

## Key Components of Massachusetts Health Insurance Reform Legislation

- Expansion of MassHealth (Massachusetts' Medicaid program) to include children up to 300 percent of the federal poverty level; also restored services such as vision and dental coverage for adults.
- Statewide merger of the non-group (66,000 members) and small-group (700,000 members) insurance markets.<sup>1</sup>
- Requirement that all adults over 18 must purchase health insurance provided an affordable option is available.
- Requirement that any employer with more than 11 employees make a "fair and reasonable" contribution to employees health care costs.
- Requirement that employers allow employees to use pre-tax dollars to purchase health insurance.
- Establishment of the Commonwealth Connector, an independent state entity responsible for administering the insurance programs and negotiating health plan prices and benefits.
- Creation of Commonwealth Care, which provides fully and partially subsidized coverage to low income adults (up to 300 percent of the federal poverty level) who are ineligible for MassHealth. Only available to low income residents **without** access to employer sponsored coverage.
- Creation of the Commonwealth Choice program that provides individuals with access to non-subsidized plans that meet state requirements from private insurers. Only available to residents **without** access to employer sponsored coverage.

All the current proposals for health reform include an expansion of health insurance coverage and propose the building of health insurance exchanges: Web sites where insurance options meeting minimum standards can be compared and health insurance can be purchased by individuals and groups. Most proposals cite the Massachusetts Health Insurance Connector Authority's ("Health Connector") insurance exchange as an example since it has been up and running successfully in Massachusetts for several years. Massachusetts has many of the other elements being discussed as part of health insurance reform: an individual mandate to have insurance, guaranteed issue, minimum benefit coverage levels and community rating – making it an excellent test bed for a health insurance exchange.

## Massachusetts Health Reform

The state's landmark healthcare reform law, passed in April 2006, requires universal healthcare insurance coverage for all residents who can afford to purchase coverage. The law charters the Commonwealth Health Insurance Connector Authority as an independent organization responsible for refining regulations based on the state's healthcare reform law. The Connector collaborates with health insurance carriers to offer affordable choices and administers most aspects of the program such as ruling on waivers, and providing no-cost or low-cost insurance to qualified residents.<sup>2</sup>

By November 2006 the Health Connector had successfully started to enroll low-income uninsured individuals in CommonwealthCare, a subsidized program offered through the state's four (now five) Medicaid-managed care programs. At the same time the Connector Authority began preparations for health care reform for higher income residents, which included creating an insurance exchange to enable them to buy health insurance online. There were four major tasks:

- Design and build an informational and interactive website to educate consumers on the reform law and allow them to browse and purchase the appropriate health insurance coverage;
- Negotiate affordable insurance products with six insurers that met the state's minimum standards for coverage, value and quality ("seal of approval")
- Set up a customer service center for enrollment and billing; and
- Establish and execute a communication and outreach campaign.

## The Connector Solution Overview

This report focuses on the design and development of the Connector's health insurance exchange that includes the user website and the integration and links to back-end processing systems. Tight deadlines in the health reform legislation limited the time frame to design and build the website to five months. To meet this challenge, the team set a goal of getting a usable site active with core functions available within the limited schedule, and then refine and enhance the capabilities. As a result, the Massachusetts experience provides information not only on how to become operational but also on what enhancements users would value. Other entities can use this information to design an enhanced website given a more generous timeline.

**97.4% of Massachusetts residents are now insured.**  
(Mass Division of Health Care Finance Policy Study conducted by the Urban Institute)

**Massachusetts has the lowest rate of uninsured residents in the nation**  
(The US Census Bureau)

**Utilization of Free Care has declined by 37 percent in the first quarter 2008 compared to same quarter 2007**  
(2007/2008 progress report)

Despite the challenges, the insurance exchange was completed on time and has been successfully serving the citizens of Massachusetts for more than two years. The exchange website is the main public-facing resource and principal toolset to offer information on plans, support comparative shopping and allow endusers to buy a plan — all to facilitate the complicated health insurance selection experience. CSC was awarded the contract to design and build the website at the end of 2006. With only a five-month timeframe, work on building the exchange tools was conducted in parallel with the back end support, marketing and product-negotiating efforts.

