MEMORANDUM

January 7, 2019

To: Marketplace Advisory Committee
              Chiqui Flowers, Marketplace Administrator

From: Victor Garcia, Marketplace Operations Development Specialist

Subject: Summary analysis of Nevada and New Mexico marketplace technology platform RFIs

Purpose

The purpose of this analysis is to summarize the findings in the requests for information (RFIs) conducted in 2018 by Nevada and New Mexico for an individual health insurance eligibility and enrollment technology platform, and related services. Recent vendor responses to those RFIs provide context as the Marketplace Advisory Committee considers some possible alternatives to the platform Oregonians currently use to enroll in individual health insurance plans on the marketplace.

Background

What is an eligibility and enrollment technology platform?

The Affordable Care Act (ACA) established the health insurance exchange, now also known as the marketplace, through which consumers can purchase individual health insurance (qualified health plans, or QHPs). The marketplace provides consumers with a single place to compare and purchase QHPs, and is the only way for qualified consumers to receive tax credits and cost-sharing reductions for insurance premiums. Tax credits and cost-sharing reductions are the health insurance subsidies created by the ACA.

An eligibility and enrollment (E&E) platform, commonly referred to as a technology platform, is what consumers use to purchase marketplace QHPs. The most visible part of an E&E platform is the website that consumers visit to enroll in an individual QHP. When an online application is submitted, the E&E system determines the purchase options for the consumer according to several factors including age and income. This process is automated from start to finish in most cases, and includes determining if a person is eligible for tax credits and cost-sharing reductions for insurance premiums, or possibly for Medicaid coverage in that person's state.

The consumer enrolls in a plan via the website, and information stored in a database then keeps transactions and interactions recorded throughout that consumer's experiences purchasing insurance through the platform. A customer service center (CSC) is an ACA-required marketplace component to

provide person-to-person assistance to consumers who may need to speak to someone by phone, and the CSC staff must have access to the information on the E&E platform to properly address a consumer's inquiry.

Though often referred to as "the" marketplace, there are a variety of different E&E platforms in use in different states. The federal government constructed a platform and CSC that is in use by most states, and some states have opted to operate their own. Since each state's health insurance ecosystem is unique, a consumer's marketplace experiences will vary depending on where they reside. The primary goal of each marketplace, however, is the same: deliver a single website for consumers in that state to shop for, apply for, and enroll in an individual QHP while receiving any federal premium tax credits or cost-sharing reductions for which they may qualify.

Oregon on the federal platform

In 2014 for plan year (PY) 2015, Oregon moved to the federal E&E platform offered to all states by the Centers for Medicare & Medicaid Services (CMS). The state also moved most consumer telephone support to the federal marketplace call center. (General information remained available in-state by phone, but phone-assisted enrollments and account matters moved to the federal call center.) Oregon retained some responsibilities, including approving carriers and plans on the marketplace, making it a state-based marketplace on the federal platform (SBM-FP). Oregon is now among the small group of SBM-FPs, all of which have been examining whether their current marketplace technology and services are providing the best combination of value and cost to their residents.

Starting in PY 2016, CMS began charging SBM-FP states for use of the federal platform and CSC based on a percentage of premiums on plans purchased through the marketplace. The rate for 2017 was 1.5 percent, which rose to 2 percent in 2018, and then 3 percent of premiums for 2019. Because the cost is tied to the annual premium rate increases of individual health insurance, rather than the actual cost of the technology, SBM-FPs will pay more than double the cost in 2019 for use of the platform compared to 2017, and the pricing structure makes future costs difficult for states to predict.

This relationship is unique, because CMS is not accountable to the state in any way that every other vendor would be. Though requested, there has been no specific accounting methodology provided for how the charge is calculated or what it is spent on, no service level agreements (SLAs) outlining performance thresholds or remediation for the platform or CSC, no accommodations for unique insurance premium assistance or other initiatives specific to Oregon, and no direct access to reporting or data of Oregon consumer activity from the platform.

RFIs for state-based platforms

Approaching 2018, the states of Nevada and New Mexico developed strategies for a possible move to an entirely state-based marketplace (SBM). The states based their strategies in large part on budget projections indicating that staying on the federal platform at 3 percent of premium would be too unaffordable for those state marketplaces to continue in just a few years.

