Leveraging Federal IT Could Remove Hurdle For FFE States Considering an SBE Model

Unless states are able to share technology systems with the feds or other states, costs of building and operating a state-run exchange — and achieving financial sustainability — will keep them from transitioning from a federally facilitated exchange (FFE) to a state-run model.

While the Affordable Care Act (ACA) envisioned that each state ultimately would operate its own exchange, technology costs and expenses tied to running the marketplaces give states little incentive to take over: FFE states, however, will have a strong incentive to pursue alternate models if the Supreme Court determines FFEs can’t distribute advance premium tax credits, as a Washington, D.C., court ruled in July. In its ruling (Halbig v. Burwell) on July 22, the Republican-majority D.C. panel ruled 2-1 that the premium subsidies awarded to 4.7 million enrollees on HealthCare.gov were illegal because the wording of the ACA indicates that only exchanges set up by states can issue subsidies (HEX 7/31/14, p. 1). On Nov. 15, the federal government will again open online insurance marketplaces for 36 states.

As HealthCare.gov’s CEO, Counihan May Find Politics Tougher to Fix Than Technology

Kevin Counihan, who successfully navigated the implementation of Connecticut’s insurance exchange — and headed marketing for Massachusetts’ Commonwealth Health Insurance Connector Authority — has been tapped by CMS to head the federal exchange portal, HealthCare.gov. Counihan’s last day with the Connecticut exchange is Sept. 5. The exchange’s board tapped Chief Information Officer James Wadleigh to serve as interim CEO of Access Health CT (see table, p. 5).

Former colleagues and other industry observers agree that Counihan is an ideal candidate for the job, but they tell HEX that he faces arduous challenges in the near term with just 10 weeks until the open-enrollment season begins.

On Aug. 26, CMS announced that Counihan had agreed to serve as HealthCare.gov’s first CEO. He is slated to begin this month. Prior to launching Connecticut’s Access Health CT, he was president of CHOICE Administrators Exchange Services, a developer of insurance exchanges. Before that, he was chief marketing officer at Massachusetts’ Commonwealth Health Insurance Connector Authority, which launched an insurance exchange in 2006 after the state’s landmark health reform law was enacted.

Experience with exchanges in Massachusetts and Connecticut, as well as in the private exchange space, makes Counihan more experienced in managing exchanges than just about anyone in the country, says Jon Kingsdale, Ph.D., managing director at Wakely Consulting Group. Kingsdale was the founding executive director of Massachusetts’ Connector Authority, and spent three years there with Counihan. Prior to that, they were colleagues at Tufts Health Plan, where Counihan was chief sales and marketing officer.

HHS “Secretary [Sylvia] Burwell and [CMS Administrator] Marilyn Tavenner could not have found a more qualified executive to fill the extremely challenging role as CEO
for the federal marketplace, plus directing relations with State exchanges,” Kingsdale tells HEX. “This is very good news for all of us who hope the FFM [federally facilitated marketplace] will become a super insurance store.”

Industry consultant Rosemarie Day, who also worked with Counihan at the Massachusetts Connector, says he will be responsible for many of the same things that he did in Connecticut, but on an entirely different scale. Along with ensuring a functioning website when the open-enrollment period begins in November, he also will need to navigate myriad political landscapes — from Congress, to the bureaucracy within the agency to dealing with state regulators and lawmakers. “It’s an entirely different order of magnitude than the state level,” she says. To succeed in the new role, Day says he’ll need to be allowed to build his own team, which he’ll rely on to ensure that vendors are delivering what they promise.

Kingsdale adds that if anyone can navigate the cross currents of Washington politics, federal agencies and diverse state perspectives, it would be Counihan. At the same time, he brings a wealth of commercial insurance experience to a job whose primary goal is to cover as many of the uninsured as possible. “That means selling insurance, and Kevin has over three decades of experience with it,” he says.

Counihan is “an independent thinker and an engaging personality who will not take a partisan or inflexible approach to this complicated role,” says Tom Dehner, a managing principal at Health Management Associates, a national research and consulting firm in Boston. Dehner previously was director of Massachusetts’ Medicaid program and also sat on the board for the Commonwealth Health Insurance Connector exchange.

