



# ECHIP

2012-2013

A recap of fiscal year 2012-2013 and brief look ahead to 2013-2014 with regard to ECHIP.

**Larisa Carr**  
**6/11/2013**

# E.C.H.I.P.

Eastern Connecticut Health Insurance Program

376 Hartford Turnpike, Hampton, CT 06247

June 11, 2013

To: The Eastern Connecticut Health Insurance Program Board of Directors

From: Larisa Carr, Administrator

Thank you for taking the time to review this outline. I hope you find this information helpful. I will continue to look to all of you for guidance and feedback on whether your expectations are being met.

My employment with ECHIP began August 6, 2012. My understanding of the initial responsibilities required recording, auditing and balancing the weekly banking transactions between Cigna's claim data and ECHIP's 6 member entities.

- In **August** work began immediately with each entity to establish the correct online reporting access through Cigna. ECHIP was in violation of HIPPA guidelines as each entity could view the entire membership. Site visits with each Town and BOE were conducted to establish the correct parameters for each entity to use the Cigna online reporting tool.
- During these visits authorizations were requested and obtained from each entity to begin a review of their prior claims history. This process began to set the table for mid-point renewal projections and to determine the maturity of the group at pre-renewal.
- In **September** claims began to generate and from the Cigna reports received, the original 6 member entities needed to be turned into 11 to support everything properly. The reporting also helped determine that a banking system was needed to support and maintain the individual financials properly for each of the 11 entities. The project for creating the banking database began and ultimately took 4 months to complete. Once the database was created all of the transactions from July 2012 to December 2012 needed to be loaded and audited.
- During **September** I also began creating the plan differential outline for the 37 ECHIP plans. This was done to better understand the variances/similarities between product lines in order to position discussions around minimizing plans. This process was sidelined but will resume with a deadline of August completion.

- It was also at this time that written negotiations began with Cigna to gain authorization to utilize the \$65K wellness fund on a third party vendor. Cigna has strict guidelines on the use of their wellness fund dollars. They require most of the money to be used on Cigna based wellness products. Having talked with various ECHIP members, it was clear that we would not see adequate penetration with a health initiative if we were only authorized to use the fund on Cigna based products.
- The development of an ECHIP-wide Health & Wellness event, to take place early 2013, began. Volunteers were requested during **September's** board meeting to create the ECHIP Wellness Committee. The committee's first agenda item was to market for a wellness vendor to accommodate a \$55k budget. The RFP was generated and marketed to wellness vendors. My negotiations with Cigna continued with regard to the wellness fund, and were finally approved for use of the fund with a third party vendor.
- In **October** I was invited by the Segal Agency to attend an Affordable Care Act Seminar held in North Haven. The Segal Agency is the premier resource for municipalities in the State, with regard to communications such as legislation, taxes, and the Affordable Care Act. I was pleased to attend this seminar and network with the various municipalities throughout the State. I reported back to the Board on pending taxation policies that could impact the group. Health & Human Services' research tax, the excise tax and the implications of the exchange programs.
- **November** was primarily dedicated to finalizing the banking system to have the new banking spreadsheets ready to share at the December ECHIP meeting.
- Finalizing mid-point renewals began in preparation for December's clinical review and pre-renewal meeting.
- In **December** the banking system was finalized for all 11 entities. The system now provided members with a real-time balance of their account, by month and YTD. New reporting provides a breakdown of all transaction activity on their individual accounts, to include, stop loss refunds, percentage of budget, administrative fees, premium versus claims along with YTD totals. All items run against each entity's annual budget figure.

