moving to the cloud;
 - ✓ **Can deploy new features**, enhancements and code fixes every day (we don’t!);
 - ✓ **No system downtime** (see new features next time user logs in); and
 - ✓ **Design and features based on user feedback** (customers, insurers, brokers, one-on-one user testing) and business operational needs.
- **Open Source:** code is free to all on github. Federal grants paid for code and any state or private sector can use it. Must post code improvements (free to all).



First in the Nation State-based Marketplace Partnership – DC Health Link & MA Health Connector for Business

- **Sharing services & costs goal for all SBMs pre-DC&MA partnership:** different attempts didn't work for joint purchasing; vendor discounts also didn't work.
- **Shared values:** sustainable cost effective cutting edge technology and operations to support health insurance marketplaces for employers; failure not an option; budget and deadlines matter so need full transparency and early detection and sharing of issues; eyes wide open about IT system (shared all "dirty laundry"); can't be "at financial risk" so time and material (not firm fixed price); can't have business/liability risk so state-to-state MOU; no dependency on aligned IT roadmap projects because still achieve savings and benefit from marginal cost if one builds new tools/functions. Set up IT vendor support to have resources for both DC and MA priorities.
- **DCHBX responsibilities:** replaced old technology, moved employers and their employees to the new platform, and moved insurers and brokers to the new platform. Responsible for development (manage project/features and vendor, burn rates and cost, conduct testing and manage deployment), manage internal and external O&M team, annual plans load and quarterly rate updates, EDI, all customer service (employers, employees and dependents, and health plans; manage all vendors (IT vendors and consultants, premium billing, contact center, AWS, notice printing and mailing vendor, software like CRM & security), prepare budgets & invoicing.
- **Lessons:** need a dedicated team cross trained on both MA and DC systems supported by senior managers (when needed for functions that are not full-time functions); renegotiated lower rates with vendors; established a new function, e.g. billing MA & tracking billable hours; support & concierge service for customers (support employers without brokers, made IT system more flexible to fix customer problems).