CSC's experience in Massachusetts has enabled us to identify the critical characteristics and dependencies for success. There were a number of start-up issues that shaped the outcome of this project: new universal coverage program, new organization staffed with professionals from various state, payer, commercial and technology backgrounds, and customers shopping and purchasing insurance via the new web solution. Since future health insurance exchange efforts are likely to face the same issues, the report has been organized in the following sections to set context around many of them:

- Organization and Program Setup
- Website Design and Initial Release
- Essential Functionality and Future Enhancements
- Total Technology Solution: Website Interfaces and Links to Other Systems
- Launch and Ongoing Support

For each section we discuss the reasons why specific technology decisions were made, the approaches taken, best practices and lessons learned.

## **Organization and Program Setup**

**Leadership needs to be politically savvy with the business acumen required to launch a successful start-up company.**

The Health Connector is an independent authority but has strong ties to many state agencies. In addition, health reform affects many constituents (payers, providers, brokers, public, employers and consumer groups), all wanting to make sure their interests are represented in a positive manner. These factors, coupled with the extremely tight schedule, required a unique blend of senior management skills to steer through the politics while making “best-informed” decisions for a new organization that had no comparable models to serve as examples. It was the job of the leadership team to deftly handle the different agendas while meeting the requirements of the law and keeping their potential customers’ interest at the core of their activities.

The CSC and Health Connector team also needed a blend of technical, business and political skills akin to a start-up to speed decision making, to select the right technologies (Web 2.0 astute), and to balance benefits, alliances and interactions of the supporting private sector insurance partners, state agencies and advocacy groups. For example, the CIO’s decision to follow an approach of using state contracts whenever possible and working within the state policies and procedures to speed the planning process and minimize political issues worked well. By doing this he was able to quickly hone in on familiar technology platforms that enabled rapid development. However, a decision was made to give the Health Connector’s website a radically different look and feel than the rest of the state government’s — primarily to align with the Health Connector’s need to establish itself as an independent agency that facilitates comparison shopping and purchasing.

Another critical factor was the need for willingness and flexibility from everyone on the team to do whatever it took to meet the deadline for an operational health insurance exchange. Because the insurance exchange was being developed in parallel with the design and marketing efforts, often one team had to step in to help another to keep the overall project on schedule. For example, the IT team

took a first pass at designing the pages and the flows using the information already collected and reviewing similar Web sites and research reports for ideas and starter sets. The Health Connector outreach director spent months creating the website content explaining complex insurance plans in laymen's terms.

### Building a totally unique program requires a different mindset.

The 15 to 20 employees who joined the Connector in the early months came from different backgrounds and experiences. Some came from state government, some had health insurance backgrounds, and others had worked in commercial business and IT. When issues arose that could not be easily resolved, the team used visioning sessions that spelled out the major decision points and how far apart they were in terms of reaching consensus. These focused sessions and prior market research helped them decide on the initial go-live functionality for individuals, employers and brokers, and what would have to be delayed until the next release.

A health insurance website provides the opportunity to create new types of insurance offerings that would be too complex to administer on paper, but that can be implemented on an electronic exchange. The lesson learned in the Massachusetts experience was to listen to all perspectives and pull together pieces from each to create a unique program and set of services that met the regulatory requirements and would be readily adopted by all constituents. New ideas should be captured for future releases even if they are not included in the initial core product.

One of the bold program decisions that greatly impacted the website was the creation of the Contributory Plan offering. This option was created for small employers with 50 or fewer employees. The employer uses the website to pick a "benchmark" insurance carrier and contribution level within one of the three plan tiers:

- Gold tier has low deductibles, low co-pays, and higher premiums;
- Silver tier has moderate deductibles, co-pays, and premiums; and
- Bronze tier has high deductibles and co-pays, and lower premiums.

