The background of the slide is a grayscale, halftone-style image of the Maine State House building. The building is a large, classical-style structure with a prominent central dome and several columns. It is surrounded by trees and a lawn.

**Testimony of Robert H. Shriver, III
VP, Business Development
IdeaCrew, Inc.**

**Interim Meeting of the Joint
Committee on Health Coverage,
Insurance and Financial Services**

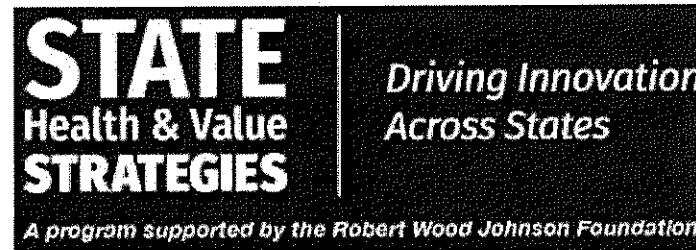
Maine State Legislature

October 21, 2019

Agenda

- IdeaCrew Introduction
- Multi-State Plan Program Lessons Learned
- Considerations for a State-Based Marketplace
- Benefits of the Small group Health Options Program (SHOP)

IdeaCrew's Experience



IdeaCrew's Approach

- Independent
- Open source code = government asset
- Lean agile development process = less risk
- Cloud hosting = lower costs, less system downtime
- Shared service experience = cost savings



Multi-State Plan Program—Background

- Coverage and Competition
- Legislative compromise
- Modeled after FEHBP



Multi-State Plan Program—Implementation

Plan Year 2014

- Contracted with BlueCross BlueShield Association (BCBSA)
- 150 Blue plans, 31 states, 370,000 covered lives

Plan Year 2015

- Contracted with BCBSA and several Co-Ops
- 200 Blue and Co-Op plans, 36 states, 450,000 covered lives

Plan Year 2019

- 1 Blue plan, 1 state (Arkansas)

Plan Year 2020

- OPM shut down the program

Multi-State Plan Program—Why it failed

1. No Federal preemption
2. No leverage as the payer
3. No ability to streamline (“level playing field” obstacle)
4. No carrier incentives
5. Not tailored to the problem

Multi-State Plan Program—Lessons Learned

1. Leverage an existing program (e.g., FEHBP, TRICARE, Medicare Advantage)
2. Get buy-in from the Insurance Departments
3. Streamline entry to multiple markets
4. Include incentives for carrier participation
5. Tailor the program to the specific problem

State-Based Marketplaces—Current View

When the ACA was enacted, States had the option to create their own State-Based Marketplace (SBM) or rely on the Federally Facilitated Marketplace (FFM).

12 SBMs for PY 2019

- CA, CO, CT, DC, ID, MD, MA, MN, NY, RI, VT, WA

4 more states launching SBMs

- Nevada PY 2020
- New Jersey and Pennsylvania PY 2021
- New Mexico PY 2022 (IVL—already has SBM for SHOP)

Maine, Oregon, Virginia publicly considering SBMs

- Viable for PY 2022

State-Based Marketplaces—Current View

State-Based Marketplace on the Federal Platform (SBM-FP)

- State performs
 - ✓ Plan Management
 - ✓ Consumer Assistance
 - ✓ SHOP
- Federal Marketplace performs:
 - ✓ Eligibility and enrollment functions of the Individual Market
 - ✓ Related eligibility support functions for the Individual Market (call center and consumer casework)

