

# Moving Forward with Marketplace Implementation

March 23, 2012

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# Market Scan

- ❖ Public and private marketplaces
- ❖ Variations in mission, maturity, risk strategy, market share (0.5-6.3%)
- ❖ Archetypes
  - ❖ Broker/Agent oriented
  - ❖ Employer/Consumer oriented
  - ❖ Regulatory driven
  - ❖ Payor focused orientation is emerging in the individual market and may expand to small group
- ❖ 10-12 months, \$8.5-18M

# Market Scan: Lessons Learned

- ❖ Successful marketplaces do -
  - ❖ Develop a clear value proposition
  - ❖ Focus on a primary archetype
  - ❖ Avoid alienating key stakeholder groups
  - ❖ Make significant investments in people, systems, marketing, and operations
  - ❖ Sustain a broad outreach program
  - ❖ Remain flexible

# Florida Health Choices

## Mission Statement:

“Removing barriers between Floridians who deserve quality health care, and the providers who want to make sure they get it. Easily and Accurately”

(Archetype: Employer/Consumer)

# Florida Health Choices

## Value Proposition:

- ❖ For employers:
  - Ease the administrative burden
- ❖ For employee and individual consumers:
  - More choice
- ❖ Pathfinder decision support:
  - Insurance agents for assistance and guidance

# Florida Health Choices

“Regulatory Powers” in 408.910 F.S.:

- ❖ Provides internal regulatory powers only
  - ❖ Establish eligibility criteria and determine eligibility of employers, individuals, vendors and health insurance agents
  - ❖ Establish marketplace procedures
  - ❖ Determine that making a plan available is in the best interest of eligible individuals and employers
  - ❖ Risk pooling option

# Florida Health Choices

## Design Rules:

- ❖ Eligibility
- ❖ Enrollment periods
- ❖ Selection of products and services
- ❖ Timely Payment
- ❖ Procedural rules
- ❖ Training
- ❖ Disclosures



# Florida Health Choices

## Functional Requirements (Insourcing):

- ❖ Engage stakeholders
- ❖ Set rules and guidelines
- ❖ Consumer information and communication
- ❖ Recruit, certify, and monitor vendor performance
- ❖ Collection of data, program evaluation, reporting
- ❖ Marketing and outreach
- ❖ Marketplace compliance

# Florida Health Choices

## Functional Requirements (Outsourcing):

- ❖ Web-based portal with multiple platforms
- ❖ On-line calculator
- ❖ Contact center
- ❖ Eligibility determination
- ❖ Enrollment management
- ❖ Financial services
- ❖ Outreach management (optional)

# Florida Health Choices

## Marketplace Operating Model

Governance	408.910 Florida Statutes, board of directors, and other laws of Florida
Accountability	Transparency, reporting, evaluation, appointing officials, State of Florida
Program Integrity	Contract management, certification of vendors, monitor performance, assess penalties or disqualify
Resourcing	State agency partners, steering committees, third party administrator and subcontractors
Funding	One-time state appropriation, future assessment on products and services sold

# The 2010 Invitation to Negotiate

- ❖ Rigorous and transparent procurement process
- ❖ Utilized three subject matters experts and consultants
- ❖ Included consideration of proposals “in whole or in part” at the option of the corporation
- ❖ Bidders Conference: 36 attendees representing 26 potential bidders and consulting groups
- ❖ Q & A period addressed hundreds of questions
- ❖ Oral interviews, site visits, preliminary cost analyses
- ❖ Negotiation of enhancements, performance standards and contract terms

# The 2010 Invitation to Negotiate

- ❖ Portal demonstrations and final pricing by 3 finalists
- ❖ Ranking and contract award October 15, 2010
  - ❖ Finalist and their subcontractors were ranked in order of preference based on final price
  - ❖ A series of motions were offer and adopted that potentially awarded contracts to each of the three finalists depending on performance of higher ranked finalist(s)
- ❖ Duration: 14 weeks

# The 2010 Invitation to Negotiate

Second and third place finalists brought significant sub-contractors to the negotiation:

- ❖ Affiliated Computer Systems
  - ❖ Benefitfocus for web-based services
  - ❖ Connexions for customer services
  - ❖ Health Equity for financial services
- ❖ Health Plan Services
  - ❖ Connecture for web-based services

