DISTRIBUTED DATA COLLECTION FOR REINSURANCE AND RISK ADJUSTMENT

UPDATE: EDGE SERVER OPTION OVERVIEW

May 28, 2014

Health Insurance Exchange Program Training Series

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES

WWW.REGTAP.INFO

Session Guidelines

- This is a ninety minute webinar session.
- For questions regarding content, submit inquiries to REGTAP
- For questions regarding logistics and registration, contact the Registrar at: (800) 257-9520

Intended Audience

- Issuers (Exchange and Non-Exchange)
- Third Party Administrators (TPAs) and Support Vendors

Purpose

This Distributed Data Collection (DDC) Session will:

- Focus on key DDC status updates
- Inform issuers and TPAs about EDGE Server options
- Discuss EDGE server implementation
- Provide a question and answer session.

Risk Adjustment and Reinsurance Data Collection Background

Risk Adjustment and Reinsurance Data Collection Background

- The Affordable Care Act established risk adjustment (RA) and reinsurance (RI) programs to help stabilize the insurance market.
- Program implementation requires claims and enrollment data from issuers in states where HHS is operating the RA and RI programs.
- The decision to use a distributed data approach was finalized in the Premium Stabilization Final Rule, 77 FR 17220 (March 23, 2012)."
- In May 2012, in Bulletins on the Risk Adjustment Program and the Transitional Reinsurance Program, CMS proposed and sought comment on a distributed data collection approach.

Risk Adjustment and Reinsurance Data Collection Background (cont.)

- Industry feedback originally supported the distributed data collection approach proposed in the May 2012 Bulletins" including:
  - A single collection method, and processing rules, for RA and RI limits burden on issuers.
  - An issuer dedicated data environment that protects personally identifiable information and issuer proprietary data.
  - CMS access to install and update a common software in the distributed data environment to check data integrity and perform calculations for program implementation.
- CMS began developing the distributed data collection methodology based on this input.

Initial EDGE Server Data Collection Method

- In 2013, CMS introduced the EDGE (External Data Gathering Environment) server concept as the distributed data collection method.
- The original EDGE server concept required issuers to purchase a physical server to which data would be submitted.
- All processing of claims and enrollee data, as well as calculation of individual risk scores and reinsurance amounts, would occur on the EDGE server.

EDGE Server Options

Issuer's EDGE Server Choices

- CMS is offering issuers a choice in the type of EDGE server that is used.
  - Virtual server in the Amazon cloud
  - On-premise server in a location of the issuer's choice
    - Physical or Virtual

New EDGE Server Options

CMS is now offering issuers the following EDGE server options:

Option 1: Amazon EDGE, a cloud server provisioned by Amazon Web Services

OR



Option 2: On-Premise EDGE (may be physical or virtual) managed and provisioned by an issuer, or Third Party Administrator (TPA) on their behalf

Note: In both solutions, only the issuer has access to raw issuer data and detailed reports.

EDGE Server Options – At-a-Glance

Issuers have flexibility to select the best EDGE server option based on several key points of consideration for their organization.

Considerations	Amazon EDGE	On-Premise EDGE
Server Set-up	Automated	Manual
Hardware Requirements	None	Server
Software Requirements	Operating System included in Amazon server purchase	Issuer purchases Operating System license
Security	Shared Responsibility between Amazon and issuers	Issuer-Owned
Infrastructure	Leverages Amazon's existing infrastructure	Issuer Provided based on CMS specifications
Scalability	Additional capacity available	Dependent on issuer capability