Shifting from the federal platform requires procurement of a separate E&E technology independent of the federal platform, and the establishment or enhancement of a state-run CSC. Nevada released an RFI in December of 2017, received responses in January of 2018, and conducted a request for proposal

(RFP) to procure a vendor for the switch shortly after. New Mexico followed, conducting an RFI from June to July of 2018, and is currently beginning an RFP process.

Nevada's RFI

Nevada's marketplace authority is the Silver State Health Insurance Exchange (SSHIE). Like Oregon, Nevada engaged a private contractor to build an E&E platform for use in the first year of the ACA marketplaces (PY 2014), and that platform failed to perform. Nevada then switched to the federal platform for PY 2015, as Oregon did.

Since that time, technologies and vendors in this market have matured, while the price for using the federal platform has simultaneously risen. After many thoughtful conversations with its stakeholders, government leaders, and governing board, SSHIE assembled the questions for an RFI for both an E&E technology platform (part one), and an external CSC (part two). Vendors could submit responses for either or both of parts one and two. Part one contained 11 sections, each with two to six questions related to essential functions of the platform. Part two contained four sections, each with three to six questions related to functions and operations of a CSC.

The RFI prompted vendors to explain and demonstrate their solutions to the unique needs of a state-based marketplace technology and associated CSC. Of the nine total vendor responses, two responded to part one only, three responded to part two only, and four responded to both parts.

Part one: Technology platform

A consumer-facing website is only the visible surface of a platform; behind it is a complex series of hardware, software, and network layers to perform all of the necessary functions and communications for a seamless user experience. This summary divides the responses to the platform technology portion into five major sections:

- **Enrollment and Eligibility Engine:**

  The E&E engine is the core of the platform. Its function is to receive the information provided by the consumer in an application, save it to a database, cross-reference that information with all other related information necessary to calculate and present that person with available options (eligibility), and execute all of the steps necessary to enroll that person in the selected plan (enrollment). Because of the mix of federal and state entities and regulations with which it must communicate and comply, the accuracy of the rules programmed into the engine is paramount. The engine would generally be inseparable from the database structure on which it was built, though that question was not asked in the RFI.

  While employing different underlying specific methodologies, there is only one acceptable outcome: a consumer with eligibility determined correctly and enrolled in the chosen plan. Four of the five respondents offering a solution had previously implemented a functioning engine for individual QHP

eligibility and enrollment in one or more states. All five affirmed the ability to comply with the federal requirements for E&E determination.

Part of the eligibility determination is a check for a possible qualification for the state's Medicaid program. The RFI asked if vendors could mirror the current process in place with the federal exchange to share or exchange information with a state Medicaid agency. Four of five vendors reported experience in this area, and expanded on the ability to use different methods to improve the efficiency and functionality of this data exchange. Although options from vendors are varied, the possibilities are limited by the existing capabilities of a state's Medicaid system technology, and the IT bandwidth and funding available to make separate complementary changes to that system.

- **Platform operations, supporting functions, and back-end**

  These components are the infrastructure that stores, routes, and fetches both the E&E engine itself, and the data it uses. This infrastructure houses the database structures, computer networks, servers, and associated information-security measures. It also generates the outward-facing portals that consumers, carriers, partners, and exchange personnel use to navigate and administer the system. It must be able to send and receive highly sensitive information to and from a variety of government and private entities in accordance with strict and specific CMS security guidelines.

  Due to the number of components and high levels of complexity, the vendors varied broadly in their specific proposed deployment options for Nevada. Most of the vendors have implemented full or partial technology solutions since the start of the ACA exchanges, and developed those into complete platform solutions over time. The differences in these evolutionary paths create some distinct variations in the features of the platforms beyond just eligibility and enrollment.

  All vendors offering a solution stated having experience and proficiency:
  - Exchanging data with carriers, including plan management information and reconciliation of consumer accounts
  - Improving automation and accuracy of validating and matching data coming from different sources
  - Complying with the various levels and standards of information security required by CMS, including the ability to interface with the Federal Data Services Hub (FDSH), and compliance with the Federal Risk and Authorization Management Program (FedRAMP) security standard required of all marketplaces.
  - Offering single sign-on (SSO) options where appropriate for data transfers with other entities
  - Offering a variety of options to scale to a state's need
  - Deploying hosted, cloud-based solutions. In a hosted cloud deployment, all of the information handling activity is performed by the vendor's implemented infrastructure, which may reside (hosted) and be accessed from anywhere in the country (cloud). This means a state would not

have to create its own dedicated IT infrastructures to use a platform, unless it needed or wanted to.