Employees then use the website to choose a specific plan within the tier, but it doesn't have to be the benchmark plan. The difference in price between the benchmark and selected plan is credited to or deducted from the employee's paycheck. This creates enormous complexity for the comparison function and backend processing and for sending the information to the employer's payroll system. However, the Connector leadership felt it was the unique value-add that would draw in small employers and is now in the pilot stage.

## Website Design and Initial Release

Program processes and customer needs should direct the website design, content and tools.

The marketing strategy and product branding are also heavy contributors to the website graphics and “look and feel.” As stated above, this approach could not be followed by the Health Connector team. Since the exchange development and branding contracts were awarded approximately within the same timeframe, this work was performed in parallel or following an iterative approach in order to meet the go-live deadline.

To speed the design and build process (completed within six weeks), the team used a series of website strategy requirements sessions to gain consensus internally on a number of key criteria: branding, how the role of the Connector would be described, key audience segments, data requirements and common vocabulary for plan comparison purposes, process priorities, target market segments, functionality, and success criteria for achieving website volume and sustainability. The team also held a series of external focus groups to get input on the information the buyers would need, website design, page flow and marketing requirements. Future developers can use the information developed in Massachusetts as a starter set for defining their requirements.

Building a website to educate and support health insurance purchasing will be very challenging; plan for enhancements.

Health reform’s requirements, insurance plan educational text and the selection functionality to purchase the appropriate health plan are complex topics for consumers who are accustomed to having at most one or two options. Building all of this information and functionality into a self-service website will be challenging even with the experience in Massachusetts as a baseline. Because of the short time frame necessitated implementing a site with core functionality quickly, focus groups were conducted after the site was operational to understand what worked and what needed to be enhanced. Here are some of the lessons learned:

**Flow** — In the initial release, the Health Connector website was set up with a series of information and user-specific tabs. One tab enabled users to learn about health reform and the Health Connector. Another tab prompted users to select their role (employee, individual, or broker). Within each type there were insurance options and pop-up reminders about available subsidized options. To explore eligibility for subsidies, users were allowed to branch out of the flow and return later to complete the form. In another example, website visitors wanted the capability of browsing the different plans and using the comparison tool before purchasing. This capability was available, but because it was located under the procurement function, many users assumed they could use it only when they were ready to buy.

**Content** — Information about the reform and insurance plans was presented as dense text (in PDF format) and was therefore difficult to read and understand. The information was available, but it could have been more helpful in terms of identifying key differences to potential customers.

**Automating the entire payment process** — Users want to pay online. Since the website did not have an online pay option such as Paychex or ePay, the only way to pay for the plan was to mail in a check. Many of the people who wanted to sign up for a Commonwealth Care plan did not have a checking account).

The two biggest lessons learned from the initial release was to build a website that educates the end user on how to purchase the right plan and to keep it simple.<sup>3</sup>

For example, the website should follow an intuitive question and answer branching logic flow to collect the information in order to personalize their experience to meet their specific needs. This personalized data collection will direct them to the appropriate choices with options to learn more at the specific

points in the process, followed by step-by-step instructions. Using this approach, customers are able to find the right balance between premium cost and health coverage needs when purchasing the plan. Also, in the case of buying insurance, “less is more.” The fewer plan designs, the easier it is for customers to find the right one for them. For example, the initial offering of more than 20 plans is expected to be decreased to seven plans in the next release.

Despite the shortcomings cited above it is important to note that 80 percent of the plan purchases for non-subsidized insurance were made using the website versus calling the customer service center.<sup>4</sup>

### Essential Functionality and Likely Enhancements

For organizations planning to develop a similar program and technology solution, our experiences indicate that the website functionality needs to fulfill several important roles: educate consumers about health reform, inform them about their responsibilities and insurance options, and allow them to make health insurance choices online. In the case of the Health Connector project, the time constraints dictated that only these basic mandatory functions and features were included in the initial release. The team recommends two additional functions: decision support toolset and online payment capability be added to the core features of any future health insurance exchanges (the capability for online payment is now being piloted in Massachusetts). These core features are listed in Table 1.

