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Connecticut's Health Insurance Marketplace

Board of Directors Meeting

July 30, 2013

Agenda

I.   Call to Order and Introductions

II.   Public Comment

III.   Review and Approval of Minutes

IV.   CEO Report

V.   Tribal Consultation Policy

VI.   Exchange Sustainability – Procedure for Fees and Assessments

VII.   All Payer Claims Database – Draft Policies Approval

VIII.   2014 Rate Review – Wakely Actuarial Report

IX.   Finance Update

X.   Finance Delegation of Authority

XI.   Operations and Information Technology Update

XII.   Adjournment

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Welcome and Introductions

Connecticut's Health Insurance Marketplace

Public Comment

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Review and Approval of Minutes

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CEO Report

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Tribal Consultation Policy

Tribal Consultation Policy

- Per the Affordable Care Act, for states who have Federally-recognized Indian Tribes, the Exchange must establish a Tribal Consultation Policy.

- The goal of the policy is to ensure that lines of communication are formally established to discuss important developments and changes surrounding Exchange implementation that may impact Federally-recognized Indian Tribes in the State.

- Connecticut's Tribal Consultation Policy was drafted and approved by the board on 12/20/12.

- This approved policy was then shared with representatives of the Mohegan and Mashantucket Pequot tribes, and some modifications were requested.

- The requested changes seek to clarify and underscore the pro-active, substantive nature of the conversations which will occur, and establish a regular schedule for providing updates and reviewing pertinent information

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Tribal Consultation Policy

- More specifically, the policy has been updated as follows:

  1. We removed language indicating that only "high-level" or "significant" issues needed to be discussed, thus opening up a much broader dialogue on overall Exchange issues which we all feel is important.

  2. We added language indicating that regular, scheduled meetings will be established in an effort to stay in front of any issues which may arise.

  3. We added language indicating that the Exchange will pro-actively coordinate ad-hoc meetings should earlier consultation need to occur.

  4. We included a plan for identifying an ongoing Tribal Liaison role to serve as the primary contact for tribal health leaders.

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Tribal Consultation Policy

- The Exchange supports these changes, and the Tribal Councils of both nations have also approved these as well.

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Exchange Sustainability – Procedure for Fees and Assessments

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All Payer Claims Database – Draft Policies Approval

APCD Background

- All-Payer Claims Database (APCD): large scale database that collects and aggregates health claims data from private and public payers

- APCD data used for consumer decision support, policy analysis, health research

- CT APCD established in 2012 under Office of Health Reform and Innovation (OHRI)

- OHRI began APCD implementation, drafted regulations, held public comment period

APCD Policies and Procedures

- Public Act 13-247 authorizes AHCT to issue these Policies and Procedures

- Describes timeline and format for data submission

- Informed by CT APCD stakeholders and other states' experiences

Policies and Procedures (cont.)

- Requires claims, member eligibility, provider and control total files; incorporates Data Submission Guide by reference

- Describes processes for:

  - Annual carrier registration

  - Exclusions/waivers/extensions of data submission requirements

  - Non-compliance and penalties

- Aligns with HIPAA Privacy Rules

- Sets foundation for data release; specific process to follow in late 2014, prior to data availability in 2015

Data Submission Guide (DSG)

- Defines data element submission requirements such as:
  - Field names and formats
  - when an element is required (e.g. "only for inpatient claims")
  - threshold collection rate for each element
- Reviewed by APCD stakeholders
- Positions APCD to support analysis of health care reform-related topics

Approval of APCD Policies and Procedures

- Requesting Board approval today to post for public comment
- Public comment: August 13-September 12
- Board vote on final policies and procedures at September meeting
- Starting in October, reporting entities register and prepare for data submission

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2014 Rate Review – Wakely Actuarial Report

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Finance Update

Finance Update

- Completed update to the Accounting Policy and Procedure Manual to reflect latest controls and processes.