Amazon EDGE Server Option

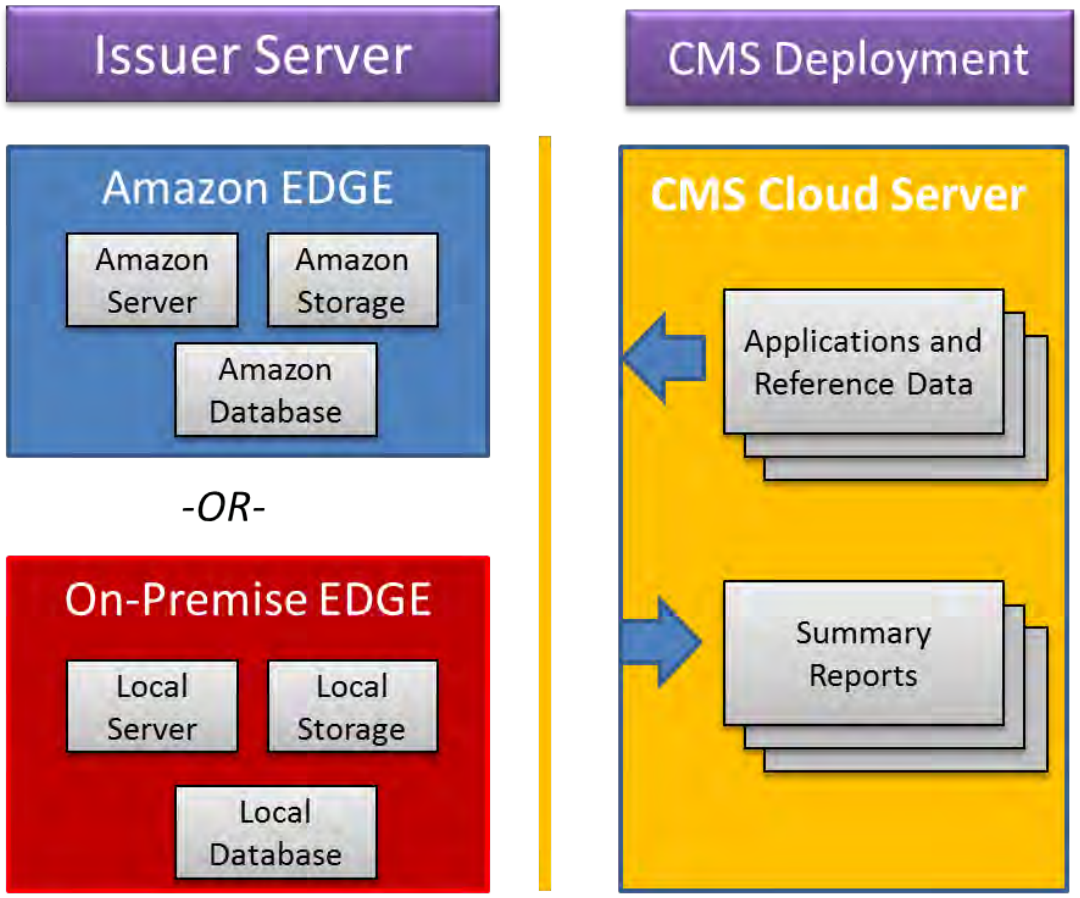
- Issuers purchase an Amazon account and download the EDGE application
  - Minimizes customized set-up during provisioning and improves efficiencies
  - Provides flexible capacity and scalability and a standardized platform for deployment
  - Offers secured access supported through Hypertext Transfer Protocol Secure (HTTPS)

On-Premise EDGE Server Option

- Issuers purchase a physical server, or configure a virtual server, and keep all data within their environment.
- Issuers will need to:
  - Establish either a physical or virtual server
  - Control server selection and manage the storage infrastructure
  - Set up their servers according to CMS specifications
  - Install the EDGE application

EDGE Server Options

Issuers are able to select the EDGE Server option that works best for them.



CMS will send initial software and updates to issuers

Issuers will only be able to access information specific to their profile.

Amazon EDGE Server – Issuer High Level Experience

The provisioning process for Amazon EDGE is straightforward:

Steps	Issuer Activities
Step 1: Account Set-Up	• Create an Amazon Web Services (AWS) account
Step 2: Registration	• Issuer will complete the registration process and submit technical specifications to CMS
Step 3: Deployment	• Install EDGE application • Setup the administrator rights and user access to the server for operation
Step 4: Operations	• Process files • Submit summary reports • RA/RI • Updates

Amazon EDGE Server – Security Considerations

- Amazon offers a Shared Security model:
  - Security controls are inherited from AWS and therefore are shared between AWS and the issuer.
  - Amazon provides and manages the platform and physical infrastructure
  - It is the responsibility of the issuer to maintain appropriate levels of security for the remaining components – the server, storage, and database.

