Don’t Be a Pain in the ACA

Season 1/Episode 1

**Chris Miladinovich:** Hey everyone, and welcome to ProspHire's Soaring to New Health podcast. This episode is Don't Be a Pain in the ACA. I'm Chris Miladinovich, co founder, principal, and chief operating officer of Prospire alongside Dan Crogan, principal and senior vice president of consulting.

**Dan Crogan:** Thanks, Chris. We're really excited to have our ACA experts, Caitlin Nicklow and Matt Dauffenbach here with us today. And for our listeners, why don't we get started with talking about just ACA 101. What is it? Who does it serve? Why would you get involved in the ACA plan?

**Caitlin Nicklow:** I think ACA is a word that's thrown out there a lot. I'm sure everybody has heard of it. It's been a good amount of time in the news and the courts, but yeah, what, what really does it mean to, to everyday people out there looking for health coverage? So when we say ACA, obviously we're talking about the Affordable Care Act. When we're talking about it, we are normally talking about the individual exchange. So if you don't have employer sponsored health care, you don't qualify for maybe Medicaid or Medicare. Yeah. You log on to your exchange and you go [00:01:00] shop for healthcare. It's as simple as that. I know a lot of people were probably familiar with the individual mandate, so almost the penalty if you did not have coverage. That has since gone away, however the major features of ACA are still there. It's still very much alive. So the biggest one is the essential health benefits that every plan must have. That's really a safeguard for members. When you go on that marketplace to go shopping, you know that every plan is going to give you those same 10 benefits. You don't have to worry about missing something that's excluded if you don't read all the fine print, they all have to offer those same core services. So that's a really great protection for members.

**Matt Dauffenbach:** I consider it almost a baseline health plan in the U. S. It's you know, if you're not Medicare, you're not Medicaid, and you need a health plan, then this kind of sets that foundation of a health plan that, you know, everybody kind of needs to utilize throughout the US. . So, it's accessible to almost every I mean, it Basically everybody, depending on, you know, income status and otherwise, you get some subsidies, you get some [00:02:00] different benefits, but it really is pretty much universal. It's a it's a very nice way to kind of make sure that that baseline is set for everything else in the US.

**Dan Crogan:** So, why don't we start from the beginning? Why would a health plan want to have an ACA plan?

**Caitlin Nicklow:** Yeah, I think one of the biggest appeals to health plans that maybe have other lines of business already is that opportunity to really stay with that member throughout different phases of their life. So, be it a CHIP plan, Medicaid, Medicare ACA really poses that other medium to stick with that patient, if maybe they're coming out of Medicaid, not eligible for Medicare yet, and maybe they've lost an employer sponsored plan. So it really lets them have that continuous care from that same either network or health system.

**Matt Dauffenbach:** I totally agree. And I think additionally it gives different people, different systems, a new capacity to have a competitive advantage. There's a lot of large players in the in this area, but there's plenty of opportunity for other systems, other smaller [00:03:00] players to kind of come into the mix and actually control their own revenue streams, control their own patient experiences and everything like that, that really can tie in a member to be more competitive. Part of your system for a long period of time.

**Chris Miladinovich:** What's the, what's the opportunity for the health plan? And then what's the opportunity for the member that participates?

**Caitlin Nicklow:** I think it really depends on the health plan. So some, you know, I think that Matt was alluding to that are provider sponsored. So keeping that premium dollar in house, if you have that ACA plan, you're having, you know, your members go to your plan and see your providers. So that's keeping that dollar in your health system. So I think that's a, a big appeal right there.

**Matt Dauffenbach**: And it's also just about tying everything together. If you can control that whole situation, it's that payer provider platform that really makes it beneficial overall. It ties all of your providers together with your actual care management services and whatnot to make sure that you can control that dollar to a better degree and a lot of times than you can with, you know, potential [00:04:00] partners.

**Caitlin Nicklow:** I think there's a little bit too kind of hedging your bet, if you will, or I know we're going to talk about the Medicaid redeterminations and unwinding, but I know there's a lot of plans out there that are going to lose significant revenue, excuse me, to Medicaid losing those members when they're no longer eligible so if you have an ACA plan that's already set up you can just shift those members right over there.

