Report on metrics for evaluation of the Colorado Health Benefit Exchange

Data Advisory Work Group

March 7, 2012

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Introduction

The planning grant director of the Colorado Health Benefit Exchange (COHBE) convened a Data Advisory Work Group (DAWG) in early 2011 to advise COHBE staff and board members on background research to identify the customers who would be enrolling in health insurance plans through COHBE beginning in late 2013. The DAWG is comprised of stakeholders and researchers with expertise in specific content areas, data management, evaluation and analysis. The planning grant director invited Jeff Bontrager, Director of Research on Coverage and Access at the Colorado Health Institute (CHI), to serve as voluntary chair of the DAWG. In April 2011, the group oversaw a competitive Request for Proposal (RFP) process and selected Dr. Jonathan Gruber of the Massachusetts Institute of Technology to conduct the background analysis. Dr. Gruber's final report is posted on the COHBE website.[1]

In addition to the background market research/forecasting, the DAWG Charter[2] describes a second charge for the group:

Future activities of the workgroup may include advising on long term data collection needs and metrics used to evaluate the success of the Exchange in improving access to affordable insurance products for individuals and small businesses.

The DAWG has continued to meet since September 2011 on a monthly basis to discuss and develop a preliminary list of recommended metrics and data sources to be considered for an eventual evaluation of COHBE. This report describes the process used by the DAWG to select the metrics. The accompanying Excel spreadsheet titled **DAWG Evaluation Metrics Report_Final.xlsx** contains the more than 60 metrics recommended by the DAWG to measure the three areas identified in COHBE's enabling legislation: access, affordability and choice. This list represents a first attempt at identifying the most relevant data sources and metrics, acknowledging that it may require continual refinement as additional policy and business decisions are made, and new data sources become available.

Process of selecting metrics

A list of formal DAWG members is included at the end of this report, though all meetings were (and continue to be) open to the public, and guests were invited to actively participate in the discussion and the process of identifying metrics. As described above, the goal of the evaluation

[1] Available at http://www.getcoveredco.org/Get-Involved/Workgroups/Data-Advisory-Work-Group.

[2] The DAWG Charter is included in the Appendix. It is also available at http://www.getcoveredco.org/COHBE/media/COHBE/PDFs/DAWG/DAWG-Charter.docx.

discussions was to make recommendations on the data indicators (and their data sources) that could potentially be used to evaluate the success of COHBE towards its goals and objectives. Prior to the discussion of specific metrics, the DAWG developed a list of guiding principles and criteria by which to select indicators. As a starting place, the DAWG elected to refer to the goals established in COHBE's enabling legislation, SB11-200, as the first guiding principle:

The intent of the Colorado Health Benefit Exchange is to increase access, affordability and choice for individuals and small employers purchasing health insurance in Colorado.[3]

The guiding principles that the DAWG adopted to select metrics include:

- The indicators will focus on the key areas identified in SB11-200: Access, Affordability, and Choice.
- Indicators will be revisited as new issues emerge, policy decisions are made, and data sources become available.
- The data will be available for Colorado at the state level and regionally whenever possible.
- Metrics applicable to the Small Business Health Options Program (SHOP) Exchange will be considered whenever possible.

The criteria for the selection of metrics include:

- Meaningful/salient: Does the indicator represent an important and relevant aspect of COHBE?
- Accessibility: Are the data easily available?
- Geography: Are the data available at the state level?
- Timeliness/frequency: Does the frequency of data collection enable monitoring of change over time? Current trends?
- Subpopulations: When applicable, do the data allow analysis of relevant subpopulations? Relevant demographic/SES characteristics include:
    - Age
    - Insurance status
    - Income
    - Others?
- Trusted source: Do the data come from a recognized data source known to be trustworthy?
- Validity: Does the indicator measure what it is intended to measure?
- Reliability: Does the indicator produce the same results repeatedly?

[3] The full text of SB11-200 is available from the Colorado General Assembly website, at http://www.leg.state.co.us/CLICS/CLICS2011A/csl.nsf/BillFoldersAll?OpenFrameSet.

- No redundancy – Does each indicator make a unique contribution?

At the October 2011 DAWG meeting, the group elected to split into three subcommittees that followed the three "domains" outlined in SB11-200:

- Access
- Affordability
- Choice

The subcommittees were facilitated by DAWG members and were open to the public as well. The subcommittees were charged with developing a focused set of metrics and data sources for consideration in an evaluation. The full DAWG was re-convened to discuss and coordinate between groups.

Proposed metrics

The metrics contained in the accompanying spreadsheet are divided into these three domains, and further categorized by the following subjects:

Access

A. Enrollment in the Exchange (individual and SHOP);
B. Demographic characteristics of enrollees;
C. Colorado's uninsured rates;
D. Transitions in coverage ("churn");
E. Timeliness of determinations;

Affordability

F. Underinsurance;
G. Affordability - average premium, total out of pocket costs, etc.;
H. Adverse selection (i.e., Is the Exchange attracting more/fewer sick people and how might this affect premiums);
I. Health system cost;

Choice

J. Competition;
K. Consumer choice;
L. Behavior of carriers; and
M. Expansion of Essential Health Benefits

The following considerations accompany the list:

