



October 4, 2010

The Honorable Secretary Kathleen Sebelius
Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, SW.,
Washington, DC 20201

File Code: OCIO-9889-NC

Dear Secretary Sebelius:

The Patient Protection and Affordable Care Act (PPACA) presents many new responsibilities and opportunities for the entire health industry, the economy, and most importantly, consumers. The implementation of this massive overhaul requires a thoughtful, coordinated approach – and as a partner to government healthcare programs for over twenty-five years, HMS appreciates the opportunity to partake in the process. HMS is the country's leader in working with state Medicaid and CHIP programs. We currently work in 41 Medicaid agencies and over 110 Medicaid Managed Care Organizations. HMS has a long history in providing services to government healthcare programs and is also currently a contractor to the Massachusetts Connector Program.

Below please find our comments and recommendations in response to the Department of Health and Human Services' request for comments regarding the Exchange related provisions of the Patient Protection and Affordable Care Act (PPACA) published in the Federal Register on August 3, 2010. Our comments are in the specific areas of enrollment and eligibility and employer participation.

Enrollment and Eligibility

3. How can eligibility and enrollment be effectively coordinated between Medicaid, CHIP, and Exchanges? How could eligibility systems be designed or adapted to accomplish this? What steps can be taken to ease consumer navigation between the programs and ease administrative burden? What are the key considerations related to States using Exchange or Medicaid/CHIP application information to determine eligibility for all three programs?

As the nation's leader in the coordination of benefits for public and private healthcare programs HMS understands the importance of ensuring that the

eligibility and enrollment process be conducted in a way that ensures that each applicant is quickly and accurately enrolled into the “right insurance home.” As states work to build Exchanges it will be critically important that the Exchanges coordinate with existing state and local programs. The success of the Exchanges will depend greatly on their ability to establish a streamlined enrollment and eligibility system that is seamlessly linked to Medicaid and CHIP. The PPACA requires that the eligibility and enrollment process be consumer-friendly, coordinated, simplified and technology enabled. Additionally the process should be efficient, accurate and secure. To meet all of these objectives states will have to revise and amend many of their current eligibility and enrollment practices.

HMS believes that states can best meet these requirements by leveraging data and technology in both the eligibility and enrollment process. This can be achieved by establishing eligibility and enrollment portals within Exchanges that electronically verify eligibility information and also electronically determines the appropriate insurance home for the individual based on qualification, coverage needs, and financial considerations. The Congressional Budget Office projects that 26 million people nationwide will sign up for Exchange coverage and 16 million new people will enroll in Medicaid and CHIP. It is likely that these people will seek coverage in multiple ways and most of these applicants will not know what type of coverage they are eligible for. An eligibility portal that is distinct from formal enrollment into a health care program could play a vital role in the challenges states will have in coordinating the eligibility and enrollment of new residents by serving as a single point of entry for eligibility determinations and verifications.

An eligibility portal within an Exchange will allow a consumer to input minimal personal information and leverage data to determine residency, income, assets, access to other insurance coverage, etc. and verify it for accuracy. The verified data would then be data matched across all available health insurance coverage opportunities in the state to assess eligibility. This technology would reduce the need for the traditional paper driven processes, which lessens the burden on the consumer and simplifies the eligibility process. Once the applicants “insurance home” is identified they could be directly connected with the enrollment portal for the program for which they are eligible.

An eligibility portal places the burden on the system to electronically determine where an applicant belongs and accurately enroll them in the right type of coverage. The efficiency of this process will be incredibly important as states work to enroll the large number of individuals and families who are expected to seek coverage through Medicaid, CHIP and the Exchanges. By incorporating an eligibility portal into the Exchange, states can ensure core eligibility data is collected, exchanged, interpreted, and communicated in a standardized way across multiple programs and systems. This will be a critical piece for the effective coordination between Medicaid, CHIP and the Exchange since it is

highly anticipated that for many consumers eligibility across these program will frequently change. An eligibility portal with ongoing access to the right data sources will be able to identify when consumer's situation changes and in turn facilitate their continued enrollment into the right insurance home-seamlessly. This model's value-add is continuity of care for consumers, which can ultimately lower the healthcare costs for those individuals. An eligibility portal also ensures prudent expenditure of taxpayer dollars through the ongoing validation and accuracy of an applicant's eligibility for publicly funded healthcare programs. Lastly, it simplifies the enrollment process through the use of data matching technology, freeing up state resources for other important issues.

