

May 20th, 5:00 PM - 7:00 PM

# The New England States Collaborative For Insurance Exchange Systems: Supporting Massachusetts and National Health Reform Through Technology Innovation

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Himmelstein, Jay S.; Tutty, Michael A.; and Keays, Scott, "The New England States Collaborative For Insurance Exchange Systems: Supporting Massachusetts and National Health Reform Through Technology Innovation" (2011). *UMass Center for Clinical and Translational Science Research Retreat*. 6.

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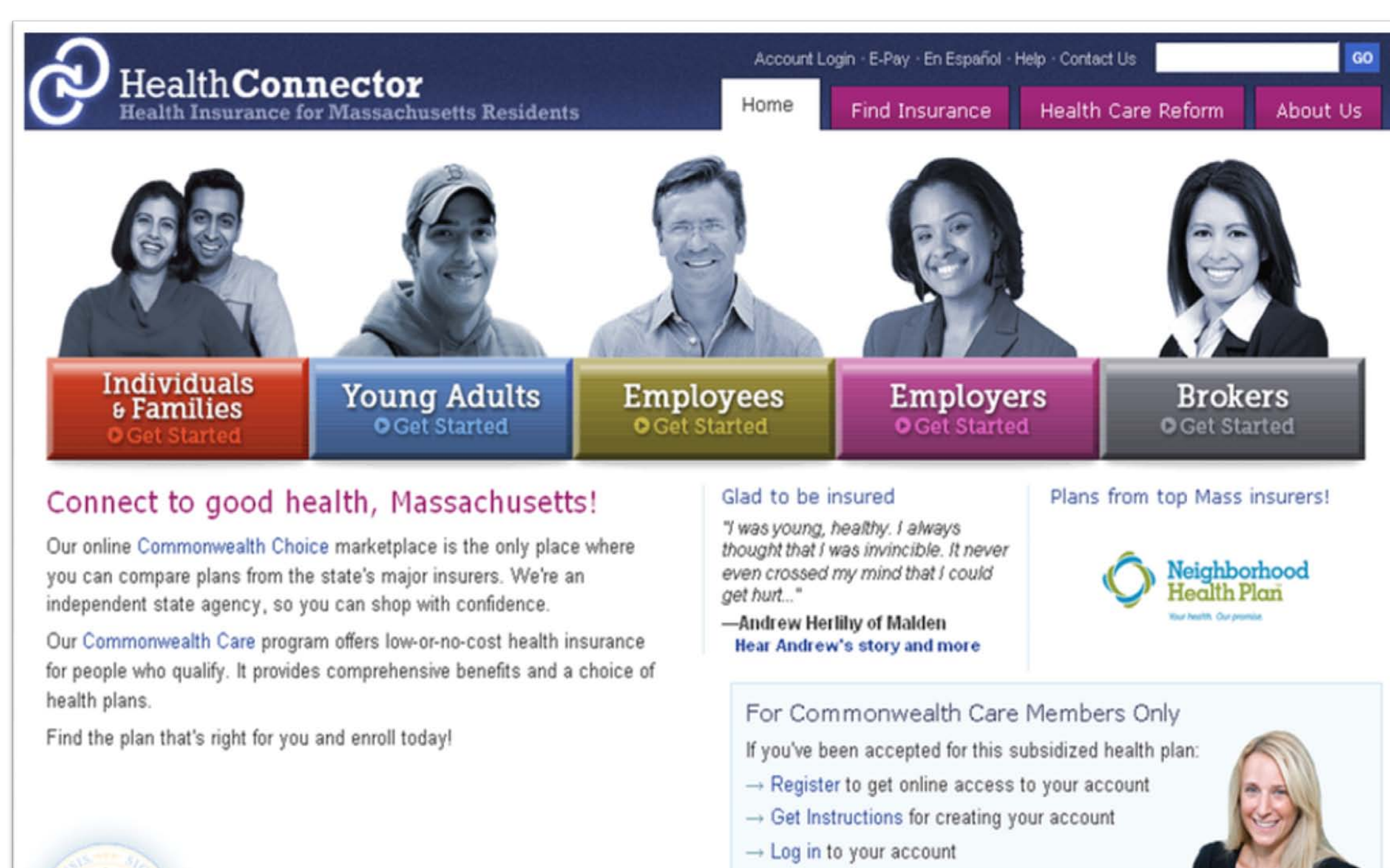
University of Massachusetts Medical School - Center for Health Policy and Research  
 Jay Himmelstein, MD, MPH, Michael Tutty, MHA, MS, and Scott Keays, MPH

