



MEMORANDUM

To: Sen. Virginia "Ginny" Lyons, Chair of the Health Care Oversight Committee
From: Mark Larson, Commissioner
Cc: Doug Racine, Secretary, Agency of Human Services
Date: July 31, 2014
Re: Vermont Health Connect Report – July 2014

In accordance with Act 179; Sec E.306.3, I am providing the following update on the Health Benefits Exchange (Insurance Marketplace), Vermont Health Connect. If the committee has questions about the structure or contents of this update or future updates, please do not hesitate to contact me.

Enrollment Data/Coverage Status

Following the close of open enrollment in late March of this year, Vermont’s insurance marketplace was recognized for having the highest per capita enrollments. Vermonters who are eligible for Medicaid or Dr. Dynasaur and those who experience a qualifying event, such as having a baby, getting married or moving to the State, can still enroll, outside of open enrollment.

As of July 22, 160,324 Vermonters are covered by Vermont Health Connect plans. About 95,500 enrolled in the newly expanded Medicaid program that is now available to more low-income Vermonters than ever before; about 33,500 of these individuals were automatically transitioned from the Catamount (CHAP) or VHAP programs to Medicaid by the State in January 2014.

Additionally, approximately 64,900 Vermonters enrolled in Vermont Health Connect’s Qualified Health Plans (private health insurance); about 31,200 enrolled directly through the marketplace and the remainder enrolled through the insurance carriers because they are offered insurance through their small business employer. Over 60% of those shopping for private health insurance through the marketplace were found eligible for tax credits to make their coverage more affordable.

Updated 7/22	Individual Plans Confirmed (Checked Out)	Payment Received (Paid)	Enrollment Effectuated (Enrolled)
Individual/Family - Qualified Health Plans (QHP)			
January – May Start	32,695	31,174	29,832
June Start	1,091	905	758
July Start	1,359	668	470
August Start	517	181	119
Small Business – QHP			
As of June	33,696	33,696	33,696
Medicaid			
January – May Start*	81,217		80,451
June Start	10,452		10,228
July Start	5,051		4,770
Total	166,078	66,624 (QHP Only)	160,324

Earlier in the month, the State became aware that a larger than expected number of members (approximately 14,000) did not renew their Medicaid / Dr. Dynasaur coverage in April, May and June.

The State is taking the following action to quickly remediate the situation:

- Gained federal permission to reinstate those who closed and hold renewals until further notice;
- Began reinstating all who were closed retroactive to last date of coverage (target completion 7/31);
- Sending notice of reinstatement to affected members;
- Outreaching to providers and provider associations via direct phone calls, a message on the Medicaid provider web portal and a message on remittance advices; and
- Investigating what caused the unexpected renewal rates.

Operations

Vermont Health Connect recently enlisted the support of an external vendor called Optum to help assess operations and quickly reduce the backlog of change requests that have accumulated over the last several months. Over the life of Vermont Health Connect, 8,171 change requests have been processed.

At last week's House Committee on Health Care meeting, we reported that over 14,000 change requests needed to be processed. The following is clarification around those figures, which demonstrates our progress since last week.

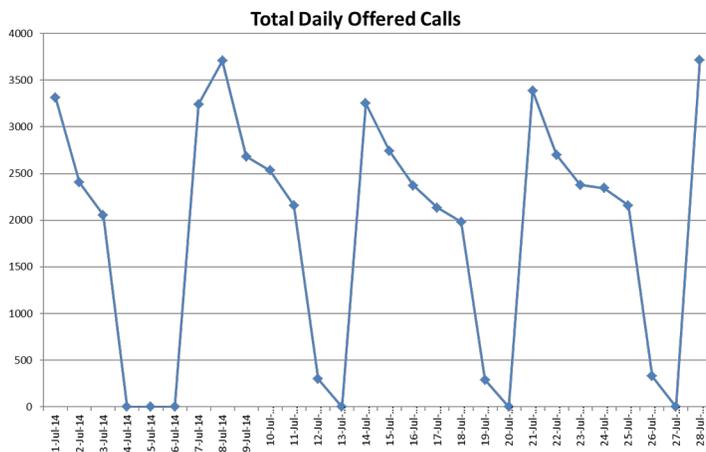
Since last week, 2,911 open requests have been closed i.e., no longer require processing. An additional 2,744 are actively being processed. This means that the requested changes are currently being made and the requests will soon be closed.

8,780 change requests are waiting to be processed. We consider this the backlog of requests that need to be addressed.

Optum's change request processing began with Stage 1 cases about one month ago and one week ago started to include Stage 2 and Stage 3 cases. The definitions of these stages are as follows:

- **Stage 1:** The customer has submitted an application for coverage, but has not yet confirmed their plan choice.
- **Stage 2:** The customer has confirmed a plan and their information has been transmitted to the premium processor, but not to the insurance carrier. They are not fully enrolled because they have requested a change to their application.
- **Stage 3:** The customer is fully enrolled in a plan and has requested a change to existing coverage. These requests are processed last because, unlike customers with Stage 1 and 2 requests, these customers are currently insured.

The target completion of processing the backlogged requests is the end of August. As new requests come in, they are being managed directly by the State. The process for addressing requests as they come in is now in place with the intent to avoid a backlog overwhelming the marketplace again.



Customer Support

The Vermont Health Connect Customer Support Center (call center) continues to operate at full capacity. The call center serves Vermonters enrolled in both public and private health insurance coverage. This month, there were days that the call center received close to 4,000 calls, with most week days seeing over 2,000 calls. On Saturdays, calls tended to range below 500. On the majority of days this month, wait times to speak to a representative averaged

below two minutes. However, on six separate days wait times averaged over six minutes. The call center’s goal is to have wait times be no longer than 24 seconds and the State continues to work with the external call center vendor to ensure wait times and service meets customer expectations.

Website Functionality

Vermonters can and have been using the Vermont Health Connect system to determine their eligibility for public health plans and financial help to make coverage more affordable, compare health coverage options, select and enroll in coverage and pay for their health insurance premiums.

As has been reported, significant functionality is not available through Vermont Health Connect including the small business marketplace and self-service renewals and change of circumstance functionality. We continue to test and develop this functionality and will launch it when we are confident it will serve Vermonters well.

We will provide an update as soon as we have additional information about the advancement of our website functionality.