The customer and health-plan databases were leveraged by three of the respondents to also be used as a customer relations management (CRM) system. By enhancing the database beyond just the information needed by the engine, and developing the appropriate interface tools, the platform can also be used by CSC staff and marketplace administration to track customer contacts, log complaint and resolution tickets, and manage complex case workflows. This improves operational efficiency, especially if engaging an external CSC: everyone involved with a consumer interaction is looking at the same information displayed the same way, and no additional steps are needed to put the same information into a different system, and then keep those records aligned.

- **User portals, interaction components**

  The interaction components of the system allow users to enter or fetch data from the platform. This is usually accomplished through a secure internet login from a web browser; consumers, partners such as agents and assisters, carriers, CSC staff, and marketplace administration staff would all use such a portal to log in to the system.
  All five vendors proposed dedicated portals for the entities mentioned above. Each of these portals would present an "account" view, giving the user the options available to them.
  - For a consumer, options would include submitting or updating an application, shopping, uploading or viewing previously uploaded documents, and starting an eligibility-determination appeal or complaint process.
  - For agents and navigators, the ability for the user to share a shopping or plan-selection session with a client via the portal, as well as some level of client-management tools.
  - For carriers, plan submission and management tools are available this way, along with consumer record discrepancy resolution communication with marketplace staff
  - Administrative and consumer-support portals enable authorized staff to assist consumers or make changes according to assigned permissions. Higher-level permissions might enable a customer service agent to override eligibility information to assist a customer. Administrative tools allow for generating scheduled, pre-set reports, or ad-hoc reporting. Plan-management tools would allow staff to verify and communicate with carriers about plan compliance, as well as quickly make changes to what consumers see if an error is discovered.

- **Cost Breakdown**

  Each vendor offered the solution on a cloud-based, hosted, software as a service (SaaS) basis. In this model, the state essentially "leases" the platform from the vendor during the contract period, while the vendor assumes the responsibility for the delivery of a functioning platform and all of the supporting infrastructure. It would be less costly in most cases for a state to purchase this way rather

than building a new, sate-run IT infrastructure to support a platform.

Due to the preliminary and non-committal nature of an RFI, in this area vendors tend to be least specific; actual costs and payment terms would be proposed during a formal procurement process. This means that the specific costs of these solutions for a state could not usually be divined from an RFI. Vendors did, however, reference budget figures discussed in public meetings of the SSHIE board, and stated that the proposed solutions could be delivered within that budget at a lower cost than the federal platform.

All of the vendors offered an array of pricing models, including some fixed price, with deliverables-based payments for initial implementation, and monthly, annual, or per-member-per-month (PMPM) pricing based on the number of people enrolled through the state marketplace. This relatively predictable pricing model is more appealing to SBMs than the percent of premium charged for use of the federal platform. By uncoupling the cost of the platform from the rate of insurance premium increases, budget projections for ongoing operations, investment, and sustainability are potentially much more reliable for SBMs.

As a final question in this section, the RFI asked if there were any savings to be had as a result of use of the platform by multiple states. Three of the vendors did not have a current pricing structure incorporating this, but were open to the idea of exploring that. One vendor had already established an advisory group of its existing state customers, and stated the ability to offer a shared-cost model for features needed by other states in the group.

- **Data Migration**

  For SBM-FPs considering a switch away from the federal platform, a key consideration is making the transition as seamless as possible for consumers. During an open enrollment, consumers who have already purchased a plan through the exchange are, in most cases, designated to "auto-reenroll" in their plan. If the consumer does not log in and choose a plan during open enrollment, the system will automatically submit their information for a redetermination of their eligibility, and will reenroll them in the same plan they had previously selected, or an equivalent plan if designated by the SBM.

