

A Context for the Hawaii Health Insurance Exchange (HHIX)

Challenges, Accomplishments, and a Way Forward

State of Hawaii CIO



In Memoriam



**Loretta Fuddy, Director, Department of Health
State of Hawaii**



Your Questions to Us

- I. Applications, Eligibility determinations & enrollments on both KOLEA and the Health Connector (METRICS, METRICS, METRICS!)**
 - Defer to HHC and DHS
- II. Operations and functionality of Hawaii's insurance exchange & KOLEA**
 - Defer to HHC and DHS
- III. Impact of recently promulgated federal rules related to Health Connector & ACA implementation**
 - Defer to HHC and DHS
- IV. Potential & Recommended Legislation for 2014 Legislature**
 - State CIO will comment



Your Questions to Us

IV. Potential & Recommended Legislation for 2014 Legislature

- Anything related to Connector's sustainability plan & budget;
- Recommendations for governance structure, including but not limited to
- Recommendations for greater transparency of board meetings & operations? Any other recommendations?
- Legislation for Innovation waiver process?
- Any other legislative recommendations?

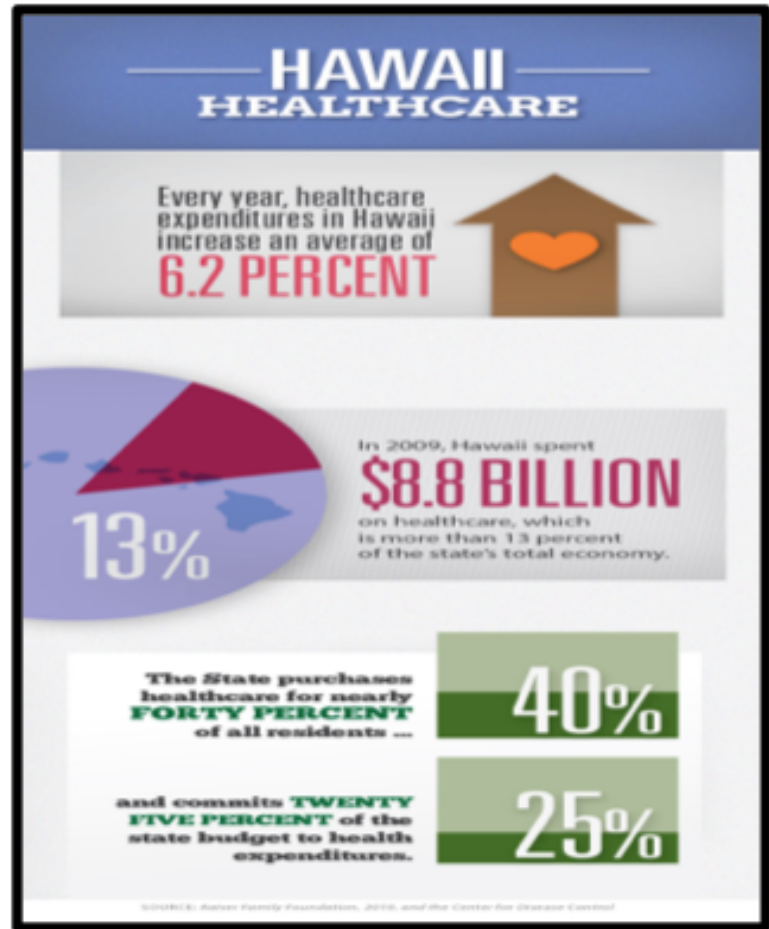
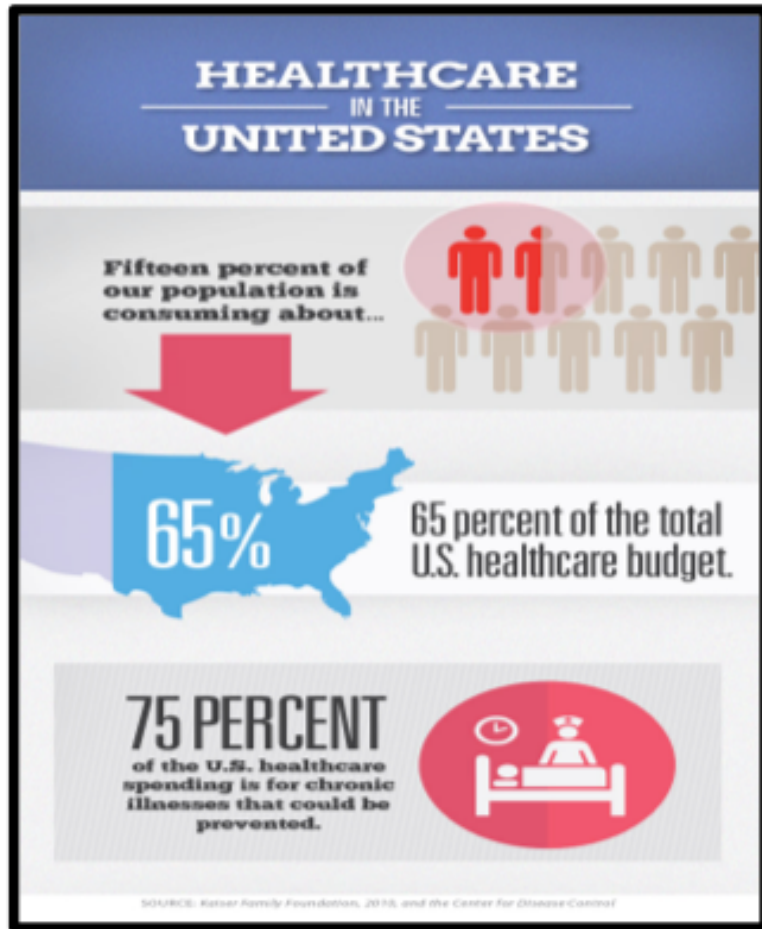