HMS also recommends that in addition to coordinating Exchanges with Medicaid and CHIP, Exchanges should also be effectively coordinated with state Child Support Agencies. Approximately, 17 million children are in the Child Support Enforcement (CS) program and CS plays a major role in determining if and how these children have health coverage. Child support orders are required to include a provision for medical support which usually requires one or both parents to provide health insurance coverage or cash payment to cover the cost of insuring the child. In cases where a child is covered by Medicaid or CHIP, the parent may be required to reimburse the state for the child's coverage or enroll them into private coverage if appropriate. As a result, it is important that Exchanges coordinate and exchange data with Child Support Agencies in order to properly assess and enforce medical support enforcement orders. Additionally, Exchanges should be aware of individuals seeking public or subsidized insurance coverage who have an outstanding medical support order during the eligibility and enrollment process. In these cases, benefits should be coordinated in a way that prevents parents who have outstanding medical support enforcement orders from obtaining subsidized insurance coverage unless the CS child is included under the plan or otherwise currently covered by commercial insurance.

5. How do States or other stakeholders envision facilitating the requirements of Section 1411 related to verification with Federal agencies of eligibility for enrollment through an Exchange?

In order to maximize the successful enrollment of individuals and families through Exchanges, HMS recommends that third party data supplement Federal sources of eligibility information. As discussed throughout the meetings of the Office of National Coordinator's Enrollment Workgroup, the lack of verified data remains a strong concern among many stakeholders. For example, in testimony to the workgroup by the Internal Revenue Service (IRS) on June 14, 2010, it was stated that only 52.9% of Federal student loan applicants were able to successfully electronically authenticate themselves in order to receive tax information for their Federal student loan applications and only 49.5% of authenticated users were able to transfer tax information to their student loan applications. HMS believes that because of the income levels of the population that will first be addressed by

the Exchanges, many of these consumers will not be able to have their wage information verified electronically through the IRS. For this reason, it will be important to supplement verifications with Federal agencies with more localized data feeds such as the state wage file and other similar sources of information. Additionally, state wage data can be accessible on a more current quarterly basis, while IRS income is often only available after filing for the previous year. As Exchanges work to ensure the eligibility and enrollment process is as accurate as possible, considerations should be made to secure even more current data such as the employer and employee release of wage information electronically through the last pay period. These considerations and innovations should not be limited to only income data but to all eligibility information that will require verification. Exchanges should seek verification solutions that are real-time which may require supplementation of data from Federal agencies by other third party sources.

HMS also recommends that the process of collecting and verifying eligibility data be performed in two distinct steps and that the data fields reflect this two-step process: (1) gathering of information from the applicant; (2) verification of information gathered. Specifically, Exchanges should maintain separate data fields for the information collected from the applicant and the verification of that data. This distinction in data fields is important to crystallize the separate functions of the data standards and mitigate the possibility that the collected data is not verified.

Support of a distinct verification process also is consistent with the objective of the reuse of eligibility information for other social service programs. If necessary, that secondary program should have the option to independently (and electronically) verify the information that it receives.

Employer Participation

3. What considerations are important in facilitating coordination between employers and Exchanges? What key issues will require collaboration?

Exchanges will need access to accurate and updated employer health plan information in order to meet a number of the required Exchange functions. In coordinating employers and Exchanges, HMS recommends that Exchanges maintain an electronic database that contains an inventory of employer health plan information. Additionally, we recommend the use of an integrated employer web portal, so that the employer can maintain and update the required information electronically.

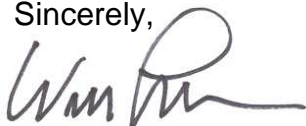
A number of states already operate employer databases where the more static information about the employer (i.e. size, location, and contact information), and an inventory of all of their offered plans and tiers (plan names, Group IDs, and relevant premium information) is maintained. Ideally, this information is captured once and is updated annually, during open enrollment, or as needed. Some

states perform employer surveys by mail, others by telephone, and some by giving the employer access to a Web site-an employer portal-where the employer can directly input plan information. Many states can attest to the challenges in gathering employer plan information, especially those who seek to collect the information through a paper based process. For example, some large employers, such as nationwide retailers, have as many as 80 plans, making a paper-based system to gather an employer's plan inventory difficult to manage.

Employer plan information will also be important for the Exchange in making eligibility determinations as access to and enrollment in employer sponsored insurance can impact the enrollment process. HMS currently manages ten premium assistance programs for nine states, including two of the country's largest programs. As a result, we are well aware of the importance of identifying whether a consumer has access to employer sponsored insurance and determining whether it is cost effective to enroll the consumer into the employer plan and subsidize the premium. Because of our premium assistance work, HMS maintains employer web portals for a number of our client states, and with their permission would be pleased to share more detailed information about field content and data elements. We believe the ability to assess accurate and updated employer plan information will be essential to aid an efficient health care system as envisioned by the PPACA.

HMS appreciates the opportunity to provide comments on the planning and establishment of state-level Exchanges. We welcome the opportunity to expand upon these comments and recommendations. Should you have any questions, please feel free to contact HMS's Director of Federal Government Relations, Arika Pierce at 202.448.2023 or at apierce@hms.com.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Lucia", with a stylized flourish at the end.

Bill Lucia
Chief Executive Officer