A State-Based Exchange Success Story

Chris Clark, Program Manager
Why build a State-Based Exchange?

• Kentucky Ranks at the Bottom in Health Outcomes. Kentucky continues to rank at the bottom in most national health rankings. This includes 50th in smoking, 40th in obesity, 43rd in sedentary lifestyles, 41st in diabetes, 48th in poor mental health days, 49th in poor physical health days, 50th in cancer deaths, 49th in cardiac heart disease, 43rd in high cholesterol, 44th in annual dental visits and 48th in heart attacks.

• Access to health insurance will improve health outcomes
kynect: Opportunity

- Unique
- Important
- Visible
- Polarized
- Evolving
- Constrained
Two new insurers join Kentucky exchange.

Two new insurers have joined Kentucky’s state-run health exchange, Kynect, with plans to begin enrolling customers on Oct. 1. Kynect has succeeded in enrolling more than 260,000 people in health insurance since it began running in October.

Kentucky is one of 17 states that runs its own health insurance exchange, or marketplace for uninsured people to shop for coverage.

In the deep-red, Bluegrass state, the Affordable Care Act is an unlikely hit. Just don’t call it by that name.

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About a year ago, on Aug. 22, a team of inspectors from the Centers for Medicare and Medicaid Services (CMS) unit of the U.S. Department of Health and Human Services arrived in Frankfort, Ky., to see if the people working out of a nondescript warehouse there were going to be able to pull off the launch of Kentucky’s Obamacare health-insurance exchange.

Kentucky was one of 14 states, plus the District of Columbia, that had opted to build its own version of the Obamacare exchange; the federal government, through CMS, was building an exchange to offer insurance in the other 36 states.
kynect: Opportunity

- Unique
- Important
- Visible
- Polarized
- Evolving
- Constrained
kynect: Timeline

2011
Engage Stakeholders
- Vision
- Initial Consultation with Stakeholders
- Strategy
- Planning
- Requirements Definition

2012
Define and Design
- Stage Gate Reviews
- RFP
- Executive Order
- Town-Hall Meetings
- Vendor Onsite
- Blueprint Approval
- General Design

2013
Build and Market
- Issuer Liaison Office
- Detailed Design
- Development
- Marketing and Outreach
- Testing
- Implementation
kynect: Governance

**Executive**
- Governor of Kentucky
- Secretary, Cabinet for Health and Family Services
- Office of the Kentucky Health Benefit Exchange

**Advisory**
- Exchange Advisory Board
- Subcommittees:
  - Health Plans
  - SHOP
  - Agent/Navigator
  - Education/Outreach

**Management**
- kynect Program
- HBE Steering Committee
- Administrative and Technology Services
- Change Control Board
- IV&V
kynect: Program

- PMO
- Business Transformation
- Security
- Plan Management
- Eligibility and Enrollment
- Contact Center
- Identity Management
- Document Management
- Conversion
kynect: Risk

- Aggressive Schedule
- System Complexity
- Timeliness of Guidance
- Timely Decision Making
- Availability of Federal Services
- Coordination with Issuers
- Cross Project Alignment
kynect: Success Story

Leadership

Culture

Relationships

Experience

Solution
# kynect: Leadership

<table>
<thead>
<tr>
<th>Strategize</th>
<th>Foundational strategy must withstand public scrutiny</th>
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<tbody>
<tr>
<td></td>
<td>Socialized formative thinking prior to formalizing vision</td>
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<tr>
<td>Organize</td>
<td>Diverse stakeholders must collaborate to be successful</td>
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<td></td>
<td>Primary stakeholder agencies united under a single cabinet</td>
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<td>Decide</td>
<td>Timely, accurate decisions are required, sometimes without full guidance</td>
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<td>Experienced leadership is able to make the right decision quickly</td>
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# kynect: Culture

<table>
<thead>
<tr>
<th><strong>Unite</strong></th>
<th>People united in a noble cause are more passionate about success</th>
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<tbody>
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<td>Governor Beshear united Commonwealth stakeholders in a noble cause</td>
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<tr>
<th><strong>Comply</strong></th>
<th>Commonwealth has a “compliancy mentality” regarding federal guidance</th>
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<tr>
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<td>Determined to do what is necessary to comply; what is required</td>
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<tr>
<th><strong>Partner</strong></th>
<th>Partnership between executive, business, and technology teams is critical</th>
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<tr>
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<td>Technology team embraced as equal partner in this endeavor</td>
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## kynect: Relationships

| Consult | Guidance may be incomplete or not entirely clear  
Developed “consulting” relationship with federal partners |
|----------|------------------------------------------------------|
| Listen   | Insurance industry experts understand success in the marketplace  
Adopt “best accepted practice” industry models versus reinvent |
| Collaborate | Engaged stakeholders feel included in the process  
kynect fostered participation via Advisory Board and Issuer Liaison Office |
# kynect: Experience

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<tr>
<th>Prepare</th>
<th>Commonwealth staff invested time in understanding requirements</th>
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<tbody>
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<td></td>
<td>Team prepared to engage vendor and avoid unplanned delays</td>
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<td>Understand</td>
<td>Knowledge provides understanding of the “big picture”</td>
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<td></td>
<td>Derive more value from federal interactions; ask the right questions</td>
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<tr>
<td>Delegate</td>
<td>Exchange is an complex ecosystem incorporating multiple solutions</td>
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<td></td>
<td>Identify responsible, focused project managers accountable for results</td>
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### kynect: Solution

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<tr>
<th>Balance</th>
<th>Recognize broad, diverse customer base and high-volume</th>
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<td>Simplistic, balanced design with multiple application paths</td>
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<td>Leverage</td>
<td>Must launch multiple, complex, systems within a compressed timeframe</td>
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<td>Leverage existing in-state, out-of-state systems and artifacts</td>
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<tr>
<td>Integrate</td>
<td>The integration of discrete systems into a seamless exchange is critical</td>
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<td>Selection of a capable vendor is equally critical</td>
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Have we made a difference?

• Kentucky Ranks at the Bottom in Health Outcomes. Kentucky continues to rank at the bottom in most national health rankings. This includes 50th in smoking, 40th in obesity, 43rd in sedentary lifestyles, 41st in diabetes, 48th in poor mental health days, 49th in poor physical health days, 50th in cancer deaths, 49th in cardiac heart disease, 43rd in high cholesterol, 44th in annual dental visits and 48th in heart attacks.

• Access to health insurance will improve health outcomes
Percentage of Uninsured by County 2012

- Less than 5%
- 5% to 8%
- 8% to 11%
- 11% to 14%
- 14% to 17%
- 17% to 20%
- More than 20%
Percentage of Uninsured by County after April 15, 2014

Legend:
- Less than 5%
- 5% to 8%
- 8% to 11%
- 11% to 14%
- 14% to 17%
- 17% to 20%
- More than 20%
kynect: Future

Kentucky's Healthcare Connection