- Completed semi-annual Grant Progress Reports due to the Department of Health and Human Services (HHS) by July 30, 2013.

- Worked with Plan Management and Wakely Consulting Group to complete the rate review process.

- Finalized the sustainability procedure – Exchange Assessments and Fees.

- Board adoption is requested for the sustainability procedure (Exchange Assessments and Fees) and approval of the resolution granting delegation authority.

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FY 2013 Wrap-Up
&
Expense
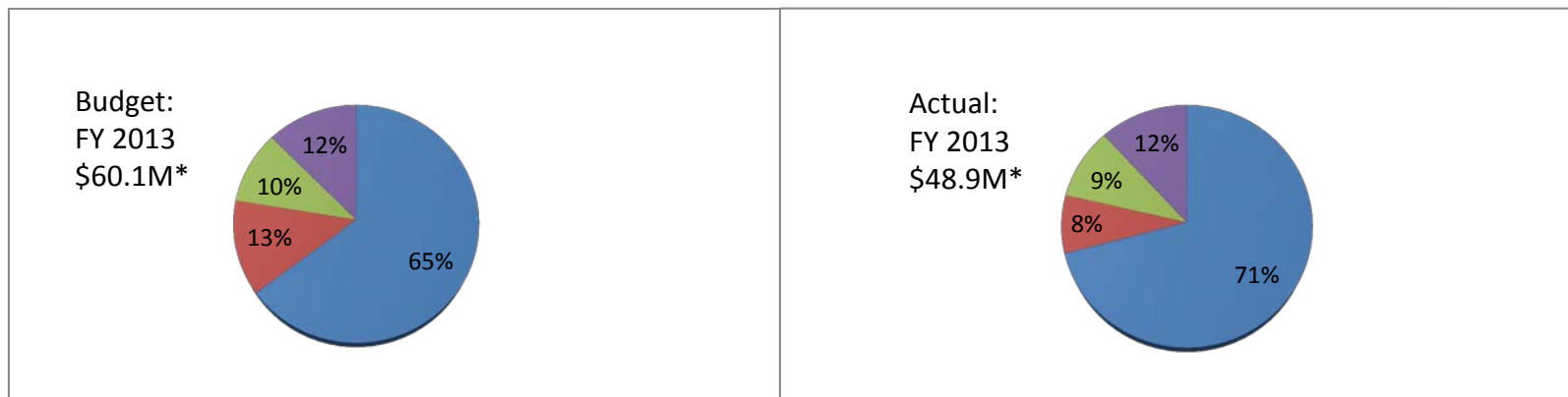## Dashboard

FY 2013 – Wrap-Up

FY 2013 Recap

- Overall Burn Rate to budget is 81%

- Overall Spend = $48.9M

- Level 1 Grant fully Utilized

- Level 2 Grant - 56% Utilized

- Medicaid Recovery for FY 2013 = $6.4M
  - Representing Chargeable DDI Utilization of 70%

Glimpse into FY 2014

- Federal Funding for 2014 = $74M
  - Balance of Level 2 available through 2014 $46.8M
  - Level 2 Supplemental Request $26.8M

- FY 2014 Budget = $75M
  - New Level 2 Grant Request Pending (due 8/15)
    - Covers Deferred and New Functionality for DSS Phase 3 & 4
    - Provides alternative for funding immaterial budget gap

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FY 2013
Budget Vs. Actual Snapshot

Budget:
FY 2013
$60.1M*

12%

10%

13%

65%

Actual:
FY 2013
$48.9M*

12%

9%

8%

71%

*(Represents cash, capital and accrued expenditures; Net of Medicaid Allocable cost)

