LMI'S RESPONSE TO REQUEST FOR INFORMATION FROM WEST VIRGINIA OFFICES OF THE INSURANCE COMMISSIONER

ACTUARIAL AND ECONOMIC MODELING OF WEST VIRGINIA'S HEALTH INSURANCE EXCHANGE

RFI INS11012

LMI

APRIL 2011

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Contents

Introduction

LMI has formed a team that is highly qualified to help the state of West Virginia develop its Health Benefits Exchange. In this response, we describe our team's experience and introduce the experts who would assist you in this important planning process. In addition, we provide requested feedback on elements of the request for information (RFI) and describe the basic approach we would take in developing West Virginia's Exchange, given the information offered in the RFI.

The LMI Team

Our team consists of LMI, Public Consulting Group (PCG), Mathematica Policy Research (Mathematica), and Towers Watson. Team members have worked together on other major projects, including helping the state of Maine develop its DirigoChoice program (Mathematica and Towers Watson), and we (LMI, PCG, and Mathematica) are currently assisting the state of Alabama in planning its Exchange. In addition, individual team members have ongoing work in other state Exchange planning processes. We are adept at responding to compressed timelines and know how to work together to get the job done. Each team member brings unique qualifications and expertise to provide a highly integrated Exchange planning process, as described below.

LMI brings value to the government through independence and solid analysis. We are motivated by improving government management, not by making profit.

LMI

LMI is a not-for-profit, nonpartisan company with a mission of helping to improve government management. Company-wide, we have more than 420 active tasks with federal, state, and local customers and received $208 million in funding in fiscal year 2010. We have more than 920 staff members with a variety of backgrounds, including healthcare administrators, economists, modelers, engineers, logisticians, attorneys, and other analysts. Our healthcare portfolio comprises around $20 million per year in revenues. Our past and current healthcare customers include the Alabama Department of Insurance; City of New York; U.S. Department of Health and Human Services (HHS), including the Centers for Medicare and Medicaid Services, Centers for Disease Control and Prevention, National Institutes of Health, and Health Resources and Services Administration; U.S. Department of Agriculture; and U.S. Department of Defense Health Affairs.

LMI has been working in healthcare for the government for more than 20 years. We often collaborate with other firms to apply the best expertise available to our clients' needs. Including PCG and Mathematica, our combined team has supported numerous states with studies, analyses, and successful implementation of new policies and programs to address health access, cost, and coverage issues. We are ready to apply this knowledge and experience for the state of West Virginia.

The LMI Center for Health Reform is committed to giving government leaders groundbreaking analysis and direction on the implementation and administration of the Patient Protection and Affordable Care Act (ACA). Founded in 2010, the Center has the sole purpose of focusing LMI's historically strong healthcare expertise on these new congressional mandates and has assembled the foremost thought leaders in the field of healthcare reform implementation to apply their knowledge to solve these unique challenges.

Dr. David Helms, Director of the Center, joined LMI in January 2011 after leading AcademyHealth, a premier health policy research firm. He has provided technical assistance to West Virginia for many years, beginning with his guidance on state health policy and regulatory issues from 1979 through 1986 when he led the Alpha Center, which gave states technical assistance on health planning and regulatory issues. Starting in the late 1980s and running through 2000, Dr. Helms provided program and technical support for several West Virginia initiatives to expand healthcare coverage funded through the Robert Wood Johnson Foundation's Health Care for the Uninsured Program (HCUP) and State Initiatives in Health Reform programs. He now leads LMI's Exchange planning and implementation practice area.

Public Consulting Group

PCG is a management consulting firm specializing in government healthcare and human services, consumer-directed healthcare, technology consulting, and K–12 education. Its largest and oldest practice area is health and human services. For nearly 25 years, PCG has provided technical assistance and consulting services to state healthcare agencies, including Medicaid, public health, mental health and retardation, and aging. PCG is dedicated to serving public-sector agencies and their constituents, and less than 10 percent of our work is with the private sector. This focus has allowed PCG to bring a depth of expertise to government clients—and to achieve results.

Currently, PCG maintains 31 offices in the United States, Canada, and Poland, employing more than 800 individuals, with revenues in excess of $150 million. Current healthcare reform clients include Alabama, Mississippi, Nebraska, Nevada, Colorado, Rhode Island, and Massachusetts.