**Chris Miladinovich:** So let's let's get in our time machine because that redetermination happened. So if we looked back, what should have plans done to better prepare for it? And what could they do now? If they made it miss the boat?

**Caitlin Nicklow:** I definitely think that's twofold. So for those plans that had foresight and already had that ACA plan in the market, they've been able to capitalize on those members. They may have lost from those Medicaid plans and shift them right over to their ACA plans. However, for those not already into the market, We know this unwinding process is going to take 12 months, so, you know, nothing's going to be fast here, so just because you missed the beginning of it, doesn't mean that there's still not [00:05:00] ample opportunity and, you know, there's Medicaid unwinding, those, those rules, those will be lasting, so there's still people that may have been eligible for Medicaid that will continue to not be. So you'll still have that, that population that you can market to as you introduce your plan.

**Matt Dauffenbach:** Yeah, and competition's competition. You'll always be able to come back and capture additional members, you know, year over year. If you've got better quality, better ratings, better anything, better brand recognition or otherwise you'll be able to capture those members and, you know, really become a part of your system too.

**Caitlin Nicklow:** And I think plans, too, that maybe weren't in the market when those Medicaid unwindings happened, you know, some of those members may have just gone to a plan immediately because they needed coverage. However, when open enrollment comes for plan year 2024, those members are then going to have the option to take a look around now that they've been in this plan for a few months. And if there's new competition in there, they're definitely going to take a look elsewhere.

**Chris Miladinovich:** So let's get candid here. Candid one of ProspHire's core values. What are some of the mistakes plans are making right [00:06:00] now? In the ACA either in the implementation the operation or even this whole return redetermination process?

**Caitlin Nicklow:** I think one of the biggest is just underestimating the timeline that you need so there's no set timeline that I would tell everybody it takes to set up an ACA plan. It's really variable So if you're a functioning health plan with maybe other lines of businesses already operating You have maybe NCQA or UREC accreditation. You can probably get this done in closer to a 12 month time frame however, if you're a brand new plan maybe you don't have those mature policies and procedures. You don't have that mature operation. You're really going to need closer to 18 to 24 months to stand this up because we've seen if you do it too rushed you don't have those processes really planned out. You don't have the infrastructure to support it. You're going to have a lot of manual processes. You're going to have a lot of workarounds and maybe you think you can support that for a few thousand members. But as that grows, that really becomes impossible to sustain.

**Chris Miladinovich:** At what point is [00:07:00] is the plan scaling? Like what, what amount of membership should A plan aimed for in year one, year two, year five. How does that look? Does it depend?

**Caitlin Nicklow**: I think it's really dependent on demographics and your competition. So we know plans that have started year one you know in the close to 10, 000 other plans, you know, hope to get just a thousand So I think that leads into, you know, other really important topics that we'll talk about, but having realistic short term and long term goals. So maybe your goal is to have really quick growth in the beginning, and if that's, that's your goal, then back to that planning. You need to make sure you have that infrastructure day one. Maybe your goal is to start out very low. So 1, 000, 1, 000 members, maybe you can be more gradual and iterative in how you're building out the plan.

**Dan Crogan:** How does a health plan look at where they're going to launch their ACA plan, multi state, single state? What's your experience been with that?

**Matt Dauffenbach:** I'd say a lot of it's based on your footprint overall. Where's your existing footprint, where are your strengths initially? [00:08:00] Where's your network is a huge piece of that. Where are the partner systems or your system that you can work with to make sure that you're keeping, you know, the quality high and the value high and everything along those lines. Aside from that, I think it's really you have to look at the competition. You have to see you know, what's going to make sense from you and where you're able to target your pricing. Are you a truly integrated network where you can get provider rates a little bit lower than maybe your competition can who's just looking at it from a more global perspective? How do you pull those levers to make sure that you can get the best situation for yourself in terms of pricing, integrated network, and everything to make the plan a success?

**Caitlin Nicklow:** Yeah, I'd agree. I think it's really where you can be competitive. You know, with the ACA, there's A lot of regulations around what your plan and your benefits look like, so there's only so many opportunities there to differentiate yourself, so you really have to see what your strengths are in terms of network, brand, and where you're going to be something that members are attracted to.