He notes that technology issues “will be front-and-center from a media and political perspective” when open enrollment begins in November. But he stresses that Counihan is unlikely to take much heat for problems that surface less than three months after starting the job.

Joel Ario, managing director at consulting firm Manatt Health Solutions, calls Counihan “an inspired choice.” Ario, former director of HHS’s Office of Health Insurance Exchanges, says Counihan is consumer-oriented and state-oriented, “two more much-needed perspectives at CMS.”

**New CEO May Face ‘Perfect Storm’**

Industry consultant Robert Laszewski, president of Health Policy and Strategy Associates, LLC, says hiring someone with exchange experience is long overdue. “The administration should have put people with hands-on insurance administration and marketing experience in charge in the first place,” he tells HEX. “Those in charge when this launched last year didn’t even know they were in trouble until they were inundated with the administrative and political disaster they created last October.”

With the back-end technology still not functioning a year after the exchange launched, Laszewski says Counihan has his work cut out for him. He says there is still no firm timeline indicating when the federal system will be able to perform an enrollment reconciliation with the insurance companies... or pay them properly, he quips.

“The Obama administration has no idea how many people are currently enrolled but they keep cutting checks for hundreds of millions of dollars a month for insurance subsidies for people who may or may not have paid their premium, continued their insurance, or are even legal residents,” he says.

Counihan is walking into “what could be a perfect storm,” with the huge operating challenges presented by renewals, new enrollments and supporting 2014 tax filings, adds Kingsdale. “But he actually knows his way around these issues, and knows how to lead a team to address them. In the end, the ACA will fall far short of perfect this winter, but it will be half as bad as it would have been without him there.”

Access Health CT is considered to be one of the most successful of the 14 start-run marketplaces. The state’s uninsured rate has been cut in half since 2013. More than...
250,000 Connecticut residents have enrolled in Medicaid (70%) or private coverage (30%) — more than double the exchange’s initial goal. The vast majority of QHP enrollees (62%) chose a silver plan, while 20% took gold and 16% signed up for a bronze plan (HEX 4/17/14, p. 1).

Maryland’s insurance exchange board voted March 31 to swap its failed $125 million insurance exchange with the platform used by Connecticut. CMS’s announcement about Counihan indicates that nine states have now contacted Connecticut’s exchange about implementing its technology. That’s more than any report has previously acknowledged.

Early this year, Counihan told HEX that a couple of unsolicited inquiries from FFM states prompted him to consider packaging the exchange’s technology platform. FFM states, he acknowledged, are leery about running into the same implementation problems state-run exchanges experienced when they launched last fall, and want software that has the kinks already worked out (HEX 1/23/14, p. 1).

Contact Laszewski at robert.laszewski@healthpol.com, Kingsdale at jonk@wakely.com, Ario at jario@manatt.com, Day at rosemarie@dayhealthstrategies.com and Dehner at tdehner@healthmanagement.com.

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**Federal Reg Tracker: August 1 to August 31**

**Interim Final Rule**

◆ Coverage of Certain Preventive Services Under the Affordable Care Act (ACA), 79 Fed. Reg. 51092 (Aug. 27)

This document contains interim final regulations regarding coverage of certain preventive services under section 2713 of the Public Health Service Act (PHS Act), added by the ACA, as amended, and incorporated into the Employee Retirement Income Security Act (ERISA) of 1974 and the Internal Revenue Code. Section 2713 of the PHS Act requires coverage without cost sharing of certain preventive health services by non-grandfathered group health plans and health insurance coverage.

Visit http://tinyurl.com/mg8dgla.

**Proposed Rule**

◆ Coverage of Certain Preventive Services Under the ACA, 79 Fed. Reg. 51118 (Aug. 27)

This document proposes a change to the definition of an eligible organization that can avail itself of an accommodation with respect to coverage of certain preventive services under section 2713 of the Public Health Service Act (PHS Act), added by the ACA, as amended, and incorporated into ERISA and the Internal Revenue Code.


