Navigating the FFM to SBM Transition with One, Simple Platform

National Marketplace plan shifts shopping, enrollment, and billing operations from the Federally Facilitated to a State-Based Exchange by partnering with a single technology vendor.

The Challenge: Transitioning to SBM-aligned operations in Virginia on a tight schedule

Change, even when it's positive, can be intimidating. It's crucial to have the right partners in place to make difficult transitions easier.

A national health plan had to adapt to Virginia's transition from a Federally Facilitated Marketplace (FFM) state to a State-Based Marketplace (SBM) for the 2024 plan year.

Collaborating with the state of Virginia and GetInsured, the payer successfully transitioned their current product filings and electronic data interchange (EDI) processes from CMS to Virginia's Insurance Marketplace, in addition to all downstream reconciliation processes.

Adapting core system processes to an SBM typically requires significant administrative costs, especially when existing infrastructure lacks the flexibility to swiftly adjust to changes in secure file transfer protocols (SFTPs). A key strategy in achieving this is the establishment of seamless EDI processes that minimize disruptions for members and staff.

Recognizing the financial risks involved, the national health plan partnered with experienced technology vendors. The collaboration between GetInsured—a technology provider for eight SBMs—and Softheon— with its role managing Massachusetts Health Connectors and Access Health Connecticut—played a pivotal part in bridging the gap between health plans and state exchanges.

The Results: Reduced administrative work during the health plan's shift from a FFM to a SBM state by outsourcing key mitigation tasks

The national health plan used Softheon's shopping, enrollment, and billing capabilities to smoothly transition to Virginia's Insurance Marketplace. Softheon was able to save the health plan time and effort by condensing the work of many vendors down to one.

This partnership avoided the need to create new Application Programming Interfaces (APIs), which are often time-consuming and expensive.

Softheon validated dozens of test cases for the payer, including:

- Initial enrollment scenarios
- Broker, APTC, plan choice, and dependent changes post enrollment
- Retroactive coverage scenarios
- Termination due to non-payment

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The payer delegated several responsibilities to Softheon, including:

- Testing connectivity via an SFTP testing server
- Coordinating 834 transfers
- Overseeing Inbound Enrollment Reconciliation (RCNI) file transfers and their validation
- Handling renewals
- Managing the SBM policy-based payments (PBP) transition
- Promoting PayNow operations

Leveraging extensive experience with multiple SBMs, Softheon ensures the normalization of both 834 and RCNI files. Even if the SBM processes these files differently, payers can continue processing, storing, and retrieving the information in a way consistent with their prior FFM operations.

Boosting Retention Rates with Consistent Member Communication and PayNow Functionality

Member retention is crucial, especially during disruptions.

In response to this challenge, the payer used Softheon's refined language and optimized member portal messaging to efficiently communicate the shift from HealthCare.gov to the payer's website. Additionally, Softheon developed ad hoc notices to proactively inform members about this transition and its potential impact on their coverage.

Another integral part of the retention strategy was the implementation of the PayNow functionality.

By providing a seamless payment process, PayNow ensures that members can continue their premium payments even amidst changes in marketplace platforms. This feature improves member satisfaction and reinforces the plan's commitment to ensuring minimal disruption during the transition.

Together, member noticing and PayNow capabilities formed a comprehensive approach aimed at easing the transition while prioritizing member retention and satisfaction.

Preparing Health Plans for Future Changes to SBM Operations

Partnering with Softheon allows health plans to seamlessly adapt to policy changes that demand operational adjustments. Softheon not only serves as the system-of-record for the payer but also boasts the technological capabilities needed to **accommodate future changes, including 1332 waivers**. This includes the management of new and extended special enrollment periods, expanded eligibility policies, and state-based reinsurance programs.

As states switch to SBMs, they gain increased flexibility to customize their offerings to better suit the unique needs of their residents. Softheon's adaptable infrastructure enhances health plans' agility, ensuring they can pivot swiftly to meet sudden changes in policy and operational requirements.

This 3-way partnership between the health plans, GetInsured, and Softheon paves the way for successful and dynamic operations in an ever-evolving landscape. Every state has different requirements, so partnering with technology vendors with experience operating in multiple SBMs helps ease what can often be a fragmented or confusing process.

With three additional states expected to complete the transition to an SBM by 2027, both community and national health plans must prepare for operational changes. The greater freedom and potential financial advantages that come with states adopting an SBM mean health plans must be ready to hold onto their current market shares amid new competition and make the most of the opportunities that SBMs can offer.

To learn more about what is required when transitioning from a FFM state to an SBM, contact our team:

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