Robert Carey, senior advisor at PCG, brings more than 15 years of public-sector and state health insurance program experience, including helping Massachusetts design, develop, and implement new health insurance programs while serving as the director of policy and development at the Commonwealth Health Insurance Connector Authority. Mr. Carey has extensive experience across all market segments—individual, small group, and large group. He is currently supporting the Exchange planning process in Nevada, Delaware, North Carolina, Rhode Island, Tennessee, and Nebraska.

Over the past year, Mr. Carey has been asked to speak at numerous national forums on Exchange planning and implementation, including those sponsored by the National Governors Association, National Conference of State Legislatures, Academy Health, and the Brookings Institute. He is intimately familiar with the key implementation issues that states will need to address as part of exchange implementation, focusing particular attention on the need to integrate benefit policies and enrollment processes between state Medicaid programs and Exchange-based programs. In addition, Mr. Carey has authored a number of reports on implementation issues for states to consider as they establish Exchanges.

Mathematica Policy Research, Inc.

Mathematica provides data, research, and analysis to public- and private-sector decision makers seeking to improve policy and public well-being with respect to health and healthcare, education, workplace, and social services. Its workforce of more than 650 social scientists, computer systems professionals, support staff, and administrators combines strong technical skills, a deep, substantive knowledge of institutions and policies, and an understanding of client needs. Mathematica's Health Research Division is nationally acclaimed for applied research on the design and operation of public programs, including Medicare, Medicaid, and the Children's Health Insurance Program (CHIP), private health insurance markets; health information technology; and programs to improve the quality and efficient use of care and prevent chronic illness.

Dr. Deborah Chollet of Mathematica conducts and manages research on private health insurance coverage, markets, provider payments, and regulation—including employer-sponsored health plans for workers and retirees, individual health insurance, health insurance

exchanges, and high-risk programs. As principal investigator, she has led microsimulation analyses of proposed state programs to improve health insurance access and affordability in Illinois, Maine, Minnesota, Missouri, New Mexico, and Washington. She has modeled employer offer of coverage, worker take-up, and individual purchase of coverage in health insurance exchanges. Dr. Chollet regularly provides technical assistance to states—most recently Alabama, Rhode Island, Pennsylvania, and Washington—on the development of state purchasing arrangements and health insurance Exchanges under ACA.

In addition, Mathematica has direct experience in understanding West Virginia's hospital sector and Medicaid program. Dr. Chollet directed Mathematica's study of hospital cost, financial performance, and cost shifting for the West Virginia Health Care Authority, and Mathematica conducted a qualitative evaluation of the early implementation experiences of Mountain Health Choices in support of the University of West Virginia's Medicaid Transformation Grant from the Robert Wood Johnson Foundation.

Towers Watson

Towers Watson has provided health and welfare consulting services for more than 60 years. With 14,000 associates worldwide and over 700 health and welfare consultants in North America, it offers expertise in designing, funding, pricing, implementing and managing a full array of privately sponsored health plans. Towers Watson also helps sponsors select and manage health plan vendors, and it manages several purchasing collaborative that allows customers to achieve greater value from third-party service providers than they can achieve on their own. These collective purchasing initiatives include pharmacy, stop-loss, health management and retiree medical benefits.

Towers Watson is particularly strong in actuarial and research capabilities. It has developed simulation models that uses medical claims data to estimate the actuarial values of private health insurance offered in both the group and individual markets. Using data benefits surveys to provide the detailed cost sharing provisions of each plan, it has simulated the plan expense, the member out-of-pocket expense, and the actuarial value for thousands of plans. Towers Watson's findings have been published in peer reviewed journals and used by policy makers at the federal and state level.

Dr. Roland McDevitt heads the health care research team at Towers Watson and has 30 years of experience in health care research. For federal, state, and private-sector clients, Dr. McDevitt

has estimated and tracked levels of actuarial value and member out-of-pocket expense for populations enrolled in both employer-sponsored plans and in individually purchased plans using public-use medical benefits surveys. He also has examined the effects of high-deductible plans on vulnerable populations, including those with low incomes and chronic medical conditions.

Actuarial Resources

The LMI team has access to a number of highly qualified actuarial consultants which can be used to address the specific actuarial requirements in the timelines anticipated for a subsequent West Virginia Request for Proposal (RFP). Mr. Greg Kuzma of GK Health Ventures, LLC, has more than 20 years of actuarial, financial, and information management consulting experience. He has previously worked in the insurance industry for WellCare Health Plans, Oxford Health Plans, and Prudential in Connecticut, New Jersey, Pennsylvania, and Florida.

