

To: COHBE Board

CC: Patty Fontneau, Lindy Hinman, Gary Schneider, Cammie Blais, Chuck Fish

Subject: Out of Pocket Calculator (OOP) Vendor Evaluation and Recommendation

Date: January 15, 2013

Introduction

Based on evaluation of out of pocket calculator (OOP) tools that have been marketed for use by Exchanges, the COHBE PMO recommends that contract negotiations commence with Consumers' CHECKBOOK/Center for the Study of Services (CSS) for the provision of services and technology to support the plan shopping experience at go live. The initial costs are estimated to be \$380,000. We are still evaluating options for ongoing services. The evaluation process is summarized below.

Background

Based on an overwhelming amount of feedback from stakeholder and focus groups, COHBE has determined that we must provide some form of out of pocket cost estimator to aid consumers in choosing a plan. hCentive and CGI do not currently provide this feature nor do they have a technology partner identified to fill this need. Over several weeks, the COHBE PMO and implementation team, with guidance from the Pacific Business Group on Health (PBGH), reviewed existing OOP tools and sites to clarify our requirements and to identify candidates for further evaluation.

The critical requirements for go-live we identified included the following:

- Is the product currently in use?
- Is there an existing application programming interface (API) for use by public or private exchanges?
- Does the vendor have a good understanding of the ACA and its potential impact on health care costs?
- Is there a sound basis for their actuarial analysis?

After review, COHBE identified CSS as the best candidate for COHBE. While other vendors may have had more comprehensive databases and cost algorithms, CSS had an existing product, a working interface and a comprehensive understanding of the impact of the ACA on future costs. As a result, COHBE is recommending moving forward with CSS for go-live. COHBE believes that the requirements for year two and beyond may be different than those for go-live. As such, we do not recommend entering into a long term commitment with CSS for these services and tools.

The COHBE evaluation team consisted of Patty Fontneau, Lindy Hinman, Cammie Blais, Adele Work and Jim Sugden. We were assisted in our evaluation by CGI and hCentive.

Summary of Proposed Contract

The evaluation team recommends that COHBE enter into a contract with CSS for the following services and technology:

- Actuarial estimates of costs associated with health plans sold in Colorado on the Exchange
- Provision of an API to provide real time response to a cloud-hosted, secure service with comprehensive failover and disaster recovery
- Implementation and testing support
- Documentation to support development and testing of the interface
- Maintenance for 1 year post go live including updates to data based on rate changes, and technology fixes and upgrades
- Professional services to advise on best use of data

Summary and Recommendation

Based on evaluation of existing tools and services, the COHBE PMO recommends that COHBE begin contract negotiations with CSS. The estimated cost for the initial timeframe is \$380,000. This includes implementation support, actuarial analysis, access to the tool, and data updates. We also recommend continuing to evaluate options for future years.