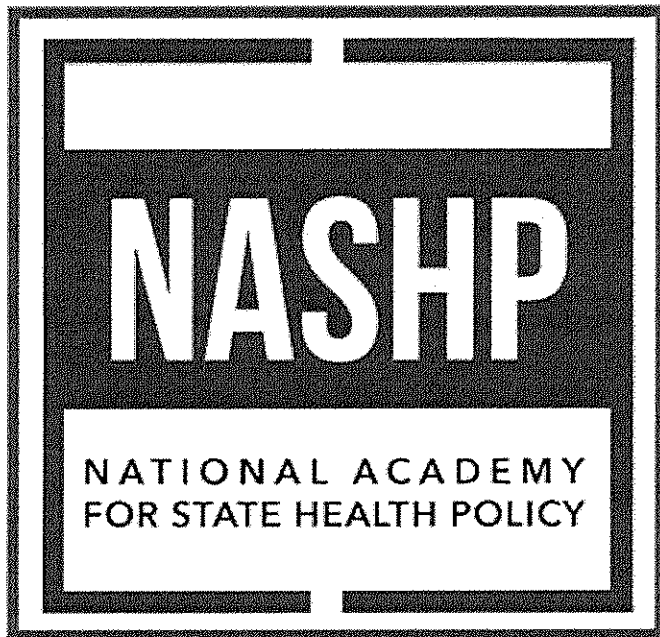
2019: AR, KY, NV, NM, OR

2020: AR, ~~KY~~, ~~NV~~, NJ, NM, OR, PA

2021: AR, ME, ~~NJ~~, NM, OR, ~~PA~~

**83% of user fees
collected from
Mainers will still go to
the Fed'l government**

State-Based Marketplaces—Why do it?



SBMs have better outcomes

- Lower rates of uninsured
- Lower premiums
- Higher enrollment among younger people
- Higher rate of insured among unsubsidized population

https://nashp.org/wp-content/uploads/2019/09/SBM-slides-final_SeptMtgs-9_23_2019.pdf

State-Based Marketplaces—Why do it?

- Local control of data
 - Data-driven Marketing and Outreach approach
- Set your own open enrollment period
- Maximize Medicaid integration
- Better customer service
- Easier to implement policy interventions
 - E.g., APTC wraps
- Better vehicle for communicating with Maine customers
- Platform can be leveraged for other state services

State-Based Marketplaces—Financials

Cost of FFM = 3% user fee (down from 3.5% in 2018)

Cost of SBM-FP = 2.5% user fee (down from 2.5% in 2018)

Cost of full SBM = up to the state

- Agency infrastructure (space, equipment, support staff—HR, procurement, legal)
- Marketplace Operations (e.g., call center, case management, business requirements development, IT testing)
- IT (e.g., technology platform, security, IT operations)
- Marketing and outreach
- Plan Management
- Navigator/Assister/Broker program
- Policy and stakeholder engagement

State-Based Marketplaces—Financials

State	Effectuated Enrollment (early 2019 snapshot)	Average Monthly Premium	Est. FFM Cost for 2019 (3% per month)	SBM Cost of Technology Platform and Call Center
Maine	66,300	\$667.83	\$15,939,766	NA
Nevada	75,513	\$504.69	\$13,719,836	\$1 million to implement and \$5,875,000 O&M (average per year)
New Mexico	40,989	\$481.06	\$7,098,541	\$13,420,747 to implement & \$4,701,829 O&M (average per year)
Pennsylvania	337,513	\$649.73	\$78,945,236	TBD (PA estimates total SBM budget of \$30-35 Million)

State-Based Marketplaces—Why now?

- Exchange IT systems have evolved (Maine doesn't have to pay for the lessons learned)
- Four states are paving the way to leave the federal platform (PY 2020—NV; PY 2021—NJ, PA; PY 2022—NM)
- Implementation and O&M costs have come way down
- Creative funding approaches
 - FFM to SBM-FP to SBM (NJ, PA)
 - Build now, pay later (NV, PA)
- Protect Mainers from political volatility

SBM Timeline—NJ Example (PY 2021)