**Instructions/Guidance**

◆ State Technical Assistance on State-specific Data for the Actuarial Value Calculator (Aug. 15)

The purpose of this document is to provide technical guidance to states that are interested in submitting data to be considered for approval for use in a state-specific Actuarial Value (AV) Calculator. AV, which determines the metal tier level of non-grandfathered individual and small group market plans, is calculated using the AV Calculator that was developed and made available by HHS.


◆ Model Notice to Secretary of HHS (Aug. 22)

This model notice may, but is not required to, be used by an eligible organization to provide notice to the Secretary of HHS that the eligible organization has a religious objection to coverage of all or a subset of contraceptive services, pursuant to 26 CFR 54.9815-2713A, 29 CFR 2590.715-2713A, and 45 CFR 147.131.


**Questions and Answers**

◆ CAP Limited Competition Funding Opportunity Announcement FAQs (Aug. 13)

This document is a set of FAQs on an announcement regarding the Consumer Assistance Program limited competition funding opportunity.

Visit http://tinyurl.com/kd7vr8x.

Compiled by AIS, August 2014.
Cigna Corp. Launches Own Proprietary Private Exchange

Cigna Corp. on Sept. 1 launched its national proprietary private exchange, becoming the latest major insurer to forge ahead in the increasingly crowded business of distributing insurance digitally, HEX’s sister publication Health Plan Week reported Aug. 25. The carrier is making its move well after early adopters have opted to open their own marketplaces, like Bloom Health Corp. five years ago, but sees the timing appropriate for its market goals in the 51-employee and over space.

Other carriers have stressed the growing importance of having their own exchange, such as Aetna Inc., which has often touted its Aetna Marketplace.

Dave Guilmette, president, global employer and private exchanges for Cigna, says client demand led the insurer to expand its proprietary private exchange business.

“There is quite a bit of activity in the marketplace around exchanges, certainly public exchanges and increasingly private exchanges,” he says. “We launched our private exchange in a more controlled, piloted way back in November 2013 in four markets, mostly focused on smaller-sized employers with less than 250 employees. The reason we are doing this now is that we are hearing quite a lot of interest in the market around exchanges from employers and brokers. And we think we are well positioned to be able to address that interest with a proprietary solution, which is really focusing on creating value along three dimensions.”

Exchange Will Be Three Dimensional

The dimensions are:

1. Benefit administration support for employers.
   “The very large employers already address benefit administration pretty completely with very big systems and relationships with third parties, but as you move to smaller employers, many of those employers really struggle with core benefit administration and they need help, and they want that to be simple,” Guilmette says.

2. Employee choice. “What we are hearing is more interest in expanded choice but guided choice, which is why we call our solution Cigna Guided Solutions, to help people make decisions based on core medical, dental and other ancillary products. So this gives those employers the opportunity to open up those benefit choices to their rank and file and make that a fairly easy thing to do,” he says.

3. Value or affordability. “We enjoy a very cost-competitive position around our products in our solutions across the markets we are in, and the ones we are looking to target in our exchange solution for,” Guilmette adds.

Cigna says it will continue to spread its private exchange activity across third-party exchanges and its own channel. There may be some future move to offer plans only on the proprietary exchange, but that is not the case now. ▶

This article above was excerpted from the Aug. 25 issue of HEX’s sister publication Health Plan Week. For a free copy, visit http://AISHealth.com/marketplace or call (800) 521-4323.

Liazon, Willis Help Trade Group Construct Private Exchange

The Associated General Contractors of America (AGC), which represents the commercial construction industry, is the latest trade group to launch a private insurance exchange.

The AGC Alternative is available to the trade group’s 26,000 member companies for the 2015 plan year and offers five health plan options from Aetna Inc. It also includes vision and dental options from MetLife and Group Vision Services. Additional coverage options will be added in the coming months.

AGC announced the private exchange on Aug. 25. It was designed by insurance brokerage firm Willis North America. Willis of Maryland, Inc., a licensed insurance producer, will act as the broker of record for all insurance products offered on the new AGC private exchange.

In July, industree, a food and beverage industry trade organization in Washington, D.C., launched a private exchange aimed at restaurants with 100 or more employees. Both exchanges offer coverage through a defined contribution via the Bright Choices Exchange operated by Liazon Corp., a Towers Watson company (HEX 7/17/14, p. 1).

