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How to Seamlessly Enter the Expanded ACA Marketplace

Utilize current technology trends to outcompete the market and set yourself up for future growth

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Increased Stability in the ACA Marketplace Triggers Health Plan Re-entry

The Biden-Harris Administration promotes expanding the Affordable Care Act (ACA) as a priority, potentially causing a boom in ACA membership due to an increase in subsidies and overall stability.

Reinvigorated interest in the ACA has led to large payers like Aetna to the individual health insurance marketplace at the beginning of 2022 after exiting in mid-2017. As industry leaders continue to expand their offerings on the Marketplaces, smaller health plans can follow suit and capitalize on this opportunity.

" As the ACA has evolved there's evidence of market stabilization and remedies to earlier structural issues. It is now time for us to participate in these markets."
   -Karen Lynch, President and Chief Executive
    Officer of CVS Health

Approximately 8.3 million people enrolled or re-enrolled in the ACA via HealthCare.gov during the 2021 Open Enrollment period as of December 21, 2020.

Selection trends continue to rise by 6.6 percent from 2020 and 6.3 percent from 2019. Growing enrollment rates persist despite New Jersey and Pennsylvania shifting to state-based exchanges before the 2021 enrollment period. 2021 has seen a dramatic increase in both enrollees and enhancements to the ACA designed to attract more members.

Recent Actions to Expand the Marketplace

American Rescue Plan Act (ARP) was signed it law on March 11, 2021, increasing available tax credits for people who buy their own health insurance through the Marketplace. Access to health insurance coverage through the ACA will rise as a result of lower premium prices.

Additionally, the President's support of the ACA has resulted in more than 940,000 people signing up for health coverage on federal exchanges since February 15, the start of the 2021 Special Enrollment Period, through April 30.This sharp increase in enrollments compared to the same time frame in 2020 and 2019 signifies an increased demand for marketplace health plans.
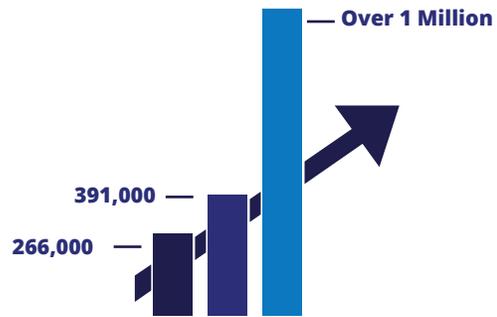

— Over 1 Million

391,000 —

266,000 —

Figure 1: Number of New Marketplace Plan Selections from Feb. 15 to Apr. 30in Recent Years According to the Centers for Medicare & Medicaid Services

How to Capitalize on This Exciting Opportunity

Many small and mid-sized health plans recently entered the ACAmarket considered capitalizing on growing enrollment rates. Plans that participated several years ago can re-enter the Marketplace based on the latest developments and increased stability.

Capitalize on this opportunity by ensuring your health plan is well-positioned for a favorable entry into the Marketplace by immediately investing in technology options with the composability to adapt to existing and future trends.

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What Health Plans Should Consider to Outperform the Competition and Improve Composability

Click below to navigate by topic:

1. Automate CMS and DOI Compliance Regulations

2. Establish a Robust Communications System to Streamline Reconciliation

3. Increase User Satisfaction by Offering Various Safe Options for Paying

4. Integrate Your Platform to Reduce Administrative Overhead and Provide a Consumer-Friendly Experience

5. Build Scalability for Seamless Transitions in Anticipation of Market Expansions

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Automate CMS and DOI Compliance Regulations

Challenges Maintaining ACA Compliance

The Centers for Medicare and Medicaid Services (CMS) and each state's Department of Insurance (DOI) regularly issue changes to ACA compliance that present challenges to health plans.

The ACA has become entrenched, surviving changing politics since its enactment. However, seemingly small tweaks and changes can result in significant operational challenges. Consider how changes to the areas below could impact your plan:

- Monthly reconciliation and ad-hoc files
- More frequent and more rigorous CMS audits
- Changes to letters and member communication requirements
- Fluctuating State DOI requirements
- Moving from the Federally Facilitated Marketplace to a State-Based Marketplace
- Unexpected Special Enrollment Periods

Rapidly responding to regulation changes will be key to the longevity of your health plan in the ACA. These requirements consistently challenge health plans.
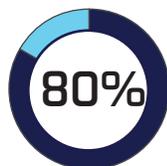
Investing in an adaptable and configurable platform will allow you to meet changing regulations with ease.

