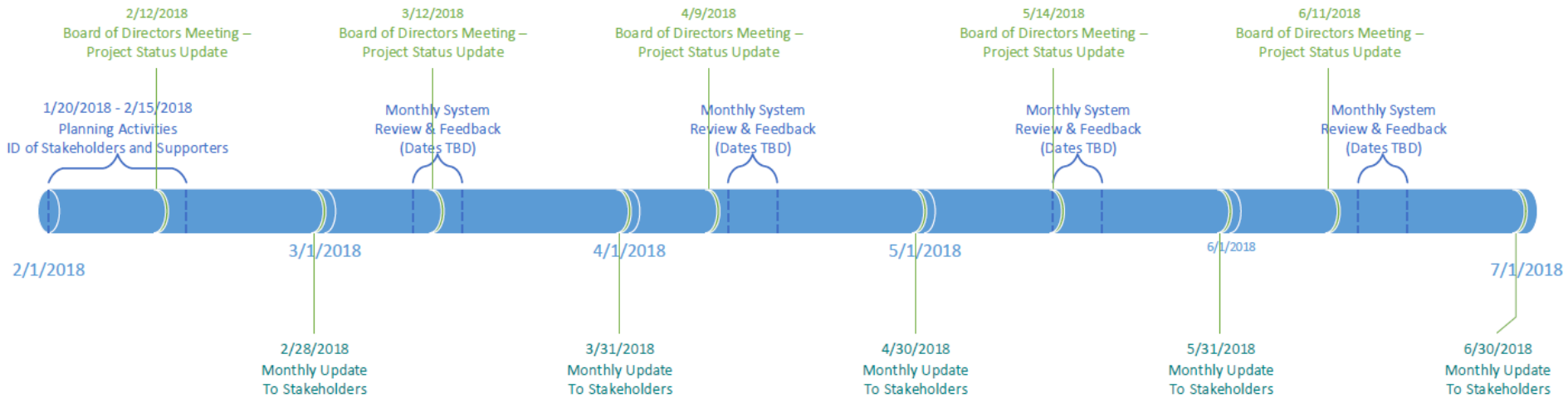# ELIGIBILITY CHANGES

February 12, 2018

Kate Harris, Kelly Davies, and Brian Braun

# Communications and Stakeholder Feedback Timeline
## New Eligibility System



**2/12/2018**
Board of Directors Meeting – Project Status Update

**1/20/2018 - 2/15/2018**
Planning Activities
ID of Stakeholders and Supporters

**3/12/2018**
Board of Directors Meeting – Project Status Update

Monthly System Review & Feedback (Dates TBD)

**4/9/2018**
Board of Directors Meeting – Project Status Update

Monthly System Review & Feedback (Dates TBD)

**5/14/2018**
Board of Directors Meeting – Project Status Update

Monthly System Review & Feedback (Dates TBD)

**6/11/2018**
Board of Directors Meeting – Project Status Update

Monthly System Review & Feedback (Dates TBD)

2/1/2018

3/1/2018

4/1/2018

5/1/2018

6/1/2018

7/1/2018

**2/28/2018**
Monthly Update To Stakeholders

**3/31/2018**
Monthly Update To Stakeholders

**4/30/2018**
Monthly Update To Stakeholders

**5/31/2018**
Monthly Update To Stakeholders

**6/30/2018**
Monthly Update To Stakeholders

2

# Project Methodology

- Guiding Principles:
    - Simplicity, user friendly, innovation
    - Leveraging the experience of UI/UX experts

- Engaging and collecting feedback from stakeholders and customers

- Working with HCPF/OIT to solution for mixed eligibility households, or will leverage our current MA Site

- All changes in production by September 2018

# Assessment

## Help Us Guide Your Experience

**How many people are in your family?**
(Include any spouse and dependents included on your tax return, even if they aren't looking for insurance.)

> 2

**Is anyone in your family pregnant?**
⦿ Yes
◯ No

**How many babies are they expecting?**

> 1

**What is your expected household income for next year?** Why are we asking?
(Include wages, salary, self-employment income, interest and dividends received, alimony received, Social Security payments received, other income before taxes taken out.)