■ Design, Development & Implementation

■ Non-DDI

■ Marketing – Consumer Outreach

■ Salary & Fringe

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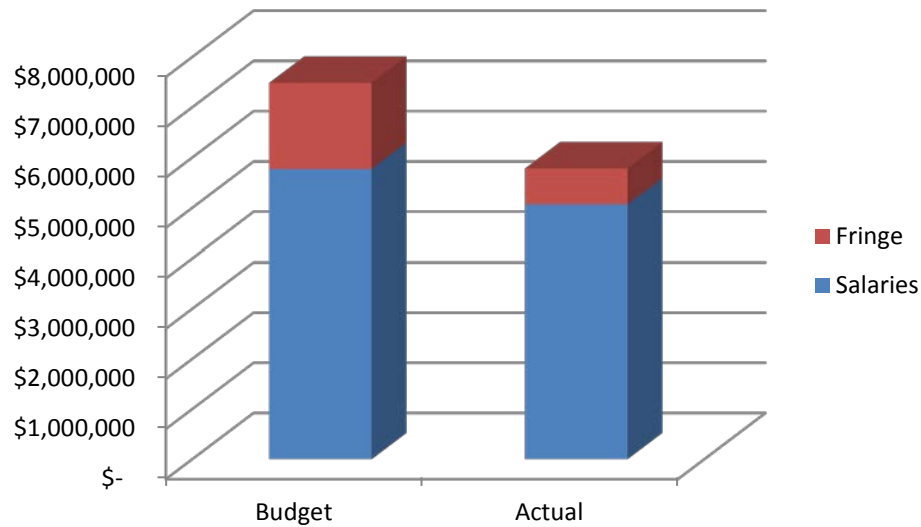# FY 2013 Overall Expense Narrative/Exhibit
Budget vs. Actual

- Actual Spend is Behind Budget
  - Staffing ramp-up slower than projected – however, ramped significantly in the last quarter of the Fiscal Year
  - Deferral of IT functionality resulting in less DDI

**FY 2013
Burn Rate
81%**

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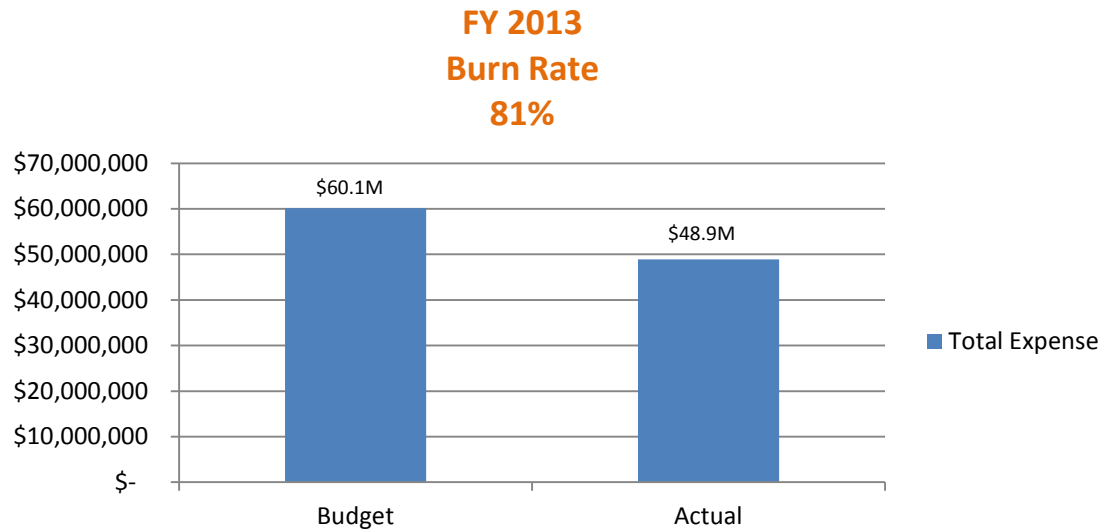
FY 2013 Personnel Cost
Budget vs. Actual

