State and Federal Coordination: Data Sharing Between DOI, Exchange and HHS

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS for MEDICARE & MEDICAID SERVICES
Center for Consumer Information and Insurance Oversight

Health Insurance Exchange System-Wide Meeting
May 21-23, 2012

DOI, Exchange, HHS Interactions

HHS and State DOI Interactions

- Plan Management
- Risk Adjustment
- Reinsurance

HHS and Exchange Interactions

- Enrollment Data
  - Advance payments of the premium tax credit (APTC)
  - Cost-sharing reductions (CSR)

Importance of Coordinating Between HHS and States

- Coordination between HHS and States is essential whether or not States are operating Exchanges and/or electing to operate risk adjustment and/or reinsurance.

- To ensure that the health insurance market in each State is competitive and that there is a level playing field for all insurers, it is important that States and HHS work together to conduct outreach to issuers about new policies and programs.

Issuer & Plan Data Uses in the Exchange

Issuer & Plan Data Collection Activities & Uses

Data Collection Activity	Other Possible Uses
Issuer & Plan Administrative Information	Financial Management, SHOP Premium Aggregation, E&E, Exchange Insurance Portal, Customer Service
Provider Network & Service Area	Exchange Insurance Portal
Licensure & Solvency	PM Monitoring & Oversight
Quality Reporting	PM Monitoring & Oversight, Insurance Portal
Plan Rating Assumptions, Rules, Factors, and Tables	Risk Adjustment, Rate Review, MLR, Accounting for benefits above EHB, Exchange Insurance Portal, Eligibility
Benefit Package and Actuarial Value Information	CSRs, Exchange Insurance Portal, Benefits above EHB, Quality, Risk Adjustment, Eligibility

HHS and State DOI Interactions

HHS Coordination with DOIs: Plan Management in an FFE

- The State and HHS will need to coordinate for plan management functions in an Federally-facilitated Exchange (FFE).
- HHS will establish memoranda of understanding (MOUs) and other necessary agreements with States specifying the roles and responsibilities of each party.
- HHS is developing standard operating procedures (SOPs) on plan management functions in an FFE.
- These functions include:
  - Conduct analyses and reviews necessary to support QHP certification
  - Collect and transmit necessary data to HHS
  - Manage certified QHPs

FFE Coordination with DOIs: Plan Management Data Collection

- HHS and NAIC are pursuing a collaborative development approach for Partnership States seeking to use SERFF for the QHP submission process such that the interfaces are nearly identical and utilize/share the same code between the HIOS and SERFF.*
- The NAIC and HHS will perform integrated system tests in early September 2012, and a joint technical assessment will be made by October 2012
- HHS and the NAIC are currently exploring the opportunities to leverage the same collaboration for those States that will be pursuing an FFE.

*HIOS is CMS's Health Insurance Oversight System; SERFF is the NAIC's System for Electronic Rate and Form Filing

HHS and Exchange Interactions

Plan Management & Financial Management Integration

- State-based Exchanges should explore ways of leveraging plan data collection to support multiple functions, including financial management
- Uses of Plan Data for Federal Payment Functions
  - Banking and contact information will be needed to facilitate payment to issuers, e.g. CSRs
  - Information on cost-sharing structures for silver level plan variations will be used to facilitate advance CSR payments
  - Plan benefit information will be used to ensure that APTC/CSR payments are made only for EHBs
- Uses of Plan Data for Premium Stabilization Programs
  - A plan's rating rules and benefit structure for the risk adjustment methodology

HHS Coordination with State Exchange

- APTC and CSRs are Federal payments that require data to be transferred between Exchanges and the Federal government
- HHS intends to enter into memoranda of understanding (MOUs) and electronic data interfaces (EDIs) with Exchanges to carry out these functions
- These agreements could include:
  - Enrollment data: transmission of the X12 form 834* from the State Exchange to CMS.
  - Enrollment reconciliation: transmissions of enrollment records between the State Exchange (as system of record) and CMS to ensure both parties have accurate enrollment records

* The ASC X12 form 834 transaction is the HIPAA-compliant Benefit Enrollment and Maintenance Transaction. Its purpose is to electronically transmit enrollment and dis-enrollment information between entities, for example, employers and health insurance plans.

Overview of Risk Adjustment Program

- States that operate a State-based Exchange are eligible to establish a risk adjustment program:
  - States operating a risk adjustment program may have an entity other than the Exchange perform this function
  - HHS will operate a risk adjustment program for each State that does not operate risk adjustment
- Risk adjustment applies to non-grandfathered individual and small group plans inside and outside Exchanges
- Risk adjustment transfers funds from plans with relatively lower risk enrollees to plans with relatively higher risk enrollees to protect against adverse selection

Overview of Transitional Reinsurance Program

- States have the option to establish a reinsurance program, regardless of whether they establish an Exchange. If State elects not to establish a reinsurance program, HHS will establish program and will perform all reinsurance functions for that State.
- HHS will collect reinsurance contributions from self-insured plans, even if a State runs its own reinsurance program.
- States that establish a reinsurance program have the option to collect contributions from issuers in fully insured market or have HHS collect contributions from the fully insured market on behalf of the State.
- States operating their own reinsurance program must contract with a not-for-profit reinsurance entity to run their programs

HHS Coordination with DOIs: Risk Adjustment

- HHS intends to enter into agreements or memoranda of understanding (MOUs) with States when HHS operates risk adjustment on behalf of States.
- The purpose of these agreements would be to collaborate and build on existing State resources to help carry out risk adjustment functions.
- These functions could include:
  - Identification of issuers licensed in the individual, small group, and fully-insured market both inside and outside of the Exchange
  - Aggregation of the number of enrollees by issuer to help validate risk adjustment enrollee counts
  - Collaboration on oversight to help collect information necessary for risk adjustment and payment and charge transfers for issuers who do not submit necessary data or insufficient data

HHS Coordination with DOIs: Reinsurance

- HHS intends to enter into memoranda of understanding (MOUs) with DOIs to collaborate and build on existing State resources to help carry out reinsurance functions
- These agreements are needed with States where HHS operates the reinsurance program or where HHS is collecting contributions in the fully insured market on behalf of the State program
- These functions could include:
  - Identification information for all issuers in the fully insured market both inside and outside the Exchange, in States where HHS will collect contributions on behalf of the State
  - Aggregation of the number of enrollees by issuer to validate that contributions are correct.
  - Collaboration on oversight to ensure issuers in the fully insured market submit contribution amounts.