Dan Pribe is an actuary with Towers Watson with more than 23 years of health care experience working in both the insurance and consulting industries. Mr. Pribe specializes in healthcare strategy, plan design, and financial forecasting, and authored Towers Watson's Health Care Reform modeling tool which assesses ACA's financial impact on large employers. Prior to joining Towers Watson, Mr. Pribe was the chief actuary for a regional health plan that offered individual, small group, large group, and Medicare and Medicaid products. His responsibilities included all pricing, underwriting, and reserving functions as well as financial forecasting. In addition, he was responsible for all individual and small group rate filings and in negotiating rating issues with State's Medicaid agencies and Departments of Insurance. Mr. Pribe is a member of the Towers Watson actuarial leadership team for health and group benefits, and works closely with the health care research team which has developed actuarial value simulation models.

Our Understanding of Your Need

We recognize that, as a State Health Access Program (SHAP) grant recipient, West Virginia may have progressed beyond many other states in planning its Exchange and now needs seasoned consultants with diverse and extensive private- and public-sector experience to assist in planning an Exchange on a compressed timeline. Further, we recognize that West Virginia's unique circumstances will drive critical decisions in planning an Exchange. We would work with Offices of the Insurance Commissioner (OIC) officials to understand the possibilities already evaluated, the results of those analyses, and the preliminary decisions West Virginia has made—including any draft or extant legislation that may place the Exchange in a particular governance structure. If no governance decision has been made, the decision process should

be an integrated method that explores stakeholder views and considers the state's insurance and provider markets and public-sector goals and constraints. From the limited information in the RFI, it would be premature to recommend the governance model the Exchange should follow or whether West Virginia should develop a statewide or regional Exchange without conducting the processes and analyses we outline in our approach section of this response. In addition, because the governance structure of the Exchange is only one component of the planning process, serious consideration needs to be given to the actuarial modeling, understanding the uninsured and underinsured populations in the state, the financial viability and sustainability of the Exchange, and the information technology (IT) resources (including eligibility systems and web portals) needed to effectively implement the Exchange.

On the basis of these points and the state's desire to have the Exchange in beta test mode by July 2012, we would advise the state of West Virginia to ask for a no-cost extension to its planning grant from the Center for Consumer Information and Insurance Oversight (CCIIO).This would allow West Virginia to expend grant funds past the September 30, 2011, expiration period and permit a systematic, deliberative planning process with opportunities for stakeholder input and buy-in. In addition, in keeping with the procurement timeline many states have followed executing these grants, an extension would allow West Virginia to complete its procurement cycle of reviewing these RFI submissions, releasing an RFP based on comments received, reviewing and evaluating the proposals, and awarding a contract. We would advise the state to aim to release an RFP in mid-May 2011, have responses due at the beginning of June 2011, and plan for having a fully executed contract to start work by the beginning of July 2011. Unless West Virginia is able to move through these steps on a much more expedited timeline, time may be insufficient (without an extension of the grant) to complete the analysis and engage the stakeholders in reviewing options for West Virginia.

Finally, in preparing the RFP, we would advise West Virginia to articulate the tasks a contractor must complete, including any and all deliverables. This will help the contractor better estimate required resources and timelines, and offer better technical and business proposals. The RFI discusses general areas where you are seeking input, but the exact required work is unclear and so is the contractor's part in executing it. For example, how many reports are wanted and what content should they include? How many ad hoc analyses are envisioned and what actuarial studies? If the exact number of analyses cannot be anticipated, providing an estimate of hours for actuarial work or for other consulting services would be useful to potential

contractors in preparing bids. In the following section, we offer the approach the LMI team would take to help West Virginia envision this kind of specificity.

Approach

We will work closely with OIC throughout the planning process to ensure all decisions surrounding planning and establishment of the Exchange are based on available data and analysis, while understanding the possible political sensitivities of Exchange development. To make recommendations for West Virginia's Exchange, we will do the following:

1. Develop a planning road map.
2. Evaluate design options and functionality
    a. Evaluate Exchange design options
    b. Evaluate programmatic and IT options for coordinated Medicaid eligibility determination and enrollment
    c. Evaluate Exchange finance functions and sustainability.
3. Conduct economic and policy modeling and market research
    a. Conduct a study of the uninsured and underinsured
    b. Conduct a study of the current insurance market.
4. Perform actuarial analysis
    a. Model changes in small group and individual products
    b. Model changes in small group and individual premiums
    c. Model requirements for risk adjustment.
5. Engage stakeholders and integrate stakeholder input.
6. Develop an Exchange implementation plan.

