

Software as a Service

Flexible Service Delivery for Your
Health Insurance Exchange



SaaS Health Insurance Exchanges

Improving Services through More Cost-Efficient Delivery

States are charged with making significant changes to their healthcare environments, including the ongoing implementation and enhancement of systems, services and program analytics related to HIPAA, MITA and Medicaid mandates. In particular, the Patient Protection and Affordable Care Act demands substantial changes in eligibility determination and the development of Health Insurance Exchanges. More than ever, state governments need flexible, easily scalable and configurable solutions that integrate end-to-end services while reducing administrative resources. Exchanges in particular will need to be responsive to consumer demands as they reach out to new audiences of individuals and small employers.

To successfully align with these mandates, it helps to have partners experienced in both government healthcare and streamlining business processes. At Xerox, we've worked for decades to help government and commercial clients meet long-standing private and public sector demands for economy, efficiency, flexibility and accountability. As businesses become more flexible and re-engineer processes to control costs effectively, the global information technology environment continues to make substantial changes in how services and systems are procured and consumed. This creates a tremendous opportunity for you to benefit from the advances of our commercial clients in improving their infrastructure technology, business process outsourcing and professional services.

With our Exchange partner *CHOICE* Administrators, the Xerox team's approach to service delivery marries the advantages of global IT changes with a deep understanding of government healthcare to help states implement their Exchanges quickly. We designed our Software as a Service model to provide you with the flexibility and time-to-market advantages that help businesses be more agile in meeting demand. We focus on providing states with proven technologies that drive vendor accountability and transparency, saving time and resources, and meeting current and future federal and state requirements.

A Historical Perspective

IT Silos

Traditionally, IT was purchased to perform a single function. Businesses invested in specific hardware, software and application management tools to improve productivity. IT assets were purchased the same way, whether it was a financial application run for a single day to close a quarter or an application running continuously to serve clients whenever needed. Each of these functions sized their IT infrastructure to run at a peak with a margin of safety. However, these investments in business efficiency tended to be siloed, which led to using IT assets inefficiently.

The Walled Enterprise

In the past, solutions were built on the premise that users would access IT assets only from within the walled enterprise. In fact, many technologies were specifically introduced to prevent easy access to enterprise assets from outside of defined organizational boundaries. The dawn of Web 2.0 applications are changing this paradigm very quickly. Businesses want mobile access to any resource at any time from any place without compromising security. This shift requires a significant change in how solutions are designed, bought and implemented.

What has changed?

Technology innovation is fueling transformation in many ways:

Internet

The use of the Internet in business transactions has become very common. Companies such as Walmart, Amazon, and FedEx developed innovative methods of using the Internet for integrating supply chain visibility and enabling just-in-time delivery practices. As mature, tested models, they can be applied easily to IT assets. The Internet also enables the proliferation of the global enterprise



SaaS offers the benefits of cloud computing to enhance services while reducing the necessary time and resources needed to implement and manage.

by making systems accessible anytime, anywhere. Exchange enrollees are likely to demand the same level of intuitive and lightning-fast response as when purchasing a book at Amazon or booking a trip with Travelocity. Flaws in systems support or slow processes will rapidly become apparent to hundreds of thousands of citizens—not to mention the media.

Widespread Connectivity

Today, data centers and applications do not have to be owned; the Internet and advanced communications allow access to these assets without incurring the capital expense of ownership. When evaluating the emerging landscape, states should be aware that some vendors have already invested in and built the required environment, designing their solutions from the ground up using the SaaS delivery model. Thinking “outside the wall” will demand responsiveness to unique and fast-changing consumer needs within the Exchange.

Emerging Technologies

Emerging technologies such as virtualization and service-oriented architecture have led to the ability to tailor services based on usage and allow widespread access to IT assets. These technologies provide the flexibility and scalability to quickly configure rules today to respond to evolving and emerging requirements as states race to implement Exchanges.

Software as a Service

These innovations offer new ways to add applications through SaaS and eliminate ground-up development costs. Like renting movies “on demand” over the Internet, SaaS delivers centrally hosted applications as a service, normally using a web browser. Application providers bundle the delivery infrastructure into their service offerings and businesses lease the services for a defined time period under a set fee arrangement such as per user per month.

SaaS also encourages more innovation and accountability by the application provider to stay current with evolving customer preferences and needs. Just as companies have replaced limited in-store movie rentals with online, on-demand services with huge libraries of available titles, SaaS expands access through service-oriented applications designed to bring together previously siloed areas. Businesses have the ability to respond more rapidly and extend integrated services to their users that make operations easier and more efficient. This delivery model has become common for many business applications, including accounting, content management, customer relationship management, human resource management and service desk management.