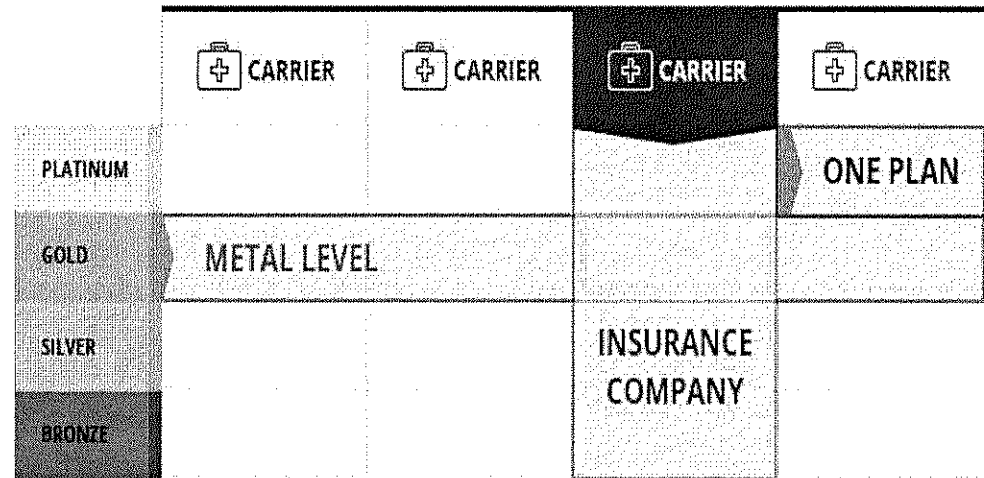
Action	Timing
Declaration of Intent signed by Governor	Submitted to CMS on March 22, 2019
Authorizing legislation	Enacted on July 2, 2019
Exchange Blueprint Application	Submitted to CMS on August 1, 2019
Technology Platform & Call Center vendor(s)	RFP issued August 15, 2019; selection expected October/November 2019
Navigator/Certified Application Counselors	Grant Application released October 2, 2019; selection October 18, 2019
Transition to SBM-FP	Effective January 1, 2020
Open Enrollment for NJ SBM	November 1, 2020

SHOP—Small group Health Options Program

- Created by the Affordable Care Act
- A health insurance marketplace for business with 1-50 employees
 - States have discretion to increase to up to 100 employees
- Small business tax credits
 - available for businesses with up to 25 employees
 - minimal impact
- Direct enrollment option
- Some states have built their own (e.g., DC, MA, RI, CA)

SHOP—Why do it?

- Improved broker relations
- Employee choice
- Market-wide transparency
- Smoother transitions between individual market and small group
- Build strategic partnerships
- Expand to other state programs



SHOP—DC Health Link

- One Big Marketplace
- “Modified” merged market (index rate only)
- Largest SHOP in the country
 - 79,109 covered lives
 - 5,107 groups
- 800+ brokers
- 92% of groups use brokers
- 152 plans offered by 4 national carriers



Get the facts. Get covered.

SHOP—DC Health Link

Full transparency to drive competition

- ✓ Premium competition (for small businesses)
 - Year 1: 3 of 4 carriers refiled with lower rates
 - 2013-2019 decreased rates or no change in some plans

Market power like large employers

- ✓ Employers offer choice with predictable budget
 - Vertical: 1 carrier all metal levels OR
 - Horizontal: All carriers 1 metal level
- ✓ Nationwide and local networks

Full support for brokers, TPAs, and GAs

- ✓ Broker quoting tools; event partnerships, dedicated internal team; on site support



Get the facts. Get covered.

SHOP—MA Health Connector for Business

- Merged market
- 22% growth over past year
- Projecting SHOP enrollment will double by 2023
- Approx. 50% of new businesses didn't previously offer coverage
- \$9 million in premiums saved annually due to employee choice
- 88% of brokers likely to recommend the platform