- This list contains the DAWG's recommendations for potential data sources and metrics to inform a future evaluation of the COHBE. It represents a core set of metrics developed by a convened group of experts making a thorough review over a number of months.
- Early in its discussions, however, the DAWG recognized that many business and policy decisions will be made between now and the launching of COHBE, and that new data sources may become available. Therefore, the report is not a static document and the DAWG recommends that the workgroup be reconvened periodically to revisit these metrics and their data sources, and update them as necessary.
- The DAWG was not prescriptive in identifying directionality of measures, or in recommending benchmarks against which to compare COHBE. While these elements are important, the DAWG recognizes that making recommendations at this stage of COHBE's development would be premature; directionality and benchmarks would be determined upon the development of the goals and objectives of a specific evaluation plan.
- The DAWG sought to identify metrics that quantify cost from a number of perspectives, including total expenditures (regardless of who pays), out-of-pocket consumer spending, reimbursement to providers, etc. Metrics were included to elucidate some of the cost drivers that affect affordability. The DAWG does not regard the work as exhaustive and encourages further work in this area.
- Two additional domains were proposed towards the end of the process that the group agreed were of importance; they included *health plan quality* and *consumer satisfaction*. The DAWG's recommendation is that any future discussion of an evaluation design considers inclusion of metrics pertaining to these areas.
- *Tracking of consumer appeals data inside and outside of the Exchange* was also suggested towards the end of the review process as a metric, though this area deserves further discussion and consideration as the appeals process is further defined.
- Please note that many of the metrics list COHBE administrative data as the source. The DAWG recognizes that at the time this report was drafted, COHBE has an open Request for Proposals[4] to develop the technical infrastructure of the Exchange, and that it may be not known at this time whether a particular data element can or will be collected.
- Related, a theme that emerged in all three subcommittees was that of transitions in coverage, or "churn." Churn occurs when an individual's eligibility for different programs changes over some period of time due to external factors such as a change in employment or income. For example, an individual may churn between eligibility for Medicaid and eligibility for a subsidy with which to purchase insurance on the Exchange. Because of its importance to many policy and business discussions, the DAWG

[4] See http://www.getcoveredco.org for more information.

recommends that the ability to monitor the churn of individuals on and off of the Exchange be built into the administrative infrastructure.

- Although the DAWG members explored current data sources, it is important that an additional scan of available data sources be made before any decisions about COHBE collecting a particular data element are made. DAWG members expressed concern of COHBE investing in duplicative data collection efforts if relevant data are already available from an alternative data source.
- The measures contain many terms commonly used in the health insurance industry (health plans, out-of-pocket costs, premiums, etc.) The work group attempted to make use of terminology as standardized throughout the report as possible. In addition, a review was made to ensure consistency with the *Glossary of Health Coverage and Medical Terms* recently published by Center for Medicare and Medicaid Services (CMS).[5]

The DAWG thanks the COHBE staff and board members for their consideration of this report. Questions about this report or the attached matrix of indicators may be directed to Jeff Bontrager at the Colorado Health Institute at bontragerj@coloradohealthinstitute.org.

[5] CMS (2012). *Glossary of Health Coverage and Medical Terms*. Available for download at http://cciio.cms.gov/resources/files/Files2/02102012/uniform-glossary-final.pdf.

Appendix: Data Advisory Work Group Charter

The DAWG Charter is also posted at
http://www.getcoveredco.org/COHBE/media/COHBE/PDFs/DAWG/DAWG-Charter.docx

Work Group Charter

Work Group	Colorado Health Benefit Exchange Data Advisory Work Group (DAWG)
Work Group High Level Description	Within the parameters of the Colorado Health Benefit Exchange state legislation, the Patient Protection and Affordable Care Act and federal guidance, the work group will advise Exchange staff and board members on additional background research to better identify potential customers who will be purchasing health insurance through the Exchange beginning in 2014. Future activities of the workgroup may include advising on long term data collection needs and metrics used to evaluate the success of the Exchange in improving access to affordable insurance products for individuals and small businesses.
Work Group Charter	The COHBE DAWG will address the following issues and questions: • Develop an RFP and select a vendor to conduct an analysis of currently available data on the uninsured and small group markets, and identify gaps in the data and make recommendations for further data collection and analysis. • With guidance from the vendor and from the data analysis, report to staff and the board on the characteristics of the uninsured, the expected purchasing behaviors of the target population for COHBE, and the estimated cost of providing coverage to the target population. • Should the report from the vendor and COHS data be the sole source of baseline data for evaluating the effectiveness of COHBE in reducing the uninsured? If not, what additional data should be considered? • What data collection activities and analysis should be done on an annual basis to monitor progress toward goals? • What are the overarching goals and metrics COHBE should use to determine effectiveness toward reducing the uninsured? • Are the data needed to evaluate COHBE readily available, and if not how should COHBE acquire those data?

	Name	**Representing**
Work Group	Jeff Bontrager	Colorado Health Institute (DAWG work group lead)
	Joan Henneberry	COHBE (planning grant director)
	Jenny Nate	Center for Improving Value in Health Care
	Kavita Nair	University of Colorado, Denver
	Mary Hegemann	Wakely Consulting
	Tony Gagliardi	National Federation of Independent Businesses
	Jen St. Peter	Health Care Policy & Financing
	John Barela	Division of Insurance
	Kelly Shanahan Marshall	Engaged Public
	Nancy Csuti	The Colorado Trust

	Tracy Johnson	Denver Health
	Gretchen Hammer	Colorado Coalition for the Medically Underserved
	Jim Hart	Kaiser Permanente