Work Smarter, Not Harder, with Hyperautomation

Complete end-to-end process workflows reduce processing time, administrative overhead, and human error. Changes needed to achieve regulation compliance can be achieved automatically, freeing resources better used for providing quality plans to members.

Despite rapid advancements in hyperautomation, health plans must consider long-term goals and partner with a technology provider specific to the insurance space and dedicated to advancing their solution offerings.

Statistics from 2020 Gartner Report. Predicts 2021: Accelerate Results Beyond RPA to Hyperautomation

80%

Hyperautomoation is becoming more generalized, requiring greater investment:

"By 2024, 80% of hyperautomation offerings will have limited industry-specific depth mandating additional investment for IP, curated data, architecture, integration and development."

70%
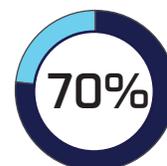
Hyperautomation is becoming more widespread across and within large companies:

"By 2024, more than 70% of the large global enterprises will have over 70 concurrent hyperautomation initiatives mandating governance or facing significant instability"

A holistic approach to health plan platforms prevents future issues with scaling and adjustability required with rapidly changing CMS and DOI requirements.

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Establish a Robust Communications System to Streamline Reconciliation

Reconciliation Can Make or Break Your Plan

Without the proper reconciliation processes in place, ensuring timely reimbursement of CMS subsidy payments could create ongoing damage to health plans looking to enter the ACA Marketplace. Not only do they need to reconcile with CMS and the state exchanges, but health plans also need to have the appropriate processes in place to keep downstream systems in alignment.

Integrate Across Systems to A void Reconciliation Events

The proper configuration of health plans' tech ecosystems to align enrollment and financial data will limit reconciliation events.

Health plans should consider edge computing as a means to reconcile closer to the source while keeping core platforms stable and only storing the minimum necessary. Edge computing improves data processing time while saving bandwidth by utilizing a distributed computing standard. Reconciliation events caused by slow response times will be avoided without putting unnecessary strain on core platforms.
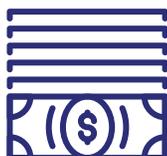
Keeping both sources in sync and building a true picture of your membership provides stability between CMS and your members.

Common challenges include:

- Inaccurate enrollment data causing member abrasion.
- Delayed subsidy payments.
- Interoperability limitations causing misalignment between upstream and downstream systems.

A fully integrated solution can:

- Provide scalability.
- Be location independent.
- Prevent investing in hardware when more flexible solutions are available.

Health Plans Receive Additional lntegration Incentives

The system integration market size is projected to reach

582.5 billion by 2025

at a CAGR of 11.7%.

Statistic from Grand View Research, Inc. Grand View Research projects that the growth of cloud computing technology will result in government initiatives encouraging health plans to partner with cloud technology vendors. Health plans can stay ahead of the curve and prevent needless reconciliation issues by investing early in integration. Migrating to the cloud and Everything-as-a-Service (XaaS) models allow health plans to continue to scale while maintaining security and data integrity.

Increase User Satisfaction by Offering Various Secure Options for Paying

Payment Card Industry (PCI) Compliance Can Pose New Challenges

Payment processors risk devastating data breaches and the dissemination of Protected Health Information (PHI). Many health plans are not PCI compliant, putting their organization at risk in taking on consumer credit card payments. Allowing credit card payments requires additional security regulations and PCI compliance. 70%+ of Marketplace members pay their monthly premium by credit card. Health plans cannot ignore the additional security measures necessary to keep credit card payments safe for ACA plans.

70% +
of Marketplace members pay their
monthly premium by credit card.

Before taking on the PCI scope internally, consider outsourcing your billing solution with the appropriate controls and oversight security expertise and shared liability.

Invest in Technology Early On to Prevent an Overextension of Resources

Partnering with a Merchant of Record or certified payment facilitator allows for a reduction in payment overhead while presenting a robust number of ways for members to pay.

Outsourcing payment platforms can help health plans avoid the costly and time-consuming efforts of establishing their own merchant accounts and ensuring compliance with dynamic standards.