- Actual Spend is Behind Budget Trend
  - Staffing ramp-up slower than projected
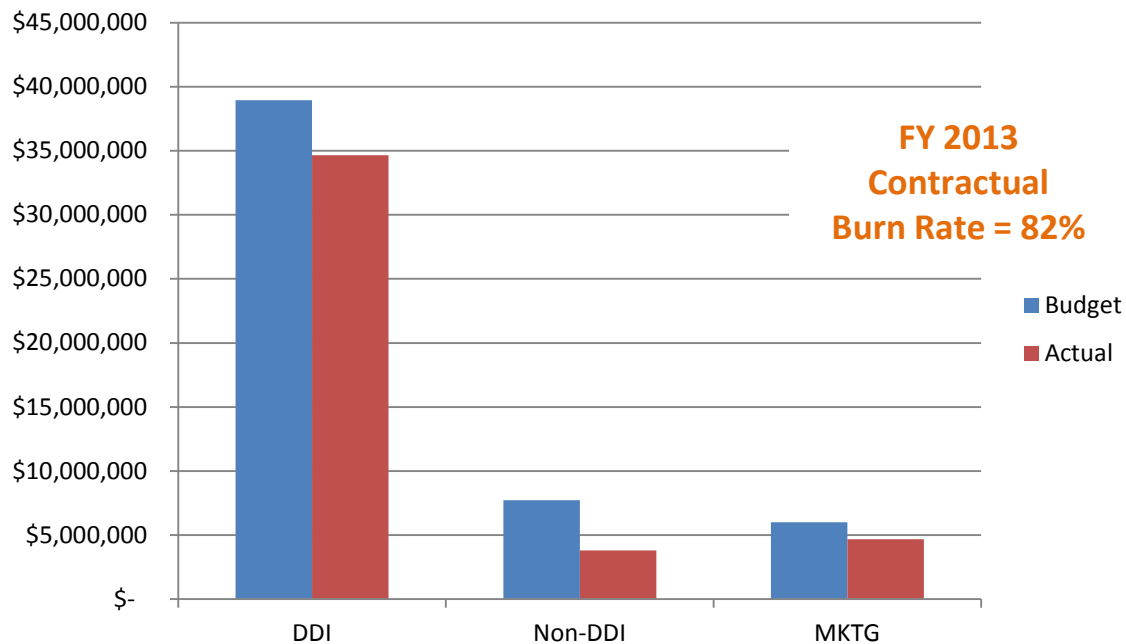   - Ramped-up significantly in the last quarter of the Fiscal Year