1. Develop a Planning Road Map

The planning road map will act as an overarching framework for all activities related to planning and implementation of the Exchange for West Virginia. The LMI team will develop the road map in collaboration with the appropriate state staff members, leaders, and stakeholders. The result will be a clearly articulated structure and process for guiding and staging critical project tasks

and deliverables and a work plan that establishes a project schedule and assigns responsibilities for completing each task.

The team's approach to the development of the road map will include the following:

- Identify an interagency steering committee and project oversight structure
- Establish a regular meeting schedule
- Develop specific, measurable goals for the Exchange
- Outline key decision points
- Identify and brief key decision makers
- Determine the analysis necessary to support critical decisions
- Develop an overall project timeline
- Establish deadlines for key deliverables
- Coordinate with OIC, the West Virginia Department of Health and Human Resources (DHHR), the Bureau of Public Health, and other relevant state agencies on related healthcare reform and information systems
- Assist, as necessary, with the drafting of legislation
- Coordinate with grant writing for the phase II implementation grant.

2. Evaluate Exchange Design Options and Functionality

The state of West Virginia faces a number of key issues regarding the design and operation of its Exchange, including the need to structure it to support state policy goals and objectives, to leverage existing public and private infrastructure, and to promote consumer engagement and informed decision making. The flexibility built into the ACA allows states to design an Exchange that works best for them, with some limitations.

Evaluate Exchange Design Options

West Virginia needs to evaluate various design options, which will include the following considerations:

- Governance—including the (a) governance and organizational model for the Exchange, (b) enforcement of the individual mandate and the appeals process, and (c) agent or broker involvement with the Exchange.

- Financial functions—including (a) premium billing, collection, and reconciliation, and (b) financial management and reporting.
- Administration—including (a) health plan certification, decertification, and recertification; (b) eligibility determination and enrollment processes for Exchange-based coverage; and (c) health plan renewals and annual open enrollment.
- Customer service—including the (a) development of a web portal through which individuals and groups can access information on health insurance options, calculate potential costs of various health plans, and enroll in coverage; (b) manner by which health plans' premiums may be generated and displayed; and (c) enrollment function and establishment of electronic interfaces with health carriers.
- Outreach, education, marketing, and the role of navigators and brokers/agents.

An important part of this phase of the project is delineation of functions that may apply to (1) both the American Health Benefits Exchange (individual market) and the SHOP Exchange (small group market), (2) only to the individual market exchange, (3) only to the small group market exchange, and (4) to neither (general administrative responsibilities of the exchange).

At a minimum, West Virginia should consider the following primary objectives for its Exchange:

- *Flexibility and agility*. As federal reform rolls out, best practices are identified over time, and other state and federal changes occur, these will be critical.
- *Responsiveness*. The Exchange must be responsive to consumers, employers, health plans, other stakeholders, and the state.
- *Consumer focus*. The Exchange should provide value and improved access for individual and group purchasers and enable individuals and groups to make informed decisions regarding the health coverage that works best for them and their families.
- *Ability to work with existing state agencies*. The Exchange design must promote coordination with other state agencies, including OIC and DHHR; align, as necessary, with other state health reform initiatives; and minimize disruption to other state operations.

Evaluate Programmatic and IT Options for Coordinated Medicaid Eligibility Determination and Enrollment

The ACA requires that Exchanges be able to screen applicants for Medicaid and CHIP and, if eligible, enroll them *in coverage*. To meet this requirement, the Exchange will need to communicate seamlessly with DHHR and the Bureau of Medical Services. To date, no state has fully developed the data exchange capacity that is necessary to implement the "no wrong door" approach that the ACA requires, but a few states—all HHS "early innovator" grantees—appear to have a head start:

- Maryland has developed a prototype model of the point of access for the Exchange, integration with Maryland legacy systems and federal portal systems, and use of planned federal web services (such as verification and rules). This "point" solution will extend the state's existing Healthy Maryland platform, which uses the same technology foundation as in some other states.
- New York is building off of its eMedNY Medicaid Management Information System (MMIS) to build products for the Exchange. New York's MMIS currently processes payments for approximately one of every three healthcare dollars paid in the state. MMIS's assets will be used as the basis for designing and developing an Exchange. New York intends to develop Exchange IT components that are fully extensible and scalable to other states.
- Oregon is using commercial off-the-shelf software to create its Exchange. Oregon's modular, reusable IT solution aims to provide customers of the Exchange with seamless access to information, financial assistance, and easy health insurance enrollment, with no gaps in coverage or assistance cliffs.
- Wisconsin is building a single, intuitive portal through which residents can access subsidized and non-subsidized healthcare and other state-based programs, including Medicaid and CHIP. Wisconsin already has in place a web-based, self-service ACCESS tool that allows residents to easily learn whether they may be eligible for BadgerCare Plus, as well as FoodShare (food stamps) and other assistance, apply for benefits, check their benefits, renew their benefits or check their renewal date, and report changes to keep their eligibility current (see https://access.wisconsin.gov/access/).