For more information on AWS Security, please refer to documentation provided on Amazon's website at:
http://media.amazonwebservices.com/AWS_Security_Best_Practices.pdf

Amazon EDGE Server – Security Considerations

Security responsibilities are shared between an issuer and Amazon.

Security Consideration	Amazon	Issuer
Customer Data		Responsible
Customer Identity and Access Management (IAM)		Responsible
Server Operational Support (Monitoring, Anti-Virus, Security)		Responsible
AWS Identity and Access Management (IAM)	Responsible	
AWS Operating System and Network Configuration	Responsible	
AWS Global Infrastructure	Responsible	

CMS will host additional webinars with more security details in the near future.

Amazon EDGE Server – HIPAA Considerations

- Claims and enrollment files contain HIPAA protected health information
- AWS will not have access to issuer data
- Amazon states that it has a HIPAA compliance program for AWS
- Amazon offers standard business associate agreement (BAA) and contracting terms that address HIPAA
- This option will provide a dedicated server to manage HIPAA protected health information

Amazon EDGE Server– Cost & Support Considerations

Several factors impact overall costs for the issuers:

- The following table depicts a range of how much an issuer can expect to pay on a monthly basis given a set of assumptions.
- Assuming Issuer A will implement an Amazon EDGE option with the following considerations:
  - 1000 GB of storage space to hold submissions for a year, processing on average 83 GB of data monthly, and assuming running 150 hours a month (instance is turned off when not in use)

Small	Medium	Large
$300 to $600 per month	$600 to $1000 per month	$1000 to $2000 per month

- Estimates are based on initial information provided by Amazon

On-Premise EDGE Server: Issuer High Level Experience

The overall application architecture will be similar to that of the Amazon EDGE solution, with the exception of step 1

Steps	Issuer Activities
Step 1: Obtain a physical server / set-up virtual server	• Decide if server is virtual or physical • Install operating system • Configure operating system • Open firewall rules
Step 2: Deployment	• Install EDGE application • Setup the administrator rights and user access to the server for operations
Step 3: Operate	• Process files • Submit summary reports • RA/RI • Updates

On-Premise EDGE Server Option - Considerations

- **Security Management**

  Issuers will be responsible for the complete suite of security support and controls, including the controls around the actual platform, physical storage, and other sub-components such as the server, storage, database, and data

- **System Management**

  Issuers may elect to manage a physical server by using an in-house team of System Administrators or outsource the management of the server to a centrally located data center, while retaining full access and control to the data .

On-Premise EDGE Server Option – HIPAA & Cost Considerations

- **HIPAA**

  Issuer is responsible complying with all applicable HIPAA requirements for protected health information

- **Cost Considerations**

  Costs for the On-Premise EDGE server will vary depending on the need of the issuer. Issuers will also need to purchase the necessary operating system and other software to support the EDGE application. These specifications will be provided during a future webinar session. Additional considerations will need to be made for operations, security, maintenance, and support.

EDGE Server Implementation: Next Steps

CMS Next Steps

- CMS will be providing additional details on both EDGE server options in upcoming webinars and user groups.
- Future webinar sessions will be held on Thursdays from 3:30 – 5:00 p.m. EST with user group sessions to follow on Tuesdays from 11:30 a.m. – 12:30 p.m. EST.

Webinar Topic	Scheduled Event Date
Amazon Cloud EDGE server	Thursday - June 12, 2014
Amazon Cloud user group	Tuesday - June 17, 2014
On-Premise EDGE server	Thursday - June 26, 2014
On-Premise EDGE server user group	Tuesday - July 1, 2014

Issuer Next Steps

- Begin decision making process on EDGE server options.
- Consider information provided during this session.
- Review Amazon security documentation at http://media.amazonwebservices.com/AWS_Security_Best_Practices.pdf
- Register for upcoming webinars and user groups for more information.

Registration information will be communicated through the REGTAP portal in the near future.