A New Government Perspective on IT Management

Government IT programs have changed more over the last five years than the decade before—especially for publically subsidized insurance, Medicaid and the interoperability of government programs. The advent of the ACA and Exchanges adds considerable IT complexities. CMS, CCIIO (formerly OCIO), and other government agencies have published guidelines and standards related to SOA, enterprise architecture, interoperability and specific systems. And states are exploring new options and seeking further guidance to determine the impact of these changes on their programs.

Medicaid Information Technology Architecture

MITA is intended to foster integrated business and IT transformation across the Medicaid enterprise to improve program administration. Its common business and technology vision for state Medicaid organizations comprises several goals.

- A patient-centric view not constrained by organizational barriers.
- Common standards with, but not limited to, Medicare.
- Interoperability between state Medicaid organizations within and across states, as well as with other agencies involved in healthcare.
- Web-based access and integration.
- Software reusability.
- Use of commercial off-the-shelf software.
- Integration of public health data.

States are now moving into Level 3 of MITA's maturity model timeline. This stage focuses on the healthcare industry beginning to use technology already available in other business sectors and adopting policy to promote collaboration, data sharing and consolidation of business processes. Agencies are expected to improve their flexibility and adaptability by implementing shared and extensible business services, adoption of national standards, increased collaboration among intra-state agencies and use of state and regional information exchanges.

Eligibility Determination

The April 2011 release of the final rule for "Federal Funding for Medicaid Eligibility Determination and Enrollment Activities" introduced and refined several areas of concern for states. New federal funding is being made available to states to streamline and upgrade their Medicaid eligibility systems so they can prepare for the ACA 2014 deadline. The requirements call for prudent and efficient technology investments to support simple, coordinated and user-friendly systems for individuals, families and businesses to choose and enroll in a health insurance plan.

Throughout the final rule, CMS calls attention to the relationships between the Exchange and Medicaid, the underlying infrastructure and MITA. In particular, CMS emphasizes using a modular, flexible approach, as well as aligning with and advancing through the levels of MITA maturity for business, architecture and data. CMS expects that states will leverage the improved underlying infrastructure supporting both Medicaid and Exchanges to support person-centric outreach, eligibility and enrollment activities across the health and human services spectrum.

To ensure they are ready to meet all eligibility and ACA requirements, states have a significant task in updating their current eligibility systems, business processes and policies, as well as preparing new business rules. Whether a state chooses to enhance their current systems or to implement a new one, the eligibility system's design and implementation must support Exchange functionality, including:

- Enrollment of persons who qualify for Medicaid or CHIP.
- Tax credits or cost sharing reductions qualification and administration.

The partnership between a state's Exchange and eligibility systems will require close coordination and integration to meet coverage goals, provide consumers with a seamless enrollment experience, make the best use of people, processes and IT resources and meet the requirements of the final rule and ACA.

Federal Guidance and Cloud Computing

CMS and other current and developing standards will continue to provide clarification. The "Guidance for Exchange and Medicaid Information Technology (IT) Systems" establishes the framework and approach for development and will continue to evolve through subsequent versions. It addresses developing IT system architectures that support Exchanges as well as the ACA's Medicaid and CHIP provisions, and specifically includes the concept of using a shared pool of configurable, secure computing resources and leveraging cloud computing environments wherever possible. The National Institute of Standards and Technology and the US CIO also continue to refine guidance around cloud computing and its essential attributes and benefits, including delivery and service models that include SaaS.

With the increased focus on health reform at a state and national level, states are looking for more flexibility in addressing the needs of their citizens, delivering a higher level of performance, holding vendors more accountable and maintaining or reducing spending while still meeting state and federal goals, mandates and statutes.

Moving Into the Future

We believe the solution for Health Insurance Exchanges is to examine the requirements and introduce a SaaS business model that enables and encourages flexibility and cost efficiency. Our model allows you to invest in the improved services you need – without the substantial investment for dedicated hardware and infrastructure. Our approach provides a powerful new model to achieve cost savings, improve interoperability between government organizations beyond Medicaid, promote web-based access and integration and integrate public health data. Our SaaS model promotes software reusability and better access to improvements and advances implemented by other states throughout the



Providing services based on a state's needs, a SaaS solution helps states improve IT flexibility and responsiveness without locking them into expensive development.

system's life cycle, in addition to state-specific rules and mandates. It provides you with the latitude to spend less for systems maintenance and operations and realize the long-term benefits for the total cost of ownership.