> 40000          Annually ▼

< Back                                                    Skip          Continue ▶

4

# PEAK - Verify Lawful Presence

- If US Citizen, 5-6 questions
- If lawfully present, 12 questions
- No validation
  - Date – entry errors

## Citizenship

*Does Individual Three have a Social Security Number? ❓
⦿ Yes  ○ No

*Social Security Number ❓        *Confirm Social Security Number
222-22-2222                        222-22-2222

*Is this person a U.S. citizen? ❓
○ Yes  ⦿ No

*Is Individual Three or his/her spouse or parent, a veteran or an active-duty member of the U.S. military?
○ Yes  ⦿ No

*Non-Citizenship Status: ❓
Legal Permanent Resident ▾

*Date of Entry
01/01/2011 📅

*Does Individual Three have a Non-Citizen Document? More Info
⦿ Yes  ○ No

*Document Type: (select one.) ❓
Other ▾

*Non-Citizen Number:
111111111

*Document Expiration Date:
07/31/2019 📅

### Navigation panel
✓ Start
❯ 2 People
3 Assets
4 Income
5 Bills
6 Submit

### Header
🌐 Español  ❓ Help  ➡ Exit

### Class Code panel
Class Code ❓
Other ▾

Is Individual Three Last Name the same name that appears on this person's document?
⦿ Yes  ○ No

Has this person lived in the US since 1996?
⦿ Yes  ○ No

*Was Individual Three's non-citizenship status different in December, November or October?
○ Yes  ⦿ No

Back    Save    Next

5

# C4 - Verify Lawful Presence

- If US Citizen, 2-3 questions
- If lawfully present, 8 questions
- Real time response

## Let's confirm your citizenship or immigration status

**John, are you a U.S Citizen or U.S National?** Why are we asking?
- ○ Yes
- ● No

**Are you a Lawfully present Non-Citizen?** Why are we asking?
- ● Yes
- ○ No

**A-Number**

A12345678

**Document Type**

Permanent Resident Card ▾

**Document Number**

MSC12345678

**Immigration Status Date**

01/01/2000

**Expiration Date**

01/01/2020

**Did you enter the U.S after August 22,1996?**
- ● Yes
- ○ No

**A-Number**

A1234567

A-Number must start with the letter A followed by 8 OR 9 digits.

✓ **Good news, John!**
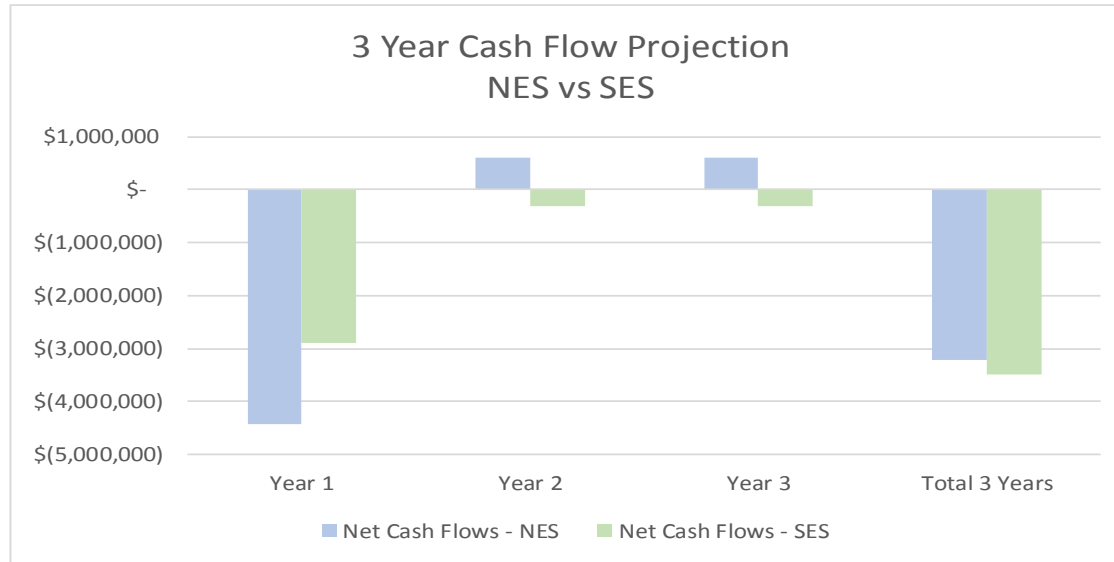We were able to confirm your status!