AGC members that don’t offer health coverage to their employees were concerned about potential penalties due to the employer mandate called for by the Affordable Care Act. Other members were struggling with increased insurance premiums, says Christi Reimer, director of AGC’s new private exchange.

“Many of our member companies are scrambling to be ACA-compliant and continue to provide valuable benefits to their employees,” she tells HEX.

Most of AGC member firms employ fewer than 100 people, and many rely on seasonal workers who typically aren’t offered health coverage. Reimer says AGC has received more than 500 requests for information from member firms since announcing the program.

For more information, contact Brian Turmail for AGC at turmailb@agc.org. ▶

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State Exchange Leaders...Then and Now

Troubled roll-outs of several state-run exchanges last year prompted some executive directors to resign. Other exchange leaders, such as Connecticut’s Kevin Counihan (see story, p. 1), Colorado’s Patty Fontneau and Idaho’s Amy Dowd, have taken new positions in the expanding world of health insurance exchanges. Half of the states that launched their own exchanges last year will have a new person at the helm heading into the next open-enrollment period, which begins Nov. 15. Nevada and Oregon, which launched state-run exchanges last year, will rely on HealthCare.gov to enroll members for the 2015 plan year, while Idaho is working to transfer HealthCare.gov enrollees to a new state-run platform. (New 2014 executive directors are in bold.)

<table>
<thead>
<tr>
<th>State/District</th>
<th>Top Exchange Executive as of September 2013</th>
<th>Top Exchange Executive as of September 2014</th>
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| California     | Peter Lee
Covered California  | Executive Director | Peter Lee
Executive Director |
| Colorado       | Patty Fontneau
Connect for Health Colorado  | CEO
Resigned in August 2014 to head Cigna Corp.’s private exchange division. | Gary Drews
Interim CEO as of Aug. 25, Drews is CEO of TheWorldWeWant and former chief financial officer of the Colorado Health Foundation. |
| Connecticut    | Kevin Counihan
Access Health CT  | CEO
Resigning as of Sept. 5 to head HealthCare.gov. | James Wadleigh Jr. was named interim CEO on Aug. 27. He currently is the exchange’s chief information officer. |
| Washington, D.C.| Mila Kofman
DC Health Link  | Executive Director | Mila Kofman
Executive Director |
| Hawaii         | Coral Andrews
Hawaii Health Connector  | Executive Director
Resigned in November 2013 after a troubled exchange launch. | Tom Matsuda
Interim executive director since December 2013. He previously was the state’s ACA implementation manager. |
| Idaho          | Amy Dowd
Your Health Idaho  | Executive Director
Resigned in July 2014 to become CEO of New Mexico’s state-run exchange. | Pat Kelly
Interim executive director as of July 2014. Kelly formerly was the exchange’s financial chief. |
| Kentucky       | Carrie Banahan
Kentucky  | Executive Director | Carrie Banahan
Executive Director |
| Maryland       | Rebecca Pearce
Maryland Health Connection  | Executive Director
Resigned in December 2013 after a troubled exchange launch. | Carolyn Quattrocki
Executive director as of June 2014. She previously was executive director of the Governor’s Office of Health Care Reform. |
| Massachusetts  | Jean Yang
Massachusetts Health Connector  | Executive Director | Jean Yang
Executive Director |
| Minnesota      | April Todd-Malmlov
MN Sure  | CEO
Resigned in December 2013 after a troubled exchange launch. | Scott Leitz
CEO as of April 2014. He had served as interim CEO since Todd-Malmlov resigned. |
| Nevada*        | John Hager
Silver State Health Insurance Exchange  | Executive Director
Resigned in February 2014 after a troubled exchange launch. | Bruce Gilbert
Executive director as of July 2014. He was a principal of Texas-based HIX Partners and former benefits administrator for Ohio. |
| New Mexico*    | Mike Nunez
BeWell New Mexico  | Interim CEO from May 2013 until August 2014. | Amy Dowd
CEO as of August 2014. She is former executive director of Idaho’s exchange. |
| New York       | Donna Frescatore
New York State of Health  | Executive Director | Donna Frescatore
Executive Director |
| Oregon         | Howard "Rocky" King
Cover Oregon*  | Executive Director | Aaron Patnode
Executive director as of July 2014. He previously was director of business development at Kaiser Permanente Northwest. |
| Rhode Island   | Christine Ferguson
Health Source RI  | Executive Director | Christine Ferguson
Executive Director |
| Utah           | Patty Conner
Avenue H**  | Director | Patty Conner
Director |
| Vermont        | Lindsey Tucker
Vermont Health Connect  | Deputy Commissioner | Lindsey Tucker
Deputy Commissioner |
| Washington state | Richard Onizuka
Washington Health Benefit Exchange  | Chief Executive Officer | Richard Onizuka
Chief Executive Officer |

