



5/14/12

Andrea Rosen
Interim Health Plan Management Director California Health Benefit Exchange
Sacramento, CA

Individual Premium Payment Management

Dear Ms. Rosen:

We have reviewed the staff recommendation regarding individual premium payment management and concur with the proposal that participating carriers conduct billing and premium collection and reconciliation operations for the individual exchange. We believe this option will likely produce the lowest overall administrative cost and provide the best service for individual exchange members.

- The redundancy of some members paying the carrier directly and some paying via the exchange will be eliminated.
- The long operational infrastructure of the carriers will be utilized rather than a brand new, and likely initially less efficient exchange infrastructure.
- Transactional turnaround time, service levels, and overall member experience and resulting satisfaction will likely be better if provided by carriers with experienced staff and well honed operational processes than if provided by an organization with 100% new staff and systems & processes that have only just been put in place.

Under this option, the exchange would be responsible for enrolling subscribers and passing that enrollment date on to participating carriers.

To ensure compliance with federal privacy requirements and meet additional operational requirements, we recommend the following with regard to transaction specifications:

We recommend the Exchange sends a HIPAA 834 (version 5010) form (?)

- The 834 transaction includes the plan selected, premium quoted to the applicant, selected primary care provider (if applicable), the coverage effective date and end date (if applicable), and the SSN (currently a situational data element, see below for a more detailed discussion).
- The 834 should include "responsible person" information for those individuals which must be afforded "reasonable accommodations" due to the presence of certain disabilities covered by the Americans with Disabilities Act.
- Preferred method of communication (e.g., Email)

Work would need to be done (in partnership with the standard development organization X12) to accommodate the following data in the 834:

- Subsidy eligibility amount, effective date and end date. The end date is needed if the member was eligible and the status changed to no longer be subsidy eligible if they remain covered by the Exchange plan and to accommodate increases and decreases in subsidy amounts due to an eligibility redetermination.
- Cost-sharing reduction eligibility and amount (if applicable), and effective date and end date.
- Additional data elements may be needed to address Sec. 155.410(c)(2) options for earlier coverage effective dates in the for the initial and annual open enrollment periods.
- Whether or not enrollment is provisional (per the requirements in 155.315(e) that enrollment can proceed while inconsistencies regarding citizenship and immigration status are resolved).
- Information specific to Indian tribes.
- Information on what elements were used to derive the premium quote (e.g., rating area, family size, age, and tobacco use) in order for health plans to verify the rate quoted against their rating engine.
- Any health status information the Exchange collects on the Exchange application to support the risk adjustment process.

We recommend all the information to enroll the member is contained in one transaction – in effect, an expanded 834.

We recommend the Exchange provide health plans the member's Social Security number (SSN) to allow for unique identification of members, coordination of benefits and to aid in reconciliation and financial management of payments received from IRS (APTC and cost sharing). The SSN will also allow health plans to determine if the individual has been enrolled elsewhere in group coverage. While we recommend the SSN be transmitted, it will only be used for internal purposes and all applicable privacy laws would apply. The members would be immediately assigned a health plan specific unique identifier that would be used going forward on member ID cards, claims and EOBs. We note that while the 834 includes the SSN as a situational data element (i.e., optional) we recommend it is made a requirement.

We look forward to continuing opportunities to collaborate with you on operational aspects of the California Health Benefits Exchange.

Sincerely,



John Newman
Executive Director, California Exchange Operations
Kaiser Permanente

CC: Bill Wehrle, VP Health Insurance Exchanges