The initial ownership cost for building a new system involves more than just the cost of the design and development. It also includes state resources to support delays and the potential for other resource constraints over the extended period – usually measured in years – needed for the implementation. In a ground-up development, the state owns 100 percent of the risk. Even with enhanced federal funding, the state must still make a substantial initial investment to support the development of a distinct code set. A SaaS solution mitigates or eliminates this investment.

While our SaaS model is designed to fit within federal guidelines, we also help you take advantage of the globalization of IT services. We use existing, operationally proven technology that reduces the implementation timeframe to months instead of years. You can use already stretched resources more efficiently and concentrate on the refinement of state-specific business rules and outreach instead of the research, design and development of standardized core functionality. We use existing code, which has been refined and standardized based on IT and operationally proven best practices. This provides you greater flexibility and makes updates to align with changing legislation and policy much easier. In today's environment, flexibility and responsiveness to change is particularly important as states and the federal government work through the scope and impact of meaningful health reform.

The benefit is a lower overall ownership cost with little to no cost to the state to implement the base system and configure specific rules to your program. Over time, as we continually improve and upgrade the base system as part of the ongoing maintenance process, your state will be able to take advantage of best practices and potential gains from changes requested by other clients. A clear, defined change management process assures everyone the opportunity to review and approve the adoption of any changes by your program. This approach allows you to easily consume services on demand without having to deal with rigid infrastructure contracts and time-consuming procurement processes, all while making the vendor more accountable to the state. Our model provides you with greater flexibility to adapt more quickly to changes, better manage your IT environment and investments, automate your service management and simplify complexities in the procurement process. SaaS gives you greater flexibility to integrate business and IT transformation across the state enterprise and reduces the time and resources needed for the long-term development of systems from years to months. It allows you to leverage the ongoing advances in the IT arena more quickly and improve program administration, freeing up constrained resources and enabling you to focus more on the needs of your citizens.

IT Management – A New Beginning

The healthcare landscape is changing faster than ever, and it is vital that states find innovative solutions that allow them to do more with already stretched resources. So our expertise extends beyond IT infrastructure to services that can help increase productivity and lower your costs.

IT Outsourcing

Our government and commercial clients must meet long-standing private and public sector demands for economy, efficiency and accountability. To help them succeed, we provide an extensive range of business process and customized IT outsourcing solutions and end-to-end public sector solutions, including infrastructure technology outsourcing and professional services for today's government. We continue to build a successful track record of developing innovative BPO solutions for clients.

End-to-End Support

We provide a complete range of ITO and BPO services from data center management and network monitoring to backroom business processes supported by a scalable technology infrastructure. Our integrated combination of solutions brings the speed of the online consumer marketplace to the controlled and accountable legacy of secure government systems – all backed with our history of BPO expertise.

Industry and Process Expertise

As a seasoned ITO and BPO services provider with extensive experience in a broad range of industries, we understand how state healthcare programs work and we know how to partner with them to improve their business functions.

Proprietary Workflow and Process Reengineering Expertise

Our use of proprietary workflow software enables us to transmit portions of the workflow via satellite to multiple facilities. This around-the-clock support eliminates backlogs and reduces delays. We provide immediate answers to questions and access to records in real time.

Continuous Process Improvement and Technology Refreshment

We stay focused on your needs and are committed to continuous process improvement. We look for ways to streamline business functions by monitoring both the government and consumer markets to stay in tune with the latest trends, technologies and services.

Partnership Approach

Our clients do not hand off a business process and relinquish all control. We're in it with you, from the start, collaborating to shape and achieve your program's goals as the business and legislation of healthcare evolve.

And we bring together a partner with proven systems and operational experience to offer innovative Exchange solutions that help you move to the next level in the ever-evolving government healthcare environment.

CHOICE Administrators

- Provides fully integrated small group, individual and subsidized care user interfaces and administrative systems.
- Has 15 years experience in providing seamlessly integrated Exchanges.
- Operates five Health Insurance Exchanges serving more than 150,000 members.
- Serves 10,000 contracted employers.

States don't have to be held hostage to expensive software development or obsolete technology. While they have served their purpose, earlier methods of software integration are no longer sufficient. But implementing Exchanges using our Software as a Service model can help you build services and capabilities that scale easily to the changing Medicaid and healthcare landscape.

About Xerox

Xerox is the world's leading enterprise for business process and document management. Its technology, expertise and services enable workplaces to simplify the way work gets done so they operate more effectively and focus more on what matters most: their real business. Xerox offers business process outsourcing and IT outsourcing services for commercial and government organizations. The company also provides extensive leading-edge document technology, services, software and genuine Xerox supplies for graphic communication and office printing environments of any size.

You can learn more about us at www.xerox.com/hix. And discover how Xerox creates better outcomes across the healthcare ecosystem at www.xerox.com/freedomtocare.