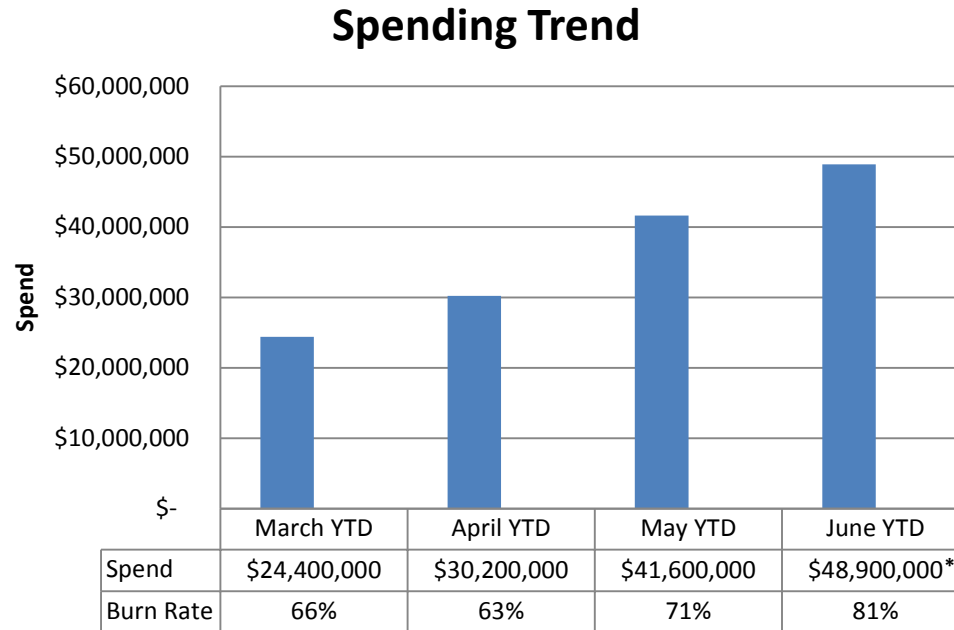**Salary & Fringe Burn Rate = 77%**

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Project Expense Narrative/Exhibit
Budget vs. Actual

- Level 2 Grant – Development ramp-up slower than projected
  - SDLC follows Waterfall Methodology vs. Agile Methodology
  - Functionality Deferral

FY 2013 Contractual Burn Rate = 82%

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Spending Trend – FY 2013

Spending Trend

	March YTD	April YTD	May YTD	June YTD
Spend	$24,400,000	$30,200,000	$41,600,000	$48,900,000*
Burn Rate	66%	63%	71%	81%

* Includes $4.9M in Medicaid Recovery Received in June, for prior month expenses incurred.

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Finance Delegation of Authority

RESOLUTION OF THE BOARD

BE IT RESOLVED, that the CFO is hereby authorized to establish a policy within the Accounting Policy and Procedure Manual, permitting the CFO and the Controller, or other appropriate Exchange employee, or employees as determined by the CFO, to sign checks in payment of obligations which have been previously authorized in accordance with Section 5.7 of the Exchange's Bylaws, or to authorize purchase orders as shown in the Authorization Matrix-Appendix B1 in accordance with Section 7.0 Procurement of the Accounting Policy and Procedure Manual. Such policy shall be reviewed, and may be revised, from time to time by the CFO.

Excerpt from Access Health CT Bylaws

 SECTION 5.7

Signing Authority - The Chairperson, Vice-Chairperson and the Chief Executive Officer shall have authority to sign all contracts, instruments, deeds or other documents for and on behalf of the Exchange. In addition, the Chief Financial Officer and the Chief Operating Officer shall have the authority to sign all contracts, instruments, deeds or other documents for and on behalf of the Exchange. The Chief Financial Officer's authority shall not exceed $500,000. The Chief Operating Officer's authority shall not exceed $250,000. Other officers and employees of the Exchange shall have such further signature powers as may be specified from time to time by resolution of the Board.

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Authorization Matrix

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Effective Date: 7/1/2013

Authorization Matrix

Level	Type of Decision	Document(s)	Board	CEO[1]	COO[1]	CFO	Controller	Functional Manager[2]
1	Authorization of Operating and Capital Expenditures for services under $5,001 (excludes temp and consulting services)	Purchase Order	Any AHCT un-budgeted requirement over $5,000	N/A	N/A	N/A	N/A	Up to $5.000
2	Authorization of Operating and Capital Expenditures for tangible goods under $25,001	Purchase Order	Any AHCT un-budgeted requirement over $5,000	N/A	N/A	N/A	N/A	Up to $25,000
3	Authorization of Operating and Capital Expenditures for goods (Over $25,000) and services (Over $5,000) WITH a State contract. (excludes temp and consulting services)	Purchase Order	Any AHCT un-budgeted requirement over $5,000	Up to approved budget	Up to $250,000	Up to $500.000	Up to $100,000	N/A (Signature required on PO)
4	Authorization of Operating and Capital Expenditures for ALL temp and consulting services	Contract & Purchase Order	Any AHCT un-budgeted requirement over $5,000	Up to approved budget	Up to $250,000	Up to $500.000	Up to $100,000 (PO ONLY)	N/A (Signature required on PO)
5	Authorization of Operating and Capital Expenditures for goods (Over $25,000) and services (Over $5,000) WITHOUT a State contract. (excludes temp and consulting services)	Contract & Purchase Order	Any AHCT un-budgeted requirement over $5,000	Up to approved budget	Up to $250,000	Up to $500.000	Up to $100,000 (PO ONLY)	N/A (Signature required on PO)
6	Disbursements	Check, ACH, Wire & Credit Card	N/A	Over $500,000	Up to $250,000	Up to $500.000	Up to $5,000 (Credit Card ONLY)	N/A

The limits are valid only against the Board approved fiscal budget.