## 2006 Massachusetts Health Reforms

### Achievements as of 2010

- 98.1% of adults and 99.8% children insured after 3 yrs
- Of newly insured, 25% private pay
- 98% compliance (taxpayer filings)
- 59% - 75% voter approval rating
- Established functioning health insurance exchange (HIX)

## Massachusetts Insurance Exchange



- Provides standardized shopping experience for individuals and small businesses
- Makes insurance affordable by direct application of subsidies for eligible residents earning below 300% of Federal Poverty Level (FPL)

## 2010 Affordable Care Act

### Coverage Expansions:

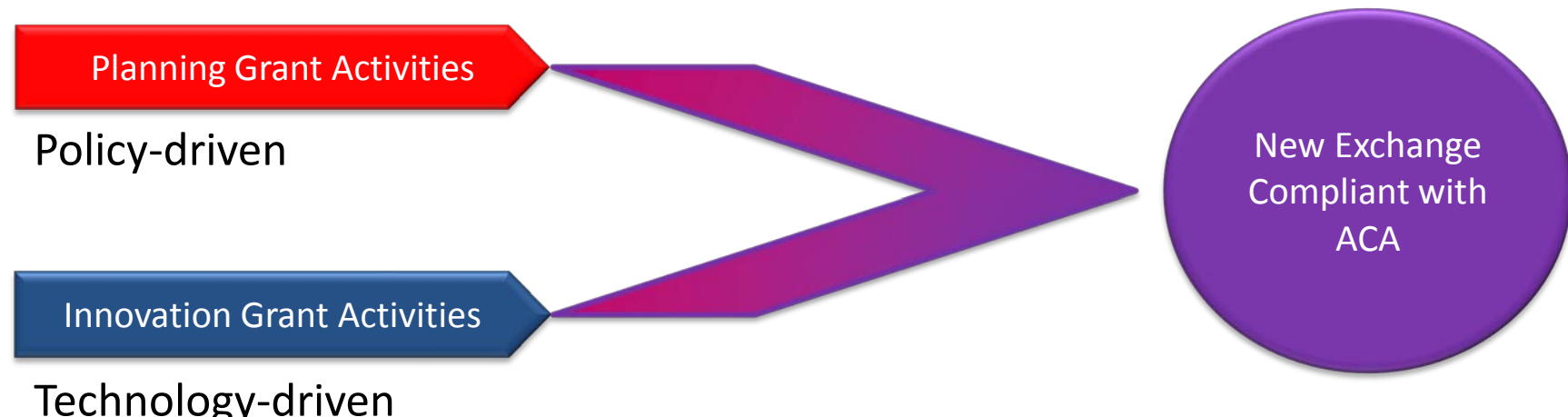
- Medicaid expansion to <133% of FPL
- Insurance subsidies (as advanceable tax credits) to <400% of FPL
- Individual mandate like MA
- Insurance Market Reforms
- Requires all states to establish insurance exchanges



## Establishing State Based Exchanges

Center for Consumer Information and Insurance Oversight (CCIIO), established in CMS, to provide States with resources for implementing exchanges:

- MA Connector Authority awarded \$1 million for policy and planning



- UMass Medical School was awarded \$35,591,333 to establish New England States Collaborative For Insurance Exchange Systems (NESCIES)

## Our Project

**Goal:** To create Health Insurance Exchange (HIX) Information Technology components in Massachusetts that are consumer-focused, cost-effective, reusable, and sustainable and that can be leveraged by New England and other states to operate Health Insurance Exchanges.