**Chris Miladinovich:** How can [00:09:00] existing systems and providers and Health plans leverage what they have to make this easier?

**Caitlin Nicklow:** I think that's a really good question. And that's something that we always talk about with clients. When we first go in there, we don't want to reinvent the wheel if they're already doing something that works for another line of business. Our first assignment is to go see what they're doing and see where we can replicate it. So what policies can we go ahead and just update or use exactly as they are to support this line of business resources? Can we cross train and use the same people you have there? So a lot of the other lines of businesses have a lot more stringent requirements. So normally, when we're going into build an ACA product, we can kind of just take what they're doing and scale it down a little bit, and we're able to get them set up pretty quickly.

**Matt Dauffenbach:** And it's, it's somewhat state by state obviously depending on if you're a state run exchange versus a federal exchange and otherwise, there's some different nuances there as far as reporting and all of those things. But Caitlin's a hundred percent right. The number one thing that [00:10:00] we do is let's continue doing business as you're doing business. Let's not try to set up new processes, rules. leverage everything that we can to make this easy on your people, your resources, your systems. And then we can modify those little tweaks that we need to throughout that development process.

**Chris Miladinovich:** Talk to us a little bit about the compliance process. I know each state is a little bit of different. There's some nuances. How How do you help plans implement with those differences and then how do you make sure that they're good going forward with new regulation, change, compliance, etc?

**Caitlin Nicklow:** Yeah, absolutely. I think staying on top of compliance and regulations could be a full time job for anybody in the ACA market. You know, they're ever changing in a normal environment and then just kind of post COVID a lot of things were introduced and they're being repealed. So it's a lot of work to stay on top of what the regulations are. At its foundation for ACA, the [00:11:00] biggest kind of set of requirements is around QHP certifications. That stands for qualified health plan to be on the marketplace in any state. You have to have that certification and that's something you have to renew annually. That process starts around the May timeframe and runs through September.

So, every year you have to kind of re attest and show state and federal government that you're following all the rules when it comes to your network, plan design everything that you're doing. So, that's the biggest piece of compliance. And then on top of that, each state will have their own specific requirements that you have to meet to operate in that state.

The third piece really comes in with accreditation. It's a requirement that you have to be accredited. So generally we see clients go with NCQA or URAC but that's a very time intensive process to get accredited. So that's no small feat.

**Chris Miladinovich:** Talk to us a little bit about the accreditation process and And what it takes to get there and maybe some tips for our listeners on how to navigate that a little bit [00:12:00] easier

**Caitlin Nicklow:** So when I think of accreditation So that is a requirement to be a qhp certified plan is you have to be accredited the state and the federal government They're really concerned. With the bones of the operation So making sure that you have your plans designed as they need to be making sure you're following those high level requirements. Accreditation is really the inside of the plan. So that's where they get into, you know, your operations, your back office, and see those policies and procedures. They want to see how you're doing it, not just that you're doing it. So, URAC and NCQA are big ones, and to get that accreditation you have to be there's over a hundred different requirements that you have to be able to show that you're in compliance with. So that process starts with, first you'll just show them, you know, your policies, procedures, documents that show we're doing this.

Then several months later there'll be a validation so an on site review. They'll come and say, Okay. You told us this. Now, let's see it. So, they'll make sure you're actually acting in accordance with those requirements. And then after all that, it goes to a committee, they'll [00:13:00] vote, and if you're accredited, that generally lasts for three years, and then you start the whole process all over again.

**Dan Crogan:** You made a, an interesting point there, too, around the integration that's required. There's a lot of external integration with external partners, as well as internally. Can you talk to us a little bit about what that dynamic is, and within the health plan, who you're partnering with to get this up and running?

**Caitlin Nicklow:** Yeah, I think that goes to one of the earlier questions about leveraging what plans do well. So if a plan does have a skill that they're really good at, say it's, you know, risk adjustment, care coordination, something like that, keeping that internal, maybe for other areas that they don't do so well, or maybe they just don't have experience in, say enrollment, maybe that's something that they integrate with a vendor. We've seen clients work with some really interesting and exciting vendors in the, in the enrollment space and some of the stuff that they can do is really just amazing what they can take off of a health plans plate and allow them to focus time and attention on getting the things that they're good at and enjoy right. So I think that's where we see them kind of go internal or [00:14:00] external based on what they can do.