We would analyze the programmatic context and demands on these developing systems, as well as the suitability of their IT platforms and functionality for West Virginia. The purpose would

be to formulate recommendations to ensure that West Virginia's Exchange will meet not only the requirements of the ACA, but also perform to the expectations of residents and the state with respect to efficient, timely, and (to the extent possible) seamless eligibility determination and enrollment in Medicaid.

Evaluate Exchange Finance Functions and Sustainability

Although federal grants will support the planning, design, implementation, and initial operations of the exchange, they cannot be renewed beyond December 31, 2014. Therefore, the West Virginia Exchange will need to be self-financed in 2015 and beyond. As a result, the Exchange will need to generate revenues—or otherwise receive support from the state—to fund its operations.

The LMI team will need to develop volume estimates, benchmarking cost, and staffing data from existing public and private exchanges, and determine the types of positions and salaries likely to be needed to operate a state-administered Exchange. The state also needs to analyze the different operating models, including in-house and contracted services, for the various business functions and services. States can choose to fund their Exchanges through assessments or user fees charged to participating health insurers or other mechanisms. The LMI team will consider and analyze the funding alternatives that West Virginia may consider in developing a sustainable funding strategy for the state that maximizes non-state resources. Ultimately, the LMI team will give the state a report with budget estimates for the Exchange and recommendations for implementing a fully functioning and financially sustainable Exchange.

To function seamlessly and efficiently, the Exchange must be able to perform a number of finance-related functions:

- Premium billing, collection, and reconciliation
- Reconciliation of tax credits and cost-sharing subsidies
- Implementation of accounting systems and internal controls
- Development of payment plans
- Appeals processing
- Invoice quality assurance process
- Enrollment processing

- Reporting on enrollment, premium collection, and other data to the federal government and other stakeholders.

3. Conduct Economic and Policy Modeling and Market Research

Understanding the current uninsured and underinsured populations in the state will be critical in establishing an effective Exchange that will operate seamlessly with Medicaid and other programs for these populations, particularly given the expansion of Medicaid eligibles under the ACA. Due to the limited time for completing this work, we will use already-available survey data, specifically, the West Virginia sample of the American Community Survey (ACS).

The ACS micro-data offer great value for the purposes of understanding the uninsured in West Virginia, not only for this project, but also on an ongoing basis. However, we would propose to enhance the ACS data in two ways: (1) project the data to year-end 2012 to reflect recent and projected changes in the economic circumstances and coverage of West Virginians since 2008–2009, and (2) add information on West Virginia's underinsured population, including employment and coverage changes since 2009. These enhancements will help support actuarial modeling of product and premium changes with implementation of an Exchange.

In addition, West Virginia will need a detailed study of the current insurance market, furnishing the information necessary to anticipate the insurance market impacts of establishing and operating the Exchange. We will begin by reviewing existing data sources and reports to assess gaps in information on West Virginia's private insurance market, including the extent of association plans and self-insurance among mid-sized firms (that otherwise might be eligible to participate in the Exchange). In addition, we will review prevalent plan designs and provider payment models. If needed, we will then develop a survey in cooperation with OIC to gather additional information and data from insurance carriers. This work, including any survey to be developed, will be fully integrated into the work required for the actuarial analyses described below.

4. Perform Actuarial Analysis

As identified in the RFI, West Virginia will need a variety of actuarial studies to analyze the impact of legal and policy decisions in response to the ACA's requirements related to an Exchange. To respond to questions raised by OIC, the LMI team will develop a flexible and efficient base actuarial model that will use state-specific data to reflect its unique population, insurance and provider markets, and programs. The LMI team will also anticipate working with

the largest insurers in West Virginia to ensure that the model reflects actual premiums charged in today's market as the basis for estimation of future changes.

The actuarial analyses will produce the information necessary to estimate the actuarial value of existing plans and how plan designs will change to meet the requirements of a qualified health plan under the ACA. In addition, it will help the OIC understand how premiums will change under new rating rules and how carriers' claims experience might change in each market segment. Finally, these actuarial analyses will assess the extent of the need for risk adjustment in the new market, as well as the extent to which temporary federal reinsurance and risk corridors might initially mitigate the demands on West Virginia's own risk adjustment system. Finally, the LMI team will be prepared to respond to ad hoc analysis requests as well, as they might develop in the course of the planning process.