The NESCIES project approach will be to create and build a flexible HIX Information Technology framework in Massachusetts designed to connect consumers, small businesses, and health plans that can be tailored to the needs of the New England states and beyond.

Achieving this goal will require the creation of solutions that are component based, adaptable, and based on the standards required by the ACA.

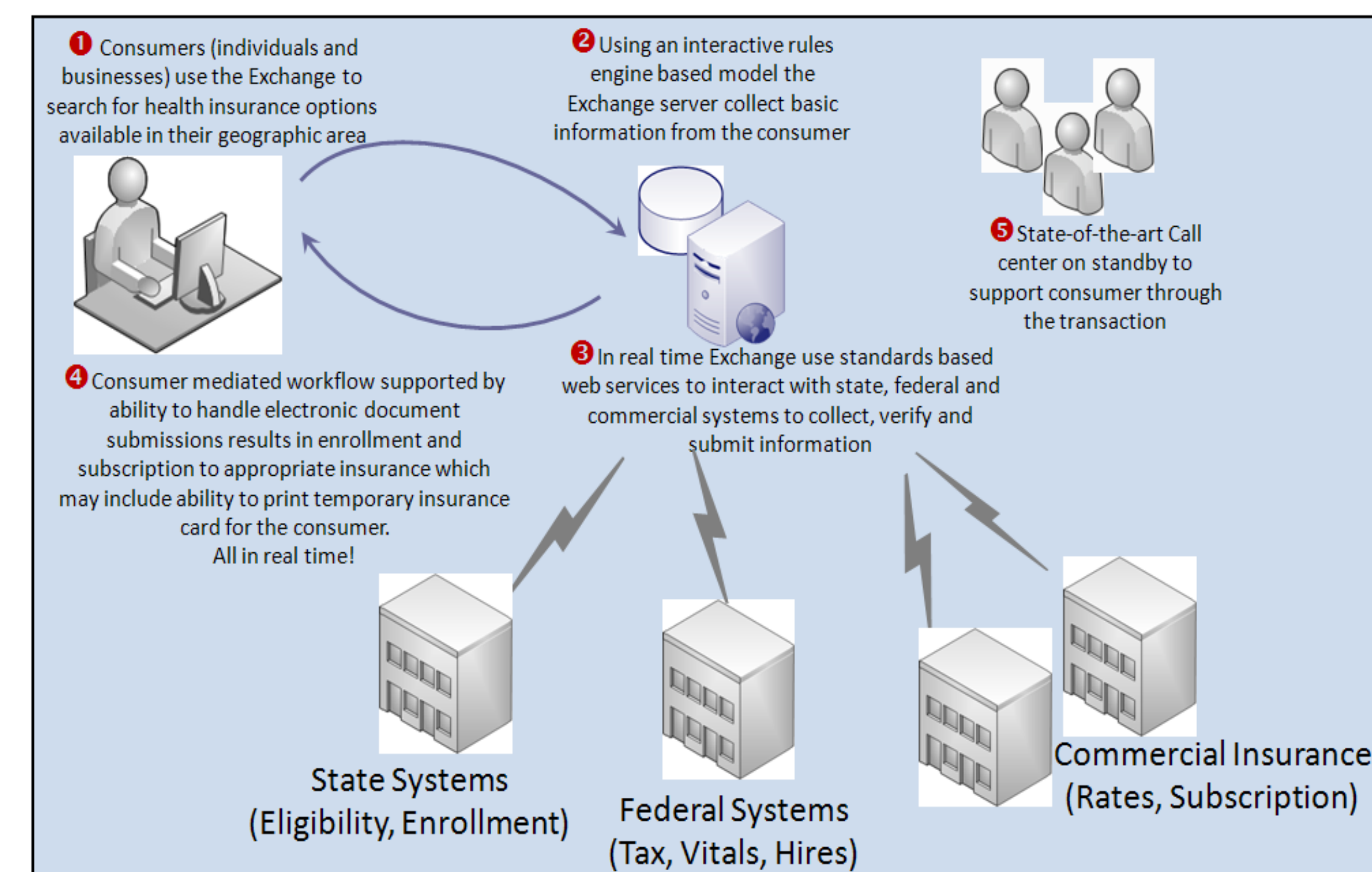
## Core Functions of ACA Mandated Exchanges