POTENTIAL IDEAS TO CONSIDER

- Regarding legislation, and arguments for bringing this into the State, you might consider:
 1. The Connector system will have O&M, which will be difficult to support as a non-profit, private entity;
 2. Security and protection of PII will be difficult to support/maintain as a small non-profit, meanwhile the risk and liability resulting from just one substantial breach or leak could bankrupt the entity;
 3. Continuity of operation as a government entity is virtually assured, while not guaranteed as a private entity with a questionable sustainability model;
 4. No states are completely private (as here), so this could over time present challenges as future regulations are issued by Federal Government - there's a benefit to being more similar to other models (standardization/uniformity/not reinventing the wheel)
 5. Theoretically, the state should have more resources to support the system and it's easier to justify utilizing such resources if it's a state enterprise;
 6. Data sharing of state information should be easier with the Connector if it's a state enterprise.



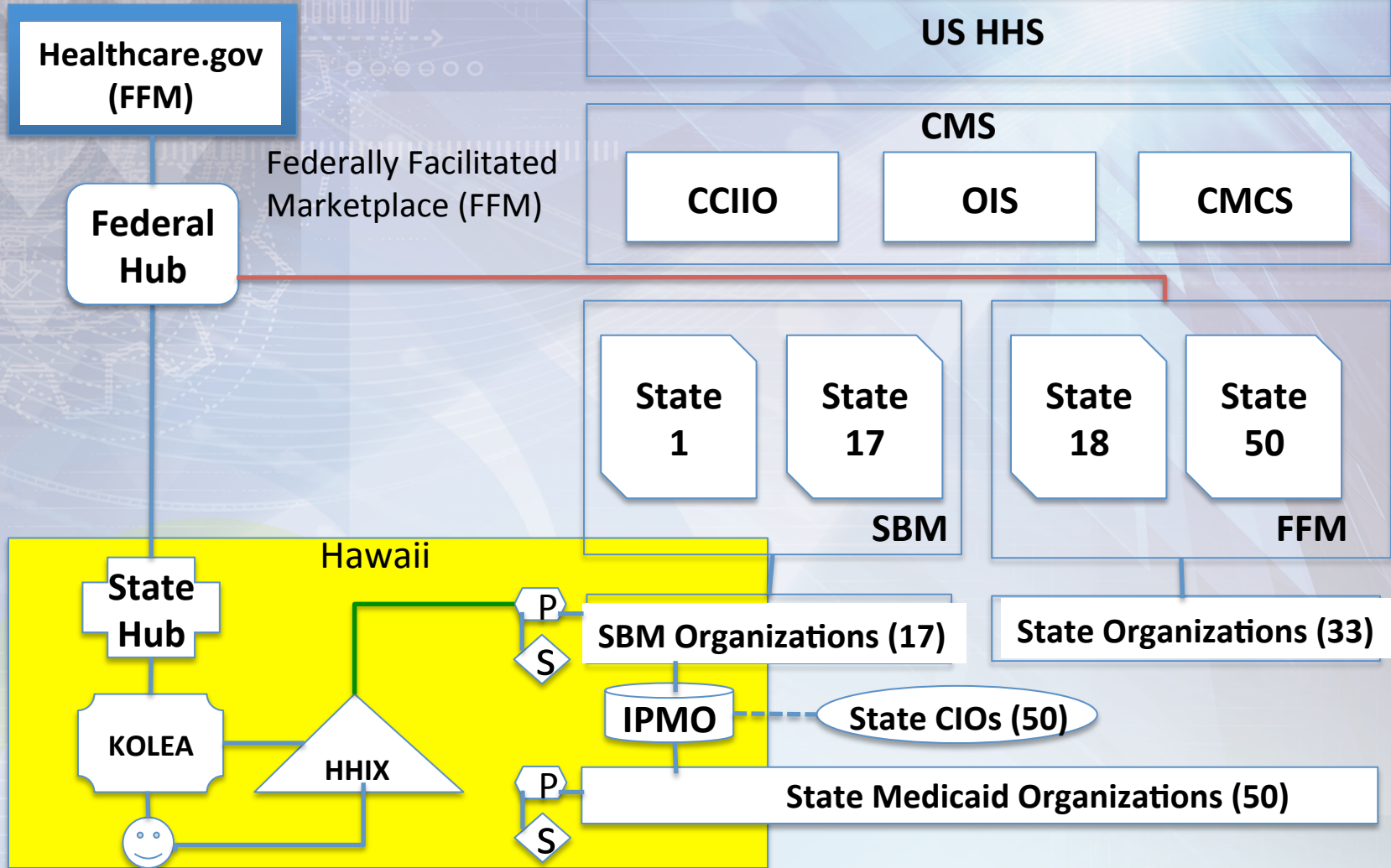
Context – Healthcare



Source: <http://www.hawaiihealthcareproject.org>



Health IT Landscape (Notional)



Synopsis of the Hawaii Health Connector (HHC) and Hawaii Health Insurance Exchange (HHIX)

- **HHC**

- A non-profit organization, of Hawaii, for Hawaii. The Connector is not an insurance company nor does it belong to any political party or interest group
- Established in 2011 by the state legislature through Act 205 to comply with the federal Patient Protection and Affordable Care Act (PPACA) of 2010
- 100% federally funded. Fully Responsible and Accountable for delivery of HHIX.