Health plans hoping to capitalize on these large number of enrollees may not have the requirements set in place to enroll such a large volume of people while maintaining rigorous security standards. Outsourcing to certified payment vendors will prove beneficial and cost effective to health plans who do not have the in-house resources needed to seamlessly handle an opportunity of this scale.

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Integrate Your Platform to Reduce Administrative Overhead and Provide a Consumer-Friendly Experience

A Consumer-Friendly Experience is of Paramount Importance to Members

Expanding into the ACA Marketplace requires extensive communication with a wide array of systems. These include both vendor systems and those built internally. Ineffective integrations can create cascading effects on member abrasion and satisfaction.

74% + of consumers value the experience alone when evaluating if they will use a service again. (Forbes / Arm Treasure Data)

Separate systems that communicate inefficiently with each other produce:

- Invoice inaccuracies
- Delays in information
- Delinquencies
- Inconsistent experiences across integrated vendors

Increasingly, health plans need to match the seamlessness and convenience consumers expect from the finance and banking industries from their health insurer.

Shift Focus To the Member Experience when Considering Future Technology Advancements

To provide an enhanced consumer experience, streamline member enrollment, account management, and renewal with an end-to-end solution that is optimized to reduce administrative overhead.

Fully integrated solutions increase member satisfaction by reducing delays and errors caused by poor communication among back-end processes and vendors.

By creating a central point of integration, health plans can enable upstream and downstream systems to manage their membership more effectively.

Integrated systems enable health plans to reduce member abrasion by:

- Empowering members to pay their first month's premium upon enrollment.
- Starting recurring payments immediately after members enroll in a plan.
- Reconciling premium balances quickly to eliminate miscommunication.
- Allowing the end user to self-service to complete all maintenance activities and changes to their account.

From the member's perspective, this creates an impression that the system is designed with their needs in mind. Without that convenience, they may try to find it with one of the many other competitors in the market.

Member guidance and navigation are essential to maintain a membership when there are so many health insurance options. When investing in future technology, place your members first and empower them to manage their own accounts.In addition to catering to your members, self-management reduces health plan overhead and can significantly streamline labor time for supporting HICS (Health Insurance Casework System) processing.

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Build Scalability for Seamless Transitions in Anticipation of Market Expansions

Health insurance constantly evolves and brings unexpected challenges to the table. Prepare for the unexpected by partnering with an adaptable technology vendor.

Scalability enables rapid changes in product offerings and services that easily meet changing market demands.

Invest in Composability to Easily Adapt to Future Changes

Composable, modular solutions are built to change and respond quickly to meet the ever-changing needs of the insurance marketplace. A one-size-fits-all solution is no longer realistic as more vendors switch to a corporative collection of business capabilities designed to work together and address specific business needs. Modular solutions can be utilized to provide custom, end-to-end, best of breed solutions to satisfy specific requirements and improve the overall user experience.

To ensure a seamless collection of composable solutions, companies must all invest in:

These Changes are Here to Stay

Hyperautomation

System Integration

Scalability

Edge Computing

Year-over-year, based on rates and several other factors, a health plan's position in the Marketplace will change. Changing subsidies, longer enrollment windows and Individual Coverage Health Reimbursement Arrangements (ICHRA) could surge individual market enrollments.

Member retention is at an all-time high during recent Open Enrollment Periods. As health plan loyalty grows, it becomes more important to not only retain your members but identify and capitalize on growth scenarios.

Visit Softheon to learn more about our composable, modular solutions designed to scale.

Visit our website below

www.Softheon.com

Health Plan Solutions

About **SOFTHEON**

Founded in 2000, Softheon's Software-as-a-Service (SaaS) and Business Process-as-a-Service (BPaaS) solutions solve complex operational and service challenges for health plans and government health agencies.

By offering modular solutions designed to integrate with existing systems, Softheon reduces administrative burdens by streamlining critical processes in healthcare. Softheon's rapidly adapting technology and agile approach to implementation enables clients to proactively respond to changing regulatory environments and consumer demand.

Softheon has been recognized as a leading SaaS and BPaaS provider by IDC, AHIP, ACAP, and HCEG. Trusted by CMS and 8 State agencies, Softheon's clients span multiple industries. In 2021, Softheon ranked on the Inc. 5000 regional list for fastest growing companies, and Best in Biz Awards named Softheon one of the top Companies of the Year in the Northeast Region.