# 2012: Considerations

- ❖ Most solution providers provide niche services, with a few that cover the spectrum
- ❖ Relationships between contractors/sub-contractors are still developing
  - ❖ Variations by state/project evident
  - ❖ Teaming relationships have changed/are changing
  - ❖ New players coming into view
- ❖ Solutions and technology continue to evolve
  - ❖ Solutions are more mature
  - ❖ New solutions are being introduced
- ❖ Resource drain in near future is distinct possibility
  - ❖ Pressure on resources is already evident

# 2012: Goals and Approach

## A. Primary Goal:

- ❖ Negotiate the maximum level of services available for a competitive price

## B. Secondary Goals:

- ❖ Lowest possible drain on corporate resources
- ❖ Minimize calendar impact

## C. Approach:

- ❖ Simplify amendment preparation for bidders
- ❖ Leverage the work already completed
- ❖ Abbreviate the evaluation process
- ❖ Incorporate other technical changes



# A: 2012 Invitation to Amend and Negotiate

- ❖ Simplify amendment preparation for bidders:
  - ❖ Six required service components are unchanged
    - ❖ Customer Contact Center
    - ❖ Web-based Choice Portal
    - ❖ Eligibility Determination
    - ❖ Enrollment Management
    - ❖ Financial Services
    - ❖ On-line Calculator
  - ❖ Project specifications are unchanged
  - ❖ Technical and cost proposal requirements unchanged
  - ❖ No application fee

# A: 2012 Invitation to Amend and Negotiate

- ❖ Leverage work already completed:
  - ❖ Negotiated contract terms
  - ❖ Negotiated performance standards
  - ❖ Enhancements already selected by the corporation
  - ❖ Draft application specifications are included

# A: 2012 Invitation to Amend and Negotiate

- ❖ Abbreviate the evaluation process:
  - ❖ No bidder's conference
  - ❖ Limit number of proposals
  - ❖ Review changes only
  - ❖ Site visits and oral interviews optional
  - ❖ Schedule
    - ❖ Issued March 5
    - ❖ Q and A response March 20
    - ❖ Proposal amendments accepted March 30 or April 6
    - ❖ Negotiations commence April 2 or April 9
    - ❖ Tentative contract award April 17

# A: 2012 Invitation to Amend and Negotiate

- ❖ Incorporate other technical changes
  - ❖ Change corporate street address
  - ❖ Include revisions to 408.910 F.S.
  - ❖ Distinguishes offerings to individuals more clearly
  - ❖ Identifies the corporation's evaluator
  - ❖ Phases are revised
    - ❖ Soft Start Phase
    - ❖ Mid-Term Phase
    - ❖ Long-Term Phase

# A: 2012 Invitation to Amend and Negotiate

- ❖ Incorporate other technical changes (Cont.)
  - ❖ Revised implementation schedule:
    - ❖ Components roll out each month beginning May
    - ❖ Vendor certification and on-boarding July – September
    - ❖ Open enrollments August, October and November
    - ❖ Coverage effective dates as early as January 2013
  - ❖ Three amendment options:
    - ❖ Resubmit with no changes
    - ❖ Track Changes
    - ❖ Sectional Substitution

# A: 2010 Invitation to Amend and Negotiate

Invited To Amend Previous Proposal:

- ❖ Affiliated Computer Systems
- ❖ Benefitfocus.com, Inc.
- ❖ Connecture
- ❖ Connexions, Inc.
- ❖ Health Equity, Inc.
- ❖ Health Plan Services, Inc.

# B: New Procurement

- ❖ Invite a wider audience (30+ bidders)
- ❖ Anticipate more proposals (7-15+ proposals)
- ❖ Increase size of evaluation team
- ❖ 100% review and evaluation
- ❖ Extend schedule (14+ weeks)
- ❖ Adjust implementation calendar

# B: New Procurement

Q: Will a new procurement satisfy our primary and secondary goals?

## A. Primary Goal:

- ❖ Negotiate the maximum level of services available for a competitive price

## B. Secondary Goals:

- ❖ Lowest possible drain on corporate resources
- ❖ Minimize calendar impact