*Will rely on HealthCare.gov to enroll members for the 2015 plan year
**Utah operates only the small-business exchange; individuals enroll through HealthCare.gov

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Sharing IT May Mean More SBEs

A recent paper from consulting firm Leavitt Partners determines that financial sustainability is one of the primary impediments keeping FFE and federal-partnership states from transitioning to a state-based exchange (SBE). Moreover, at the end of 2015, states will lose the ability to tap federal grants to fund operational expenses of their own exchanges — a concern among regulators in the early years of the ACA.

For states with small populations, such as Rhode Island and Delaware, achieving self-sustainability will be far more difficult than for states such as New York or California, which are able to spread their fixed costs across much larger populations, says Tim Jost, a Washington and Lee University law professor and consumer representative for the National Association of Insurance Commissioners.

Launching a state-run exchange would require a $40 million investment for equipment and would cost about $40 million a year to operate, Tina Korty, attorney for the Indiana Dept. of Insurance, recently told a panel of state lawmakers, The Times of Northwest Indiana reported on Aug. 28. But that appears to be an outdated estimate. In 2011, Seema Verma, the consultant hired by the state to look into the feasibility of Indiana running an exchange, pegged the annual cost of operating an exchange at between $55 million and $80 million. Most of the cost, according to that estimate, would have been tied to determining eligibility for the tax credits, she told HEX (HEX 12/11, p. 4). Leveraging the federal IT system, however, would eliminate much of that expense.

Oregon Is Not Charged for Fed IT

Overall, state-run exchanges spent an average of $1,503 per enrollee, while the average per-member cost in FFE states averaged just $647, according to Leavitt. CMS is able to achieve the lower costs because it distributes operational expenses across three dozen states. Allowing states to share technology and operational costs could be one way to make financial sustainability possible.

Some SBEs already are leveraging federal IT functions. Oregon, for example, is transitioning its enrollment function to HealthCare.gov as it works to repair its failed state-grown IT system. For the 2015 plan year, Oregon will rely on a model known as a “Supported State-Based Marketplace.” The state will continue to perform plan management and consumer assistance at the state level, but will use HealthCare.gov for qualified health plan (QHP) transactions, says Cover Oregon spokesperson Elizabeth Cronen. The state will not be required to pay CMS a fee to use the federal enrollment technology, she tells HEX.

Last year, Idaho and New Mexico operated their marketplaces while relying on the federal technology platform. Both states are considered SBEs. This model could be an attractive option for FFE states because it allows states to tap existing federal IT systems while maintaining policymaking authority over other issues such as plan certification, insurer participation and fees, marketing, and consumer engagement, according to a recent Commonwealth Fund issue brief co-authored by Kevin Lucia, a research professor and project director at Georgetown University’s Health Policy Institute. He says one of the largest barriers for states is the build-out of the IT systems. “States are very good at many of the other functions. They can operate call centers, do plan management and certify health plans. But building out a complex and integrated IT platform is demanding and challenging for any new enterprise,” Lucia tells HEX.

Jost agrees and says FFE states should be able to pursue that model. To do so, state lawmakers would need to first establish legislative authority or appropriate executive authority for running an exchange and then set up an entity to operate it. It could then contract out IT services to the federal government. States also could integrate technology from another state. Maryland, for example, expects to implement Connecticut’s exchange platform in time for the fall open-enrollment period (HEX 7/17/14, p. 1).