  When switching platforms, however, consumers may be forced to "start from scratch", and re-enter their information all over again into a new system. This can be confusing, and may lead to a drop in enrollment for the first PY after a switch. Vendors are now proposing solutions that may be able to migrate this information into a new platform, including the necessary personal information, plan selected, and the agent of record (if there is one).

  Only one vendor has done this successfully, for Idaho in 2017. All vendors responding to the RFI proposed a methodology, with only the one able to cite previous experience. All vendors expressed the inability to predict CMS's level of cooperation in sharing the data, and said they would depend partly on the monthly carrier reconciliation files already submitted to CMS for the federal platform

to help validate consumer data.

Part two: Customer Service Center

Part two of Nevada's RFI contemplated engaging a vendor for an external Customer Service Center (CSC) for some or all of its telephone customer support needs. Of the seven vendors responding to part two, four were also submitting a response for part one. One of the vendors had redacted all of the answer specifics as trade secrets, so this summary will reference the six responses providing usable information. This portion of the RFI was divided into the following areas:

- **Staffing, training, and supporting infrastructure**

  As expected, the vendors had a wide range of options and methods for deploying an external CSC. The vendors responding to only this part specialize in providing this service for a variety of industries, including SBM support for QHP enrollment in a few states.

  Training schedules and estimated staffing for customer service representatives (CSRs) needed to support Nevada's enrollees also varied between vendors; ultimately, this would be determined by a state's budget and specific requirements:

  - The highest and lowest required staffing estimates varied by a few hundred percent. While the exact reasons are unclear, the variation is most likely a reflection of the wide disparity in the previous experiences and specific applications of a CSC by the vendors.
  - Five of the vendors noted that extra staff would likely be required during open enrollment, based on previous experience, with a ramp-up and ramp-down staffing schedule.
  - All vendors had previous experience supporting an SBE.
  - Three of the vendors specified training periods ranging from 4 to 12 weeks for new staff, and knowledge areas required for supporting an SBM. The others specified catering to a state's specific needs without additional detail.

  For the physical location, two of the vendors included only estimates for a new location established in the state for that marketplace. One vendor proposed using only their existing call center infrastructure, and three of the vendors could accommodate either option. All of the vendors reported they could bundle that cost into implementation.

  Three of the vendors, which had also answered part one, indicated that their platform, or a module of it, could be used as the CRM for their CSC, reducing the number of software components and licenses needed by the CSC and marketplace staff.

- **Technology**

  This section mirrored the section in part one dealing with the IT infrastructure and security

supporting the CSC. This again varied depending on the type of deployment a state chooses, and like part one, each vendor provided myriad methodologies and certifications for IT security, disaster recovery, and data redundancy for backups.

- **Integration with the exchange platform**

  The four vendors proposing a combined solution presented that as the ideal option, and demonstrated the integrations currently in place. The two vendors proposing only a CSC stated the ability to train staff on and integrate any platform technology with their workflows, provided the platform tools were made available to the CSRs

- **Cost Breakdown**

  Because of the variance in staffing levels needed, the vendors offered more options here, with some combinations of fixed pricing for operational costs, hourly staff pricing, per-minute call-based pricing, and PMPM.

  The pricing would include design and implementation, infrastructure and operational overheads, and software licensed for use with the CSC (e.g., CRM software).

  The responses to the question about shared platform were similar to part one: two of the vendors were open to exploring the option, and the vendor with the advisory group of states gave a similar answer here as it did in part one. That vendor claimed that, to the extent that mutually desired features between states on the platform can be shared, they can be incorporated into the pricing.

New Mexico's RFI

New Mexico's marketplace authority is beWellnm, and their RFI was released in June and ended in July of 2018. The request was for only a technology platform, and the sections and questions were nearly identical to those in the platform portion of Nevada's RFI, with some additional questions.

New Mexico received three responses, and each of those vendors had also responded to parts one and two of Nevada's RFI. The responses from these vendors were almost identical to their previous ones, and added the answers to New Mexico's additional questions:

- **Financial Management**

  New Mexico's RFI included a section asking for vendors' solutions for enabling the platform to also be a payment portal for consumers, and to disburse commission payments to agents and brokers. All vendors had existing solutions for consumers to make payments.