Timeline

Implementation Dates

- Implementation dates vary based on the EDGE option that is selected.
- Registration, provisioning, file processing and outbound reports for both Amazon and On-Premise EDGE servers will occur in late summer 2014.
- Risk adjustment and reinsurance software and reports will occur at the end of 2014.

Future Webinar Sessions

- CMS plans to provide information on the following topics over the next several months.
  - Amazon Cloud and Physical Server Details
  - Supplemental Diagnosis Data Submission
  - Security & System Updates
  - Registration
  - Amazon cloud and Physical Server Provisioning
  - Back-up, Restore, Disaster Recovery
  - File Processing Testing
  - Outbound Reports
  - Release Management and Support



Issuers will receive notifications and registration information on these session through REGTAP.

Questions?

To submit questions by phone:

- ❑ dial ‘14’ on your phone’s keypad
- ❑ dial ‘13’ to exit the phone queue

To submit questions by webinar:

- ❑ type your question in the text box under the ‘QA’ tab

Resources

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Resources

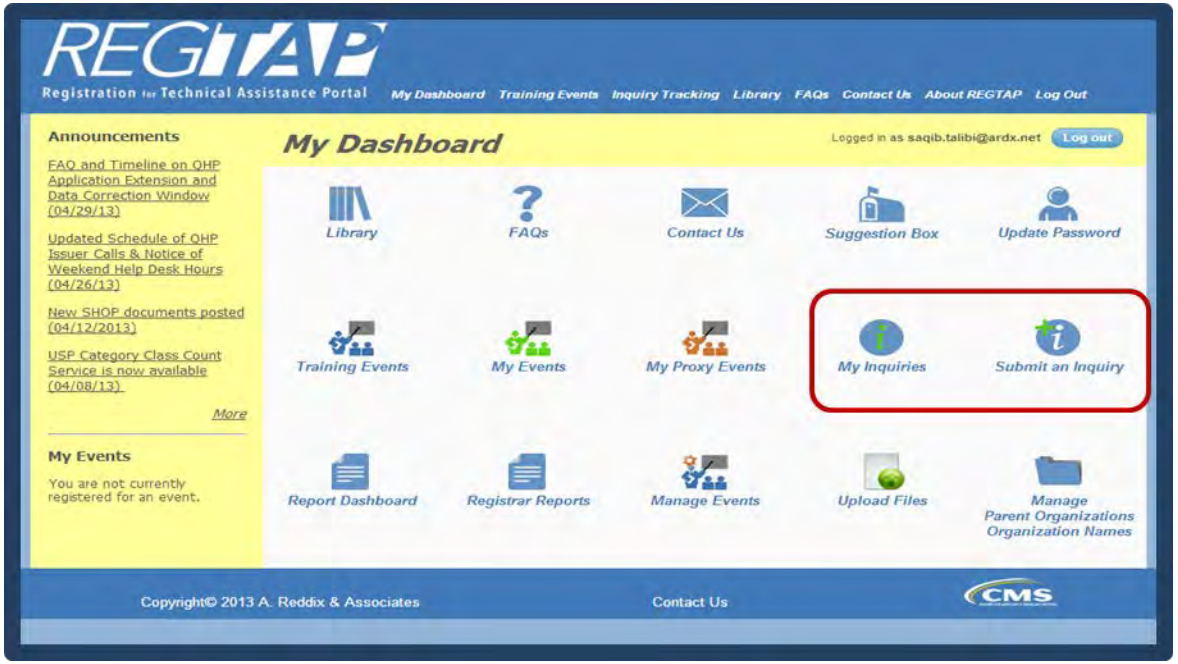
Resource	Link/Contact Information
Center for Consumer Information and Insurance Oversight (CCIIO)	http://cms.gov/cciio/
Registration for Technical Assistance Portal (REGTAP) • Registration • Inquiry Tracking and Management System (ITMS) • Resource Library • Frequently Asked Questions (FAQs)	https://www.REGTAP.info/

Inquiry Tracking and Management System (ITMS)