FFE States Might Stay Put

The Halbig case might never make it to the Supreme Court. And if FFE states can continue distributing federal premium subsidies, state regulators and lawmakers will have little reason to take over the marketplaces.

There was concern, in the early days after the ACA was signed, that states would be forfeiting their authority to regulate insurance to the federal government by not operating their own exchange, Jost recalls.
But HHS hasn’t taken over insurance markets. For example, no policy can be sold on the FFE unless it has been approved by regulators in that state.

“HHS has gone so far to cede authority to the states on issues such as rate review and defining the essential health benefits package, that I think most regulators have concluded they are losing nothing or losing very little,” he tells HEX. “Unless you are a state that really believes you can do better, there probably isn’t a reason to change” to an SBE.

Contact Dan Schuyler for Leavitt Partners at dan.schuyler@leavittpartners.com, Lucia at kwl@georgetown.edu, Cronen at ecronen@coveroregon.com and Jost at jost@wlu.edu.

**EXCHANGE BRIEFS**

- **Just two weeks after Oracle Corp. filed a $23 million lawsuit against Oregon for a breach of contract, the state filed a complaint against the technology vendor and several of its high-level executives.** The 126-page civil complaint, filed Aug. 22 by Oregon Attorney General Ellen Rosenblum (D), blames Oracle for the state’s non-functioning insurance exchange. The lawsuit demands recovery of the state’s and Cover Oregon’s financial losses, as well as penalties for the damages “caused by Oracle’s broken promises, fraud, racketeering and false claims for payment.” In April, state officials voted to scrap the troubled platform and transition to the federal platform for the next open-enrollment period. Rosenblum contends that Oracle relied on poorly trained staff who neglected to inform the state or the exchange that it would be unable to fulfill the terms of its contract. In its complaint against the state, Oracle acknowledges that although the consumer-facing website wasn’t functional on Oct. 1, 2013, it says the portal was working by the following February. But it alleges that Cover Oregon “for unexplained reasons” didn’t disclose that information publicly. To see a copy of Oregon’s complaint against Oracle, visit http://tinyurl.com/kjd37mm. To see a copy of Oracle’s 21-page complaint against Oregon, visit http://tinyurl.com/ma2kdq.

- **A new report from Wakely Consulting Group profiles the enrollment experiences of five successful state-based exchanges, and details some of the lessons learned in hopes of improving the next open-enrollment period.** For example, the report concludes that the most successful Navigator programs were those that focused their efforts on a specific region or neighborhood. State exchanges agreed that early outreach and advertising are the most important instrument for educating consumers about the changing marketplace and the options that were available. Recommendations are based on experiences with state-run exchanges in Colorado, Connecticut, Kentucky, Rhode Island and Washington state. The report was developed as part of Wakely’s participation in the Robert Wood Johnson Foundation’s State Health Reform Assistance network. Access the report at http://www.rwjf.org/content/dam/farm/reports/reports/2014/rwjf415188.

- **Peter Lee, the executive director of Covered California, was awarded a one-time bonus of $53,000 after the state’s public insurance exchange enrolled 1.2 million people in coverage, The Los Angeles Times reported Aug. 27.** Lee, according to the chair of the exchange’s board, had not received a raise in three years. The bonus represents 20% of Lee’s annual salary of $262,644. Visit www.coveredcalifornia.com.

- **An August report from the University of Pennsylvania and the Robert Wood Johnson Foundation details how people living in rural areas of the country pay higher average premiums and have less access to health insurance plans than do urban residents on public exchanges.** Researchers found that, on average, the second-lowest silver plan premium for a 50-year-old nonsmoker is $369 in urban locales and $387 in rural areas. Even within states there is a disparity in premium costs, the report said. In states where 50% or more of those eligible to enroll in exchanges reside in rural counties, the average premium expense of the second-lowest silver plan for a 50-year-old nonsmoker is $452. But for states where less than 5% of those eligible for exchange plans live in rural counties, the average premium is $50 lower at $402. Visit http://tinyurl.com/kpde88z.