**Matt Dauffenbach:** Yeah, absolutely. Same thing goes for vendors such as your PBM partner understanding those contracts thoroughly, understanding what your utilization patterns are with existing membership base. And otherwise you can usually attribute those things together in a certain way to at least have a better perspective of what the future might look like for you and in different vendor relationships. PBM being one of them. But it just really comes down to really knowing your strengths as a plan or a system and being able to leverage those things and hopefully, if you can, ship off some of that lesser stuff to a partner that can do it for you. And honestly, it's usually fairly affordable, comparatively.

**Dan Crogan:** Having a lot of people in the room sometimes creates Can you talk to us a little bit about how making sure this is a top priority for the health plans and making sure everyone's aligned with all the priorities they have in other lines of businesses?

**Caitlin Nicklow:** I think that's a big one. And that's one of the first things we do when going into a new health plan is in our assessment, we talk about what are your other [00:15:00] priorities? I think we're seasoned enough. So, we're not always the most important person in the room. We don't always have the most important project. So we want to know what else is going to be competing with us for resources, for money, and for time. So that's one thing we want to surface right away. And then going to those stakeholders and getting those decisions What's number one? You can't have five number one priorities. So really getting alignment on what that number one is and where we fall.

 And then I think it's also really important, like we said, to leverage existing work that's going on. So right now we're working with a client that's building two products. So instead of having a separate meeting for each product and going to all the resources asking the same questions, where can we double up and have one meeting, have one person and really just leverage what's already going on for some of those other projects?

**Chris Miladinovich:** Well, I'll tell you what, this conversation's really interesting. It really doesn't seem like a pain, to be honest but we're going to take a quick break. When we come right back, we're going to talk about some amazing success stories. With more on Don't Be a Pain in the [00:16:00] ACA. So we had some great conversation about ACA 101. What does it take? Where is it going? What do you need to do? Let's talk about some success stories and how wonderful it is once you get it set up and then what?

So let's start with that question. Once you get it set up and flip the switch, then what?

**Caitlin Nicklow:** That's a great question. That's, that's when the fun starts. So you spend, you know, sometimes a year plus doing all of this work to stand up the plan. Then November 1st hits, open enrollment, and hopefully the floodgates open. So that's a really exciting time. You get to dashboard, see all your members coming in, and you know, you got a functioning health plan. So that's a lot of fun throughout the first year if you've done everything right, it goes smoothly. You get your members, they pay their bills, they see their doctors, and you pay their claims. So the fun really comes after that with what are you going to do the following year? So that's really dependent on what your strategy is. So if it's growth you know, are you expanding to new states? Yeah. I've had experience with plans [00:17:00] starting, you know, very small, humble, about 5, 000 membership for the first year. And then for year two, going into a lot more states, and quickly that membership grew to 55, 000.

So, that's super exciting, that's super fun, but also really scary when you've kind of spent a year learning how to serve. of 5, 000 people, bringing that up to 55, 000 quickly brings a new set of challenges. So that's where any things that you may have cut corners on will be exploited and you quickly have to, you know, address those and make sure that you're building everything right to support that new membership.

**Dan Crogan:** We all know in our business, we like to reduce surprises and I know that's the same for the health plans. So talk about that. How do you reduce surprises with a lot of these uncertainties and unknowns as you're going into? Launching the ACA plan and as you're live on January 1st.

**Caitlin Nicklow:** I think anytime we're going into this you always kind of want to have maybe three estimates. So, you know what you think you're gonna have as a low one for your membership average and high. Because again your membership drives [00:18:00] everything it drives profits and loss it drives your staffing so if you're way off that, it can really mess up the plans that you've spent all this time putting into place. So to hedge those bets, we make sure that we have contingency plans. So, okay, we're predicting 10, 000 members. What happens if we get 20, 000? What happens if we get 30, 000? So we know, as we're kind of watching that ticker of open enrollment, we see what kind of levers we have to start pushing as, projections start to change.