<b>1. Eligibility and Enrollment</b>	<ul style="list-style-type: none"> <li>• Employer enrollment in an Insurance SHOP Exchange</li> <li>• Individual enrollment in a qualified health plan offered through the Insurance Exchange</li> <li>• Integration with Medicaid and CHIP</li> </ul>
<b>2. Plan Management</b>	<ul style="list-style-type: none"> <li>• Plan certification, recertification and decertification</li> <li>• Issuer contracting</li> <li>• Plan rating</li> </ul>
<b>3. Financial Management</b>	<ul style="list-style-type: none"> <li>• Premium determination including premium tax credits and cost sharing</li> <li>• Plan assessment, reinsurance, risk adjustment, and risk corridors functions</li> <li>• Individual insurer reconciliation</li> </ul>
<b>4. Customer Service</b>	<ul style="list-style-type: none"> <li>• Manage responses to information requests and requests for service</li> <li>• Efficient distribution/management of requests across phone, web, paper, and face-to-face</li> </ul>
<b>5. Communications</b>	<ul style="list-style-type: none"> <li>• Communications and outreach strategies; content and messaging</li> <li>• Measurement/reporting of communication effectiveness</li> </ul>
<b>6. Oversight</b>	<ul style="list-style-type: none"> <li>• Federal oversight of Exchange operations</li> <li>• Insurance Exchange management and operations</li> <li>• Certifying exemptions from mandate</li> </ul>

## Massachusetts Exchange Vision

Massachusetts Today	Massachusetts 2014
Premium subsidies for legal residents earning between 0% and 300% FPL	Tax credits for legal residents earning between 133% and 400% FPL
Premium subsidies managed by "Connector"	Tax credits managed by the Internal Revenue Service (IRS)
3 benefit tiers (Bronze-Gold) and Young Adult Plans	4 benefit tiers (Bronze-Platinum) and Catastrophic Plans
Benefit plans defined by MA minimum creditable coverage; fully-insured products	Federal essential benefits package
"Connector" collects premiums and pays health plans	Federal law suggests that individuals pay health plans directly minus tax credits
"Connector" sustained by administrative fee	Sustainability model yet to be determined

## Health Reform 2014



## Project Status

- Completed 2 federally mandated "gate" reviews – Architecture and Project Baseline Review
- Business Process Redesign (BPR) underway to identify gaps and create a blueprint for the exchange to meet 2014 goals
- Analyzing and updating policies on state level to comply with federal ACA
- Working with New England states to identify and develop reusable technology components

## Potential Research Questions

- Consumer characteristics impact on health plan benefit design and plan selection
- Understanding and optimizing consumer's health plan "purchasing" decision
- Plan selection/benefit type impact on general and specific clinical outcomes
- Effect of HIX design (e.g. active vs. passive) and functionality (e.g. active consumer support) on system outcomes (e.g. affordability, availability, take-up, etc.)

## Acknowledgements

Funding for NESCIES comes from the CMS Center for Consumer Information and Insurance Oversight (CCIIO) CFDA No. 93.525. The NESCIES project is a collaborative effort with:



And the State health and human services agencies in: Connecticut, Maine, New Hampshire, Rhode Island, and Vermont

For detailed project information, please visit [www.nescies.org](http://www.nescies.org)  
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