- **HHIX**

- Provides online health insurance marketplace (SBM), created to help individuals and small businesses take advantage of the health insurance choices available to them and make it easier to purchase and easier to understand.
- Compliance with ACA requirements by 10/1/2013, subsequent milestones in 2013 and 2014

- **Governance**

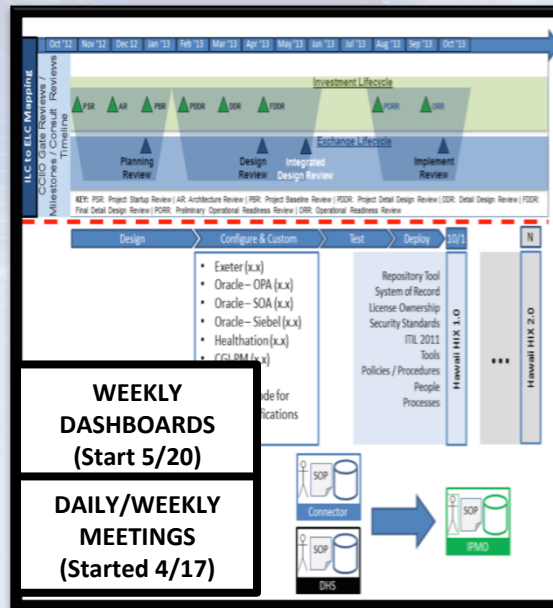
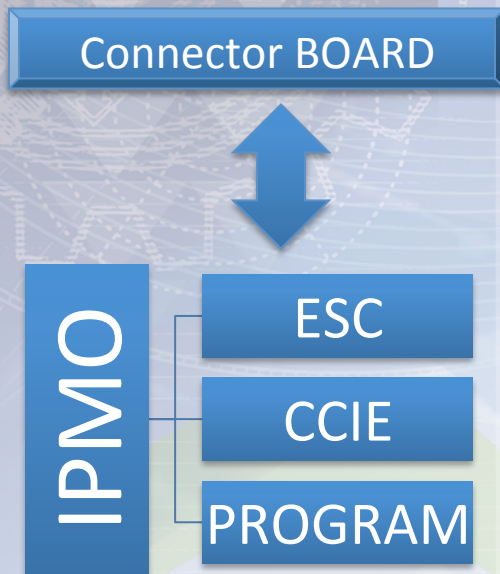
- Led by a 15-member Board of Directors nominated by Governor. *The Healthcare Transformation Coordinator, ACA Implementation Manager and CIO are not on the Board*
- In April, 2013, the ACA Implementation Manager and State CIO were requested by Governor to help the HHC in delivery of the HHIX due to Programmatic, Governance and Technology Problems

- **Funding**

- ~\$ 206 Million, of which \$ 53 Million was awarded to build the HHIX amongst other capabilities by 10/1/2013, with subsequent deliveries in 2013 and 2014 and perform O&M over option years



Seek to Establish an Integrated IT Governance, Program Plan and Technology Solution to Unify Efforts and be Better Public Stewards – Integrate with State Architecture



Integrated Governance

Integrated Program Plan

Integrated Technology Solution

State of Hawaii – Business and IT Transformation Plan + Solution A



The Way Forward

As the new (interim) Executive Director steps into the HHC leadership role certain milestones will illustrate progressive elaboration and maturity of the programmatic, technological and governance areas. This will assure transparency, consistency in reporting, communication, progress and ultimately, accountability.

Stabilize, Organize and Harmonize

Connector needs to Immediately Focus on its Priorities

One integrated IT infrastructure with State Solution A and Shared Services

Complete the HIX project first and evolve to a Healthcare ecosystem

30-day plan

90-day plan

180-day plan

- **Increase enrollment + fix Pre-paid/SHOP**
- **Restore** confidence
- **Solidify** vision, mission, goals and objectives
- **Optimize** communications
- **Enforce** rigor in the HHC

- **Complete** RIDP
- **Redefine** strategy to enforce proper governance and sustainability
- **Instill** programmatic and technological disciplines
- **Cultivate** policy compliance

- **Promulgate** approach to Solution A
- **Inculcate** operation and maintenance disciplines
- **Cement** programmatic and technology management



Mahalo Nui Loa