Table 1: Core Functions and Insurance Exchange Features

Website Essential Function	Description
Health Reform Education	Online repository of materials providing information on health insurance requirements, background on the Connector, access to printable forms (e.g., waivers and exemption requests) and a “Frequently Asked Questions” section.
Find Insurance Plans	Users can search for an insurance plan customized according to their age and region. Plans are tiered in three categories: Gold (higher premiums, no deductible), Silver (moderate premiums, moderate deductible) and Bronze (low premiums, higher deductible). Consumers can browse available options based on monthly premiums, annual deductibles, and co-pay amounts. The website also offers a COBRA option.
Comparison Tool	Allows users to view a detailed side-by-side comparison of up to three different health plans. Information includes details such as specifics around mental health and vision coverage.
Decision Support Toolset	Users can estimate their annual health care expenses (based on information such as monthly prescription refills or estimated number of doctor visits) and receive suggestions for coverage options that might best address their needs.
Enrollment	Allows eligible residents to enroll in a plan online.
Premium Billing and Online Payment	Users have the option of having their monthly premium automatically deducted from their checking account or use an ePay service.
Member Account Management	Allows members to access and update their account information and renew or make changes to their coverage.
Site Analytics Tool	Back-End application that allows program officials to analyze trends around web site traffic and understand what functionality is being used by which residents.

As expected, getting the initial release into production was just the start for the Massachusetts Insurance Exchange System enhancements documented by the team and the end users were collected and reviewed. In January 2008 a formal analysis and prioritization process was used to assess proposed enhancements. Each was scored based on its strategic value to the website/program and the ability to deliver (its complexity). The must do's and highest priorities, along with several highly desirable enhancements identified by the IT team, are summarized in Table 2. These should be considered by any future similar health insurance exchange website.

**Table 2: Additional Valuable Exchange Capabilities**

Website Enhancements	Description
Re-enrollment	Ability to re-enroll online. This includes the ability for customers to search for comparable plans and make changes as part of the re-enrollment process. If their current plan will no longer be offered, the website should include a “comparable plan” alternative.
Health Plan Renewal	Ability for carriers to offer new plans and to identify when current plans will no longer be available. Carriers can redesign plans annually, with different start dates and different options.
Full-Function Premium Billing	Ability to be billed and to pay online.
Contributory Plan Including Portions of the Voluntary Plan	Ability to use employee’s pre-tax dollars to pay for portion of the contributory plan that is above the benchmark level.
Account Management Self-Service	Ability for members to add and edit profile information online.
Cross-Program Support	Ability to move between the subsidized and non-subsidized programs without re-entering customer information. Auto message to customer when they are eligible for a change in plan (going from subsidized to non-subsidized or vice versa) with the ability to request the change online.
Broker Services/ Employer Functions	Ability to support brokers' and employers' needs online. These functions will be highly dependent on the health reform requirements.
Enhanced Benefits Calculator	Include information on prior year’s healthcare costs to identify the best option for the customer for the upcoming year.
Selection of Plan by Provider	Ability to find out the plans that include a specific physician and then make a plan selection.
Enhanced Site Analysis Tools	Ability to collect more precise information on use of website functions and how users were getting to the site.

**Total Technology Solution:  
Website Interfaces and Links to Other Systems**

**Building a health insurance exchange is not a website project; it is an IT solution for a new program that includes interfaces to existing applications and enhancements to back-end processing systems.**

The website was certainly the most critical component to the overall technology solution for the Massachusetts insurance exchange because it was the public-facing technology resource. However, it is important to budget sufficient time and resources to integrate the website functionality with the back-end systems.