- **Six insurance brokers are seeking class-action status for their claim that Nevada’s state-run insurance exchange, along with its website vendor Xerox, failed to pay commissions they are owed for policies sold through the marketplace, The Las Vegas Review-Journal reported Aug. 27.** An attorney representing the brokers tells the newspaper that his
clients are collectively owed more than $200,000 in unpaid commissions. The attorney, Matt Callister, also has filed a class-action suit on behalf of more than 200 plaintiffs who said they paid for coverage through the exchange but never received a policy. Visit the law firm Callister and Associates at www.neonlawyer.com, and the Silver State Exchange at exchange.nv.gov.

◆ The Michigan Chamber of Commerce, which represents about 6,600 employers, trade associations and local chambers of commerce, has launched a private insurance exchange for its member companies. The organization announced the new marketplace last month and has a three-minute educational video for member firms and insurance brokers. It will be powered by CieloStar. The Minneapolis-based company is working on launching private exchanges for chambers of commerce in other states including Ohio and Virginia. The North Carolina Chamber of Commerce launched a private exchange last year (HEX 4/18/13, p. 1). See the Michigan Chamber’s video at http://tinyurl.com/l3ncnmur.

◆ Noridian Healthcare Solutions, the technology vendor that took the heat for Maryland’s failed insurance exchange, has been asked by federal auditors to turn over documents related to the project, The Washington Post reported Aug. 26. CEO Tom McGraw said his company was cooperating fully with the July 30 request by the HHS inspector general’s office. Last spring, Maryland said it wanted Noridian to return a significant chunk of the $55 million it was paid. But Noridian said that two months after the contract was awarded, the state added more than 200 technical requirements alongside other changes (HEX 7/3/14, p. 8).

◆ CMS has extended until July its contract with insurance exchange software developer Accenture. Accenture replaced Canadian IT firm CGI group early this year after HealthCare.gov struggled to function. The one-year, $90 million contract, which was slated to end in January, has been extended six months.

◆ Two GOP senators sent a letter to the head of CMS on Aug. 27 asking for a more thorough report on how many people are enrolled in public exchanges ahead of the second open-enrollment period that starts on Nov. 15. Sens. John Barrasso (R-Wyo.) and Lamar Alexander (R-Tenn.) wrote to Marilyn Tavenner, CMS administrator, seeking information on the number who have signed up as well as the number of plan cancellations that have occurred since the initial open-enrollment period ended in April. Visit http://tinyurl.com/ntarb6x.

◆ Blues plan operator Hawaii Medical Service Association (HMSA) is pulling out of the small-business side of Hawaii’s troubled state-run insurance exchange, the Associated Press reported on Aug. 15. That means that small employers that opt to buy coverage through the Hawaii Health Connector will see options from just one carrier — Kaiser Permanente. HMSA President Michael Gold told AP his staff is spending too much time and money dealing with the Connector’s technical problems. Visit http://tinyurl.com/nzo3u7y.

◆ PEOPLE ON THE MOVE: Mnsure, Minnesota’s insurance exchange, appointed Katie Burns the organization’s deputy director of operations and chief operating officer. She previously was policy and plan management director….Covered California named Amy Palmer director of communications and public relations. She previously was associate secretary of external affairs for the California Health and Human Services Agency. Kirk Whelan was named director of the exchange’s individual and small business sales division. He previously was sales manager for Kaiser Permanente’s valley territory in Northern California….Gary Drews on Aug. 25 became the interim CEO for Colorado’s state-run insurance exchange. Drews was appointed by Connect for Health Colorado’s board of directors. He replaces former CEO Patty Fontneau, who left to become president of Cigna Corp.’s private exchange business. Drews previously was CEO of TheWorldWeWant, LLC and former seven-year chief financial officer of the Colorado Health Foundation. The board expects to name a permanent CEO later this year…Maryland Health Secretary Josh Sharfstein, M.D., a top official with the Maryland insurance exchange, was named associate dean for public health practice and training at the Johns Hopkins Bloomberg School of Public Health….Lori Lodes was named director of communications for CMS. She most recently was senior vice president for campaigns and strategies for the Center for American Progress Action Fund.
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