

*A Survival Guide
for Post-Reform
Financial Requirements*

Exchange Readiness Checklist for Health Plans

Health plans offering individual and small group coverage — and in particular issuers of qualified health plans offered in health insurance exchanges — are dealing with a number of regulatory challenges related to the Affordable Care Act's Premium Stabilization Programs, often referred to as the 3Rs — Reinsurance, Risk Adjustment, and Risk Corridors.

The Centers for Medicare & Medicaid Services (CMS) estimates that in 2014, the typical health plan will need three full-time employees and spend more than \$340,000 to comply with the Premium Stabilization Programs and the required Edge server/distributed data environment.* Truven Health experience with offering Edge server and risk optimization solutions has taught us that it will take the typical health plan up to 6 months to prepare. Are you ready?

Here's what you'll need to successfully participate in (or comply with) the programs by April 2015:

1. Effectively manage your data to meet Department of Health and Human Services (HHS) Edge server requirements:
 - Establish the HHS-mandated, dedicated data environment via an Edge server
 - Develop extract, transform, and load (ETL) programs based on HHS specifications
 - Follow data integration, processing, and formatting best practices to align with the HHS-required data structure, field-level validations, and business rules
 - Aggregate medical, pharmacy, and eligibility data at the unique member level
 - Translate the aggregated data extracts into HHS Edge server-compliant XML files
 - Load claims and enrollment files to the dedicated Edge server
 - Correct and replace data containing errors
 - Support the Edge server CMS management console functionality requirements, including file/job/user management, backup/recovery, and system restore
 - Institute practical techniques to comply with Edge server monitoring, access control, and security requirements
2. Establish a plan to ensure ongoing data quality:
 - Configure an infrastructure to implement ongoing data quality assurance processes
 - Perform oversight and quality control of data and reports that HHS generates

* Federal Register Volume 78, Number 47, March 11, 2013. www.gpo.gov/fdsys/pkg/FR-2013-03-11/html/2013-04902.htm.

- Translate the CMS-furnished XML file processing and error reports into actionable dashboards and detail reports for claim-level data remediation
 - Review and take action on detailed and summary results provided by the HHS console as claims and enrollment files are processed on the Edge server
 - Generate internal quarterly HHS risk assessment and reinsurance models to compare to HHS risk assessments
 - Respond to HHS inquiries regarding any data issues
3. Incorporate analysis and projected results of the Premium Stabilization Programs in your annual rate setting
 4. Perform cost sharing reduction calculations and annual reconciliations
 5. Respond to CMS audit requests and planned 2015 targeted audits of reinsurance payments
 6. Perform claims review
 7. Begin to procure your auditing vendor to perform annual required risk adjustment data validation audits and share results with CMS
 8. Ensure payment accuracy
 9. Manage risk with optimal provider and consumer engagement tools and services

FOR MORE INFORMATION

Learn more about our ACA Exchange Solutions, visit truvenhealth.com/healthplan or email us at healthplan@truvenhealth.com.



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