For example, when a customer makes a selection and picks several plans from the comparison function, the website passes the information to a back end system that does the rating and returns the results. Taking this one step further, when the customer selects the purchase option, the website links to the back-end system which prompts the user to enter in more data on address and pay method.

Another lesson learned was the need for an early assessment if you are considering leveraging existing systems. Originally the Massachusetts team thought it would be reasonably easy to use the existing MassHealth (Massachusetts Medicaid) systems and processes to support the new partially subsidized insurance option. However, questions about the program and options were different so using the same staff, processes and systems did not work as expected. In addition, this new insurance program required the system to premium bill the subscriber, a function not part of a Medicaid system. The legacy systems had to be significantly enhanced to handle subsidized insurance plans and processes restructured, which took more time and resources than anticipated.

Looking forward, scalability and expandability should be high priorities for the technologies selected. Based on current usage, the Connector expects there will be continued growth in the number of plans, website functionality and additional end users as the program becomes more mature.

## Launch and Ongoing Support

**Introducing a new program requires a communications campaign directed at the target markets that ties the website and its images to the selected media — TV, postcards and direct presentations.**

The Health Connector followed a plan the Chief Communications Officer called “Leave no stone unturned.”<sup>5</sup> They undertook a massive public education campaign that included sponsorships and advertising with the Boston Red Sox, CVS, the major grocery store chains, Comcast and the MBTA public transportation system. New out-of-state registrants at the Registry of Motor Vehicle were reminded of the health reform regulation. Using addresses from the Department of Revenue, postcards were sent out announcing the program and the website. Finally, the Health Connector staff held education and enrollment workshops across the state for businesses and the public.

One of the lessons learned for the Massachusetts effort was the need to tie the images across the advertising campaigns and website displays. The reinforcement of the program message with the website images would help people to easily make the connection between what the program offers and how to learn more about it and sign up (via the website). In one study, few of the participants were fully aware of what the Health Connector offered and most (even subscribers) were not familiar with the range of features and offerings available on the website.<sup>6</sup> This feedback is being used to enhance the website to attract new and retain current members.

**A full-function, easy-to-navigate health insurance exchange not only supports the mission of the Health Connector, it is also necessary for long-term sustainability.**

For the Connector, funding to support the program is based on a per-purchase online transaction fee. Therefore the website needs not only to draw new members but keep current independent insurance members renewing through the site. The same is true for attracting more insurance plans that meet the state requirements and want to offer their products via the website. Making the website more attractive to users and plans can (and is expected to) be done by making the flow and functionality changes cited previously and to enhance its value through the addition of value-added products (e.g., optional dental and vision insurance) and services.

Online customer support will also improve site “stickiness.” If most of the questions can be addressed via the web, the Health Connector program will be able to

- 46 percent increase in site visits per month from June 2008 (69,922) to June 2009 (102,066)
- 55 percent increase in unique visitors per month from June 2008 (45,294) to June 2009 (70,198)

(Website analytics report July 23, 2009)

maintain a high-level of user satisfaction while reducing support costs. If the web is not used for all help-related questions, then it is important to have a single centralized system for support; one number to call or one address to email for all questions.

### **Summary Recommendations**

Our advice for those that will be implementing a health insurance exchange includes:

- Start soon to allow time for the start-up organization and planning.
- Use the experience gained from Massachusetts in defining requirements, designing, building and operation of future insurance exchange sites.
- Allow time to sequence activities: begin with plan design and requirements definition, follow with public education strategy and branding and then technology solutions.
- Hire people with an entrepreneurial spirit and encourage them to think of new solutions-even if they cannot be implemented in phase one.
- Integrate education about health insurance requirements and options within the health insurance exchange.
- Evaluate any existing systems (including back end systems) to make sure they will be able to handle the new requirements.
- Even with a mandate for health insurance, plan for an extensive marketing campaign to bring users to the exchange site.
- Assume that future enhancements will be required. Plan for a process to collect feedback from all participants in the exchange, and for prioritizing and implementing future enhancements.

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