[1] Delegated approver (within authorization authority) when CEO and or Controller are unavailable to provide authorization. Finance determines when delegation is required.

[2] Functional Managers authorizations are based on department that originates expenditure. Refer to the Department Matrix for approved Functional Managers

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Operations and Information Technology Update

PROGRAM SUMMARY: Yellow

Schedule Risks	Overall
Resource Risks	
Quality Risks	
Scope Risks	
Issues	

Schedule Risk: The agreed-upon or required schedule will not be met.

Resource Risk: Resources such as people, budget, equipment, or other limited assets are not leveraged efficiently and effectively to achieve program success.

Quality Risk: Product (deliverables/solution) of the program will not meet the intended requirements or needs.

Scope Risk: Objectives of the program are not well defined/understood and progress/completion can not be effectively measured.

Issues: Critical concerns that impact above risks and require Board guidance

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SCHEDULE RISKS

Level	Risk Definition	Remediation Approach	Resolution Date	Responsible Party
	Late emergence of federal government guidelines (e.g. – new Single Streamlined Applications released on 4/30) have required additional IT development and operation model revisions.	AHCT continues to work with systems integrator and DSS to assure necessary technology and processes are in place for 10/01/13 deployment.	08/15/13	ACHT COO
	The technical and environmental complexities and dependencies are impacting the timely availability of the environments for the Training, User Acceptance and Performance testing phases.	BEST, DSS and AHCT continue to closely monitor the progress of the required environmental deployments.	08/08/13	AHCT CIO
	Technical and operational collateral needed for CMS Operational Readiness Review (ORR) must be finalized and shared prior to their arrival on 08/22/13. There is a risk that some documents will not be finalized and reviewed prior to the on-site.	Teams understand these needs and are pushing to finalize the technical and operational details and document them for upload.	08/08/13	ACHT COO
	Outstanding work necessary to document and support the CMS and IRS security policies and control requirements (Privacy Impact Assessment, System Security Plan, Safeguards Procedures Report) put IRS' certification of the AHCT system at risk.	An AHCT task force is preparing responses to IRS comments as well as refining and integrating security controls with AHCT operations in time for the 08/05/13 IRS visit.	08/05/13	ACHT CIO

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RESOURCE RISKS

Level	Risk Definition	Remediation Approach	Resolution Date	Responsible Party
	Key System Integrator project resources have left the project (e.g. - functional lead, testing, work flow, security, project management, and system functional areas). The onboarding of replacement resources has impacted project milestones.	System Integrator has provided additional resources and System Integrator is providing daily updates to the AHCT senior leadership team.	Ongoing	AHCT CIO
	Insufficient System Integrator management, coding, testing, and implementation resources to make critical dates.	System Integrator has provided additional resources and System Integrator is providing daily updates to the AHCT senior leadership team.	Ongoing	AHCT COO

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QUALITY RISKS

Level	Risk Definition	Remediation Approach	Resolution Date	Responsible Party
	Systems Integration Testing defect resolution is not progressing at the planned rate. If this trend continues, the critical and serious defects may not be resolved in time for the Go/No Go decision on 09/16/13.	AHCT is working with the System Integrator to prioritize defect resolution and monitor progress on a daily basis.	08/15/13	AHCT CIO
	The planned dates for the finalization for the Federal Data Services Hub (FDSH) deployment has left little time for testing these critical services.	AHCT continues to monitor and escalate to the Connecticut CMS Technical Lead as appropriate. AHCT continues to evaluate alternatives if FDSH is unavailable.	08/31/13	AHCT CIO
	Data format inconsistencies between Federal data templates and AHCT are hindering QHP data uploads.	AHCT is using manual processes and technical tools to ensure carrier plan data submission meets template format per systems requirements.	Ongoing	AHCT COO