**Confirm Status**

< Back

Save & Finish Later    Continue ▶

6

# New Eligibility System Benefits

- **Improve the customer experience**
  - *Reduce number of eligibility screens and questions required for an APTC determination*
  - *Focus on plain language and increased health literacy support in the application questions and correspondence*
  - *Decrease non-real time eligibility with a goal of near 100% of applicants receiving determinations in real-time*

- **Bring Connect for Health Colorado into compliance in significant areas**
  - *Address previous audit findings related to data and enrollee verification and reporting before the next open enrollment period*

- **Increase ability to predict and control technology costs**
  - *Historically, costs incurred for CBMS projects have been difficult to budget accurately for*
  - *Owning the eligibility system contract with our vendor will allow for control over technology costs related to determining eligibility for APTC*
  - *Initial new system costs conservatively estimated at $4.4MM offset  by savings on SES compliance and transformation costs along with positive annual cash flows due to system change.  See cash flow comparison.*

- **Decrease Eligible but Not Enrolled (EBNE) population and increase enrollment overall**
  - *A quicker, easier eligibility application will encourage customers to check what APTC/CSR they may be eligible for*

- **Increase APTC uptake**
  - *An eligibility application re-design will allow for better screening of and communication to APTC-eligible customers who may be currently opting out of the financial assistance path*

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# New Eligibility System Net Cash Flow Comparison Projected 3 Years



3 Year Cash Flow Projection
NES vs SES

■ Net Cash Flows - NES    ■ Net Cash Flows - SES

NES – New Eligibility System
SES – Shared Eligibility System

Estimated incremental 3 year savings of $275,000 based on low estimate

|  | NES Costs | SES Costs |
|---|---|---|
| Year 1 Costs (One-time Costs) * | $ (4,425,000) | $ (2,900,000) |
| Year 2-3 Annual Net Cash Flow ** | $ 600,000 | $ (300,000) |

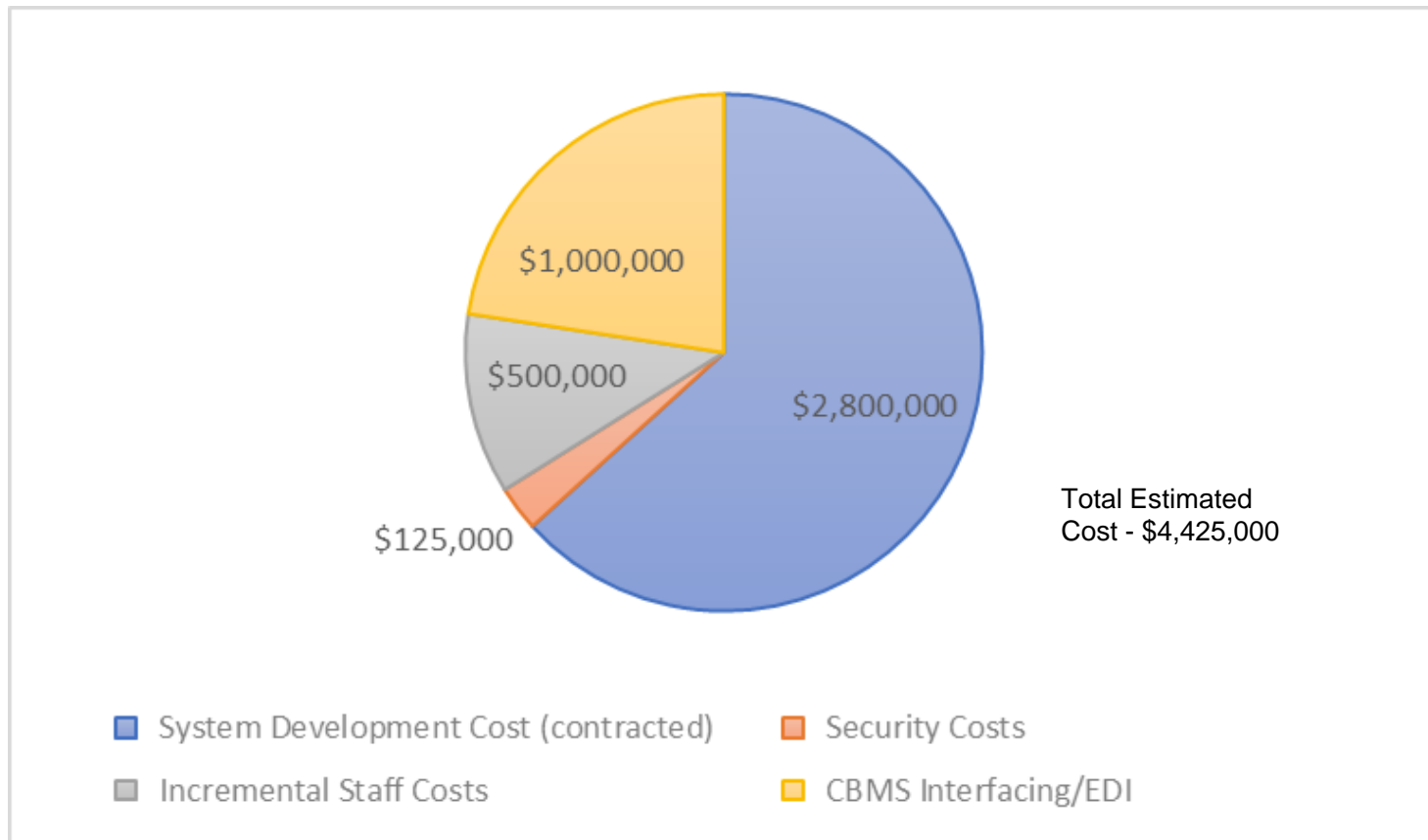\* **NES costs** include one-time elibility system development, CBMS EDI, Enchanced MA staff support costs. **SES costs** include one-time CMS compliance costs and cost impact of CBMS transformation.