ITMS is available at http://www.REGTAP.info

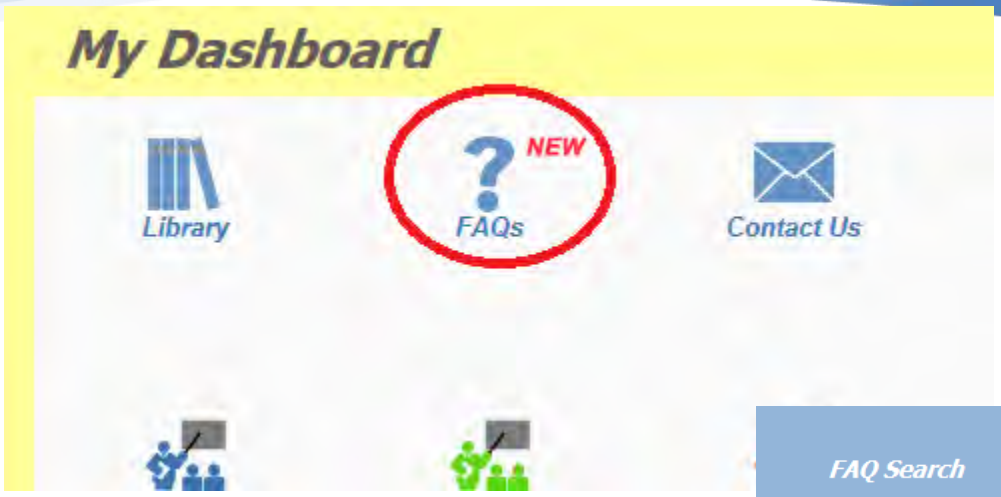
Users can submit questions after the

User Group by selecting "Submit an Inquiry" from My Dashboard.



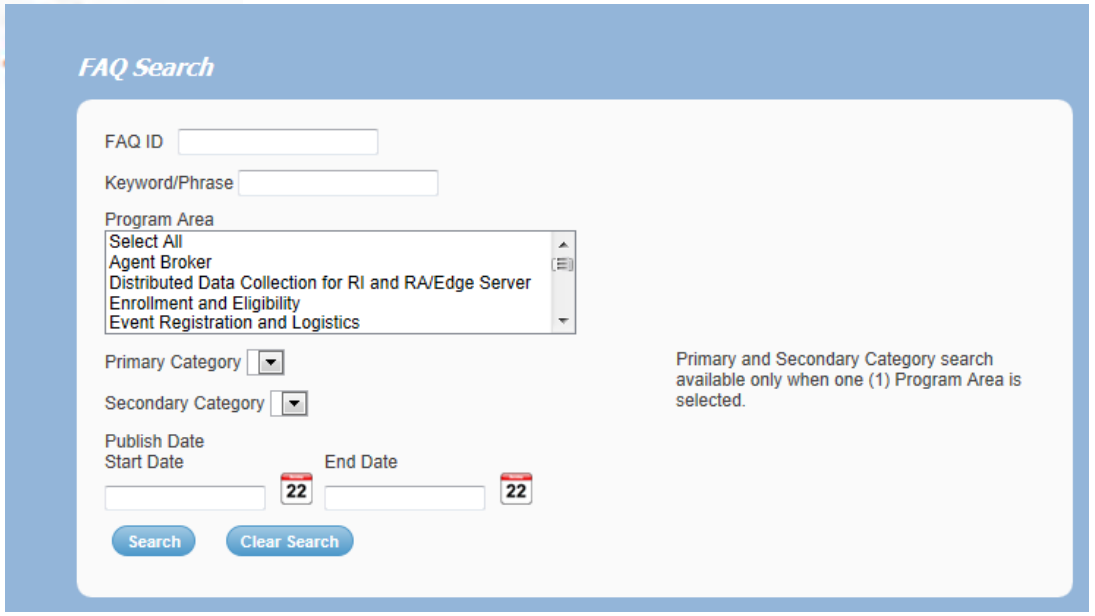
Note: Enter only one (1) question per submission.

FAQ Database on REGTAP



The FAQ Database allows users to search FAQs by FAQ ID, Keyword/Phrase, Program Area, Primary and Secondary categories, and Publish Date.

FAQ Database is available at http://www.REGTAP.info



Closing Remarks