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SCOPE RISKS

Level	Risk Definition	Remediation Approach	Resolution Date	Responsible Party
	AHCT's understanding of both the business rules (e.g. - recently received guidance from CMS) and solution design continue to evolve. AHCT continues to receive Change Requests to modify the system to assure compliance with the Affordable Care Act.	Documentation and implementation of processes and workarounds continue across AHCT, DSS and other parties. Change Requests continue to be prioritized and adjudicated.	8/15/13	AHCT COO

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AHCT Critical Milestones

Critical Milestones	Date	Status
AHCT Demonstration for Advocates	03/20/13	Complete
CMS Final Detail Design Review	03/27/13	Complete
CMS Milestone "Last date to enter testing"	05/01/13	Complete
Release One Deployment to Production	06/04/13	Complete
AHCT R2 User Acceptance Testing Start	08/01/13	At Risk
Model Office Table Top Exercise	08/15/13	At Risk
Operational Readiness Review	08/22/13	At Risk
AHCT QHP Review of Plan Data	08/30/13	At Risk
Go Live Checklist Completed	09/16/13	On Track
AHCT Start of Open Enrollment	10/01/13	On Track

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- Integration with Department of Social Services is moving from plan to implementation, concurrent with system development
  - Will review later in the meeting

- Validation of Workflows and Integration points, i.e. "Model Office"
  - Walkthrough of all workflows: e.g. paper application, phone application, appeals process
    - Determine what works, what does not, and why
    - Entire Organization will be involved
    - Planned for mid-August
  - Will become part of CMS' Implementation Readiness Review and Operational Readiness Review

- Plan Management
  - Reconciling data formats between carrier submissions and system
    - Work is manual and detailed
  - Answering many detailed technical, policy, customer service and legal questions for carriers

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- **Work with partners is on track;**
  - Call Center – technical integration, training and scripts
  - SHOP- configuration
  - Xerox/Scanoptics – paper application scanning and system input
  - Sir Speedy – printing of notices and applications

- **Training has begun**
  - Over 800 people to be trained in first cohort
    - Staff
    - In Person Assisters
    - Brokers

- **Management oversight**
  - Continuing to manage all workstreams through Operations Program Management Office and associated workplan

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- System Integration Testing
  - Cycle 3, finished on July 14th. Cycle 3 did not finish all planned script execution as expected and all unexecuted scripts have been moved to Cycle 4 & 5

- Three main challenges
  - Some software defects are more complex to fix and are taking longer than planned to resolve
  - End to end test data in the Federal Data Services Hub does not exist and Deloitte has had to create a mini testing hub to manage testing
  - Complex test scripts being executed in this cycle are taking longer to work all the way through the system screens

- The Independent Validation & Verification (IV&V) vendor has certified that Wave 3 testing for the Federal Data Services Hub(FDSH) has been completed successfully. Remaining FDSH end to end testing will occur after August 15th thru mid-September

- User Acceptance Testing on track to begin on 8/1

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- The IRS Security Audit team will be onsite in CT on August 5th and 6th to review system designs containing Federal Tax Information, Data Center Walk thru and all Operation Functions. This is needed for AccessHealthCT to get official approval to begin using the Federal Data Services Hub in October

- CMS Privacy Impact Assessment and SafeGuard Procedure Reports as well as IRS System Security Plan documents are being worked for review and signoff for attestation of AccessHealthCT system security and all due by August 15th

- CMS Operation Readiness Review planned for August 22nd & 23rd

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Adjournment