\*\* **NES net cash flow** includes enrollment impact, service center/MA savings netted for additional security, system maintenance and staffing costs. **SES net cash flow** represents C4HCO share of SES maintenance/operations costs.

*See supplemental financial analysis for cash flow details*

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# New Eligibility System Estimated Costs



$1,000,000

$500,000

$2,800,000

$125,000

Total Estimated
Cost - $4,425,000

- ■ System Development Cost (contracted)
- ■ Security Costs
- ■ Incremental Staff Costs
- ■ CBMS Interfacing/EDI

# New Eligibility System Procurement Request

**Proposed Action:**
Board Approval to Procure Technology Services For New Eligibility System

**Summary:**
Requesting approval to procure in the amount of $2,800,000 to support the organization's direction of bringing eligibility for QHPs and APTC/CSRs under Connect for Health Colorado's authority, in order to comply with outstanding audit requirements from CMS, better predict and control technology expenses moving forward, and improve the customer experience. Procurement costs include contracted services to support the project management, design, development, coding, testing and implementation of the New Eligibility System.

**Staff Recommendation:**
Staff recommends the approval of this procurement.

**Procurement Compliance:**
*Procurement Exceeds $150,000 (Federal)/**$250,000 (non-Federal)** threshold:* Yes.
*Procurement/Business Initiative is necessary or advisable:* Yes – see attached benefits
*Type of procurement vehicle:* Statement of Work/amendments to existing contracts
*Need for RFP,RFI,RFS or similar:* No, use of existing vendors due to specific content knowledge of the existing technology platform and need to complete development prior to the next open enrollment period to satisfy compliance requirements.

**Funding Source:**
Anticipate the use of surplus funds generated through general operations.

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# Supplemental Financial Detail
# Incremental 3 Year Cash Flow Analysis

| | Low | High |
|---|---|---|
| **NES Investment:** | | |
| Software Development Cost | (2,800,000) | (2,600,000) |
| Security Costs | (125,000) | (75,000) |
| Incremental Staff Costs | (500,000) | (400,000) |
| HCPF/CBMS Interfacing | (1,000,000) | (750,000) |
| **Total NES Investment** | **(4,425,000)** | **(3,825,000)** |
| **SES Cost Avoidance:** | | |
| Compliance Costs/SMART Audit | 900,000 | 1,000,000 |
| Transformation Costs | 2,000,000 | 2,500,000 |
| **Total SES Cost Avoidance** | **2,900,000** | **3,500,000** |
| | | |
| **Net Incremental One-time Costs** | **(1,525,000)** | **(325,000)** |
| | | |
| **Ongoing Incremental Annual Net Cash Flows (Yr 2&3):** | | |
| Increased Enrollment Revenue | 750,000 | 1,000,000 |
| MA/CSC Site Savings | 500,000 | 650,000 |
| SES Project Cost Avoidance | 150,000 | 250,000 |
| CBMS Maintenance Cost Avoidance | 150,000 | 200,000 |
| New System M&O Costs | (300,000) | (250,000) |
| Ongoing Security Costs | (100,000) | (75,000) |
| Ongoing Staff Costs | (250,000) | (200,000) |
| **Annual Net Cash Flow** | **900,000** | **1,575,000** |
| | | |
| **Net Incremental Cash Flow - 3 Years** | **275,000** | **2,825,000** |