**Chris Miladinovich:** What's the best way to go about increasing membership for an ACA plan?

**Caitlin Nicklow:** Yeah, so we found that's really dependent on demographics. In general, the ACA marketplace is usually very price sensitive, so a lot of members are just going on there because they need health coverage, and they're going to pick that cheapest plan. However, in some markets, network is really important to people. So people have, you know, maybe a hospital plan, hospital system that they're used to, or a set of providers that they traditionally use and they wanna go with a network where those providers are gonna be able to deliver them [00:19:00] care. Brand name also comes into play. So maybe some people are a little bit weary about which plan to choose, so they see a logo or a name that looks familiar and that's where they go. So I'd say those are probably the three biggest determinants.

**Matt Dauffenbach:** And just on top of that, I would say that it's additionally about what kind of care do you generally seek? What's your care every year that you and your family receive? You know, if you are a high utilizer, then you might make one decision based on that. This plan makes more sense because your utilization is going to be fit in better with all of the characteristics and dynamics of that plan. If you travel frequently, you might need to have a more broad network, a national network compared to a local network. If you're, you know, more the type that's probably going to stay in your town or city, then you can use something that's going to have a closer network, more integrated, and make sure that you stay in that pathway that ultimately might have a lower price, it might not. There's just so many characteristics, and determining [00:20:00] factors for individuals to make a decision in this area. That's why you see the competition as it is. It just it's an open opportunity for people to find something that fits what their needs are.

**Dan Crogan:** Can you talk to us a little bit more about your health plan that's decided to get into ACA? What do you do first?

**Caitlin Nicklow:** I think the first step you really need to do is you need to orient yourself to the timelines. So you got to look at those state timelines and those federal timelines that are all really dependent on that QHP certification cycle that we referenced starting in May and then going through September. So those really need to be your goalposts that everything else aligns to getting there. So once you have those deadlines, then you can start working on the final fun stuff, plan design, and what you're actually going to be offering to the market.

**Matt Dauffenbach:** And the funny thing about those deadlines is that you're usually basing it off of the prior year. You're not really given the permission to understand what the timelines are for the next year until it's probably too late for you to get started. So it's we always look, you know, back in time and say, we think it's going to be about here, but we need to get started now. But then, yeah, when you start getting, you know, past that point and understanding that regulatory outlook and that roadmap that you have in front of you, you have to really start getting into those strategy sessions and plan design sessions saying, what's your competition look like? What's the pricing look like? How are you going to establish yourself as a plan to make sure that your pricing is where it needs to be at, where the benefits need to be to make sure that you're attracting the membership that you want. So you can do a lot of that by, you know, looking at what's existing currently, looking at who has high membership or who aligns with, you know, your values as an organization, and you can start to then model what your plan looks like. Based on that, you can change network size and tiering. You can change pharmacy benefits. You can change so many different things about this. Pat, or about this plan, we look at it as like several gears that are really interrelated that you tweak one and it makes the other one tweak a little bit too, and really on one end it's kind of the plan pricing, and on the other end it's like how rich is this plan, and all of those things factor into it, and it's really a, it's an interesting kind of maneuvering game to get there.

**Caitlin Nicklow:** And I think it's really important too to think of, you know, we've said benefits, those are really uniform across all of the carriers. So there's not much creativity you can do there, but where you can get creative and have some fun is the cost sharing around those benefits and what the strategy is. So cost sharing may not sound that fun, but say your strategy is you want to get members in to see their primary care physicians, you want to get those annual visits done so then you can get credit for that when it comes to risk adjustment. All right. So, then let's lower the cost share for those primary care visits. Let's get them in the door. So, then you can lower that, play with that lever, and then if you're trying to deter a certain behavior, maybe add a cost share there. So, you can really play with those different cost share variables there to kind of get the member experience you're looking for.

**Matt Dauffenbach:** And really drive that value of a membership that you're going to look for over, you know, the continuum of that care of that member.

**Dan Crogan**: Well, thank you both for being on our podcast today. This was a wonderful conversation and thanks to all of our listeners for tuning in. We hope you walk away with how not to to be a pain in the ACA.