Two of the vendors had an existing implementation of agent and broker commission payment tools and features. The third had only serviced states where the regulations permit each insurance company to have registered agents who are uniquely able to sell plans for commission, each paid according to that carrier's methodology. The vendor stated an ability to configure the system for New Mexico if it wishes to pay the commissions directly.

- **Mobile applications**

  All three vendors had web portal designs that conformed to HTML 5 or other standards to make the user interface usable across all types of devices, including mobile. One vendor stated ongoing development of a native mobile application.

- **Impact of other states' use of the platform on price**

  Like the response to Nevada's RFI, these answers varied. One vendor did not indicate whether other states' use would have an impact; one alluded to the shared savings of ongoing improvements and enhancements inherent to those advances; and the third referenced the Nevada RFI, including its advisory council made up of customer states that participate in helping direct the vendor's product development roadmap.

Key takeaways

The Marketplace Advisory Committee has requested this summary analysis, and there are some areas that have been of specific concern to the committee. One consideration we are not able to determine from these RFIs is specific cost to Oregon, which was a primary reason for considering a switch to a new technology. However, Idaho's experience switching to a state-based platform and CSC in 2017 suggests that it is possible to have both an SBE and dedicated platform at a lower cost than 3.5 percent of premiums. That's the amount charged by CMS to a state without any SBM at all. Additionally, the vendors generally attested to being able to provide the platforms presented within the budgets outlined by Nevada and New Mexico in publicly available information.

The committee has discussed other key considerations:

Viability of a platform switch: The vendors have shown, and state experiences have confirmed, that this move is possible, can be accomplished within acceptable timeframes, within budget and scope, and with the desired outcomes.

Variety of options: The RFI's have shown that there are a variety of platform models that could be considered "off the shelf," but are still customizable to a state's needs. While that may have been a more unreliable or overused term in the past, demonstrated success of the products in other states backs up this representation. This variety also includes the option for a vendor to take on all of the responsibility of IT infrastructure deployment and management, rather than the state.

The variety is also an indicator of a competitive market, which should help keep costs contained over time.

Possibilities and limitations of Medicaid integration: Vendors demonstrated familiarity navigating the interconnections between the SBMs and their states' Medicaid agencies. Any number of integrations are possible, but in states with an existing Medicaid technology in place, the possibilities are limited by that technology, and the ability, funding, and staff availability bandwidth needed for it to accommodate any of those integrations.

Options for an externally staffed customer service center: Nevada's RFI demonstrated the availability of vendors with experience implementing call centers as part of their model, or that can integrate easily with a new platform. These service centers would be subject to SLA agreements which, unlike the current relationship Oregon has with the federal platform, would ensure minimum performance standards, and remediation measures if they are not met.
While states may prefer to have the CSC staffed with their own employees, the availability of this option helps to alleviate some of the concerns over the number of full-time employees (FTEs) that would otherwise be added to a state marketplace's payroll.

The option for a platform to be an all-in-one customer service solution: Integration of a CRM into the structure of a platform technology reduces the complexity of implementing multiple software tools for the platform and for customer relations. If it meets all of a state's requirements, this would theoretically improve operational efficiency across a marketplace customer service and administrative ecosystem, and make it easier to implement an external CSC.

Improvement of interfaces and tools over time: Vendor experience and competition have led to improved user experiences over time. The tools available to consumers, agents and assisters, brokers, carriers, and marketplace customer service and administrative staff are miles away from where they were at the start of the ACA marketplace implementations. Consumers now have a much broader array of easy-to-understand tools at their disposal, including out-of-pocket and medication cost calculators, as well as the ability for an agent or assister of their choosing to help them navigate the shopping experience remotely through the web portals.

Built-in reporting and business intelligence tools allow marketplace administration staff to more effectively direct efforts and budgets to where they are needed to ensure that the highest possible number of qualified residents are insured and are receiving any assistance for which they qualify.

Pricing model options and predictable costs: The cost of a technology platform and service center are significant parts of any SBM's budget. All of the vendors expressed a flexibility to negotiate pricing terms. Assuming the vendor estimates were accurate, the platform solutions would be lower than the 3 percent of premium currently charged by CMS for use of the federal platform. This would allow SBMs greater ability to create accurate budget projections, and make much better informed financial decisions.