- Distributions of all pre-renewal projections were provided to each entity in preparation for a clinical review meeting being held by Cigna. Cigna provided their actual early renewal release and at this time the group decided to market the stop loss based on the heavy increase Cigna was providing. Immediately following this meeting discussion with Cigna about the aggregate stop loss benefit began.
- **January** began the marketing for ISL/ASL rates. This is an extremely intense and lengthy process that requires continuous attention and an ongoing exchange of data and discussion to keep the vendors on track. ECHIP is not a typical group set up so this mandated additional management to ensure the vendors understood our group structure and what was being requested. I worked with 3 vendors to acquire the most competitive quote to accommodate our “non-standard” requests.
- During **January’s** ECHIP meeting the Board made a motion to hire an ECHIP Consulting Broker. An RFP was generated and marketed to encompass the specific scope of services required by ECHIP from a consulting broker.
- **January** brought the finalization of the wellness RFP after interviewing 3 vendors. EHHD came in with the most competitive rate at \$47K in comparison to the bids of \$97K and \$100+K. Once voted on and approved by the Board, the ECHIP wellness committee appointed internal sub-committees at their locations to begin set up for the health fairs alongside EHHD. The projected start date was mid-March for health fairs to begin.
- In **February** Cigna reported they were unable to modify the ASL benefit to a per entity basis, so this benefit served no purpose. This was the start of negotiations for a full refund of the 2012-2013 ASL fees.
- **February**, a review ECHIP’s qualifications for RX rebates was requested. It was determined ECHIP qualified so negotiations for that amount to be applied to offset the 7/1 renewal began and ended successfully.

- In **February** the process of stop loss marketing continued. Six customized claims experience reports were developed to share with the 3 vendors. This is an evolving process because you're in constant flux with each entity's claims experience. The process was challenging based on the potential membership change and the claims experience impact.
- **March** brought on the wellness initiative in full force. Created framework for health fairs and set expectations with EHHD. Needed to determine the dollar amounts each entity would receive for incentives along with gaining the necessary approvals from Cigna for each reimbursable item. Finalized a timeline for each entity's health fair to remain on target with the May 10<sup>th</sup> completion deadline.
- Stop loss bidding continued.
- **April** began the preparation of complex rate illustrations. These illustrations were needed to calculate relativities and rating methodology based on the pending withdrawal of one and potential addition of another. All of these factors changed the pricing relativities under each scenario, specifically the RX rebate piece of the renewal. Five variations were created for each entity in total to be prepared for whichever outcome.
- Based on rate illustrations I began to finalize the stop loss data to formulate a recommendation for the May meeting.
- Finalized EASTCONN's walking campaign award recipients and completed plans for the EASTCONN wellness fair taking place in early May.
- In **May** stop loss and renewal working rates were finalized and shared with the group.
- **June**, I have follow up meetings scheduled to close out the wellness initiative with both the EASTCONN and ECHIP wellness committees. These meetings will be to determine the ROI experienced at the entity level and then overall for ECHIP.
- 1<sup>st</sup> Annual ECHIP Board meeting will take place on June 13<sup>th</sup>.

# E.C.H.I.P.

Eastern Connecticut Health Insurance Program

376 Hartford Turnpike, Hampton, CT 06247

## Looking ahead to the 2013-2014

Goals	Timeline
Create ECHIP data projection tool with Milliman	8/2013
Incorporate financial reporting with projections and trend	8/2013
Plan conversions/differentials	8/2013
Meet with Day Kimball	8/16/13
Develop ECHIP-wide & entity based wellness initiative	8/2013
Meet & present to 5 potential new members	11/1/13
Presentation/webinar for each Town/BOE staff – “What is ECHIP?”	6/30/14
Develop a quarterly ECHIP newsletter	2 <sup>nd</sup> quarter
Attend a minimum of 1 Town/BOE meeting for each entity	6/30/14

Thank you for taking the time to review this outline. I have truly enjoyed the past 9 months as the ECHIP Administrator. This position has proven to be as rewarding as it is challenging. Being a part of something so groundbreaking and innovative within my licensed profession is tremendous. I look very forward to ECHIP's continued success but more importantly ECHIP's growth as a plan. ECHIP has already changed the typical way insurance is viewed and I'm excited about the road ahead.

Sincerely,

*Larisa Carr*

Larisa Carr  
ECHIP Administrator