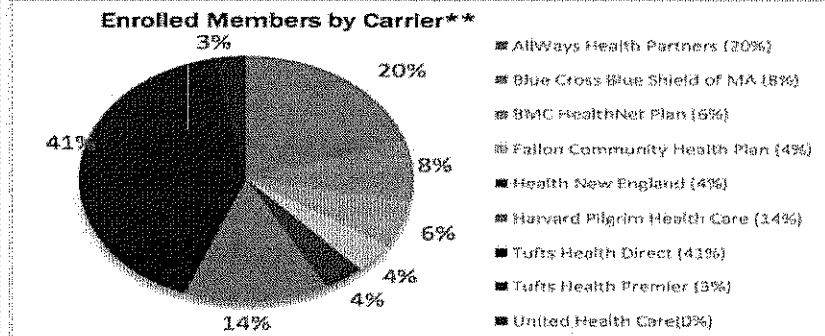
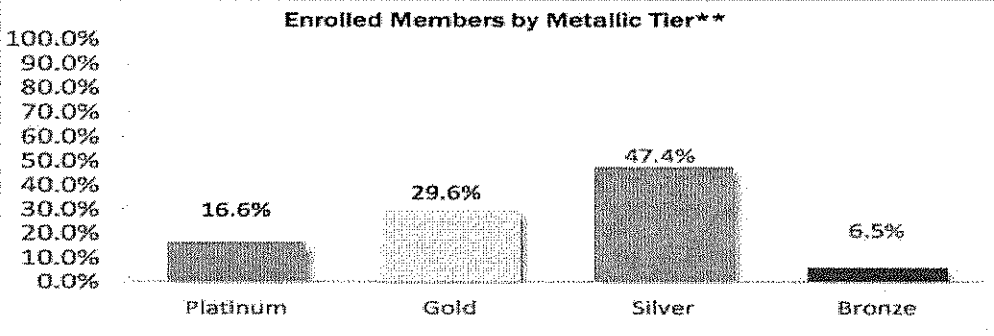
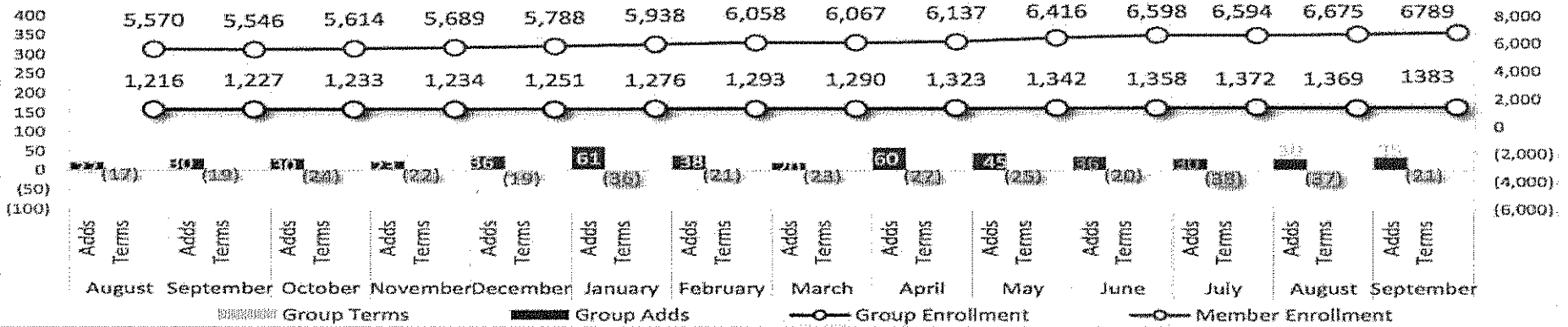
October 2nd, 2019*

CCA Board Report Metrics

*Reporting period through September 30th, 2019
 Sources: DC, HBY - October 2nd, 2019; NTT Financial Management System (FMS) - October 1st, 2019



Small Group Medical Enrollment



Questions

“IdeaCrew built our new cloud-based, open source, agile system... We’ve saved millions of dollars in licensing fees, storage fees, and IT development costs...IT professionals from IdeaCrew have been and continue to be critical to our success. The technology built by IdeaCrew is so well liked that one senator introduced a bill to make DC HealthLink available in other states.”



Milla Kofman, Executive Director
DC Health Benefit Exchange
Authority