5. Engage Stakeholders and Integrate Their Input

For any Exchange to ultimately succeed, regardless of the governance model selected, the state will need the buy-in and support of key stakeholders. We understand West Virginia is already using a variety of means to gather stakeholder input. We will assume a steering committee has already been established, including key personnel (such as the Insurance Commissioner, the Medicaid Director or the Commissioner of the Bureau of Children and Families, representatives from the governor's office) who will be the decision makers for establishment of the Exchange. If no such group exists, we will recommend you formalize one. We will then work with this group to gather the stakeholder input that has already been collected and perhaps conduct some further outreach through public forums or smaller focus groups with key stakeholders such as

- insurers,
- brokers,
- small business owners,
- primary care providers, and
- advocacy groups.

We will need to better understand previous outreach activities and the feedback OIC has received to better judge how many, if any, of these forums and groups would be needed. Regardless, once all of the input is gathered, our team will provide OIC with a summary report of the

key issues about which stakeholders are concerned, which will inform the Exchange design process.

6. Develop an Exchange Implementation Plan

The final product in this planning effort will be an implementation plan that articulates key milestones and sets a schedule to establish a fully functioning Exchange. The plan will detail the responsibilities and requirements for each of the core functions of the Exchange. It will also account for internal and external infrastructure and resources that may be leveraged to support Exchange administration and operation. The plan will also need to consider external factors—such as population growth, migration, and income changes—that may affect Exchange operations. The implementation plan must be dynamic so that it can be adapted and made responsive to changes in the internal and external environments throughout the course of the Exchange's design, development, and operations. The plan will contain implementation steps, timelines, and work plans, and it will identify potential choke points or bottlenecks.

Conclusion

The LMI team stands ready to help West Virginia decide how to meet its unique needs for a Health Insurance Exchange. Our team

- knows West Virginia from previous work engagements and has long-standing relationships with senior state health policy leaders;
- has a long history of working for and with states;
- has deep experience in designing, developing, and implementing state health insurance purchasing cooperatives and what we now call health insurance Exchanges; and
- knows the types of analyses, data, and stakeholder input needed to successfully plan an Exchange.

In short, we offer a highly skilled, experienced team that works well together and has the proven capability to provide you with the required results. We believe that the LMI team and its approach will ensure your success.

LMI Center for Health Reform

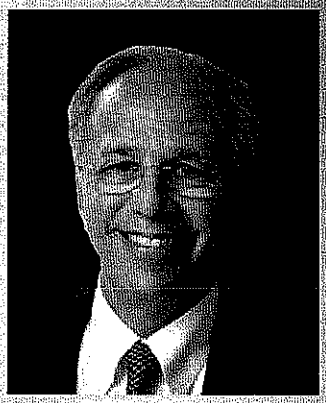
LMI is a leading provider of health policy implementation and program support to states, the federal government, and other stakeholders of health reform. Whether we are helping to set a program's direction or helping to manage it every day, LMI is viewed as a valued partner to numerous organizations. The Center for Health Reform is the latest addition to LMI's 20-year healthcare practice. Its purpose is to focus LMI's historically strong analytic and program management expertise on the implementation and administration of the Patient Protection and Affordable Care Act.

Through LMI's internally funded independent research and development program, the Center for Health Reform explores and assesses bold new models, methods, and practices for advancing government management and leadership in healthcare. Through articles, reports, and presentations at symposiums and conferences, the center provides insights about emerging and perennial government healthcare management issues.

To leverage its policy implementation and program support expertise, LMI has assembled many thought-leaders in the fields of healthcare, actuarial science, and insurance regulation to apply their knowledge to solving the unique challenges presented by health reform. With their real-world experience in the insurance industry and state governments, our key personnel can recommend specific actions that state leaders can take.

Specifically, the Center for Health Reform offers guidance and competency insights to leaders in the following areas:

- Health insurance exchanges
- Accountable care organizations
- Modeling and simulation (including agent-based modeling)
- Actuarial analysis
- Insurance regulation and monitoring
- Financial management and analysis
- Project management and coordination
- Web design and development
- Training
- Facilitation.



W. David Helms, PhD, a leading national health policy expert and facilitator of high-level policy discussions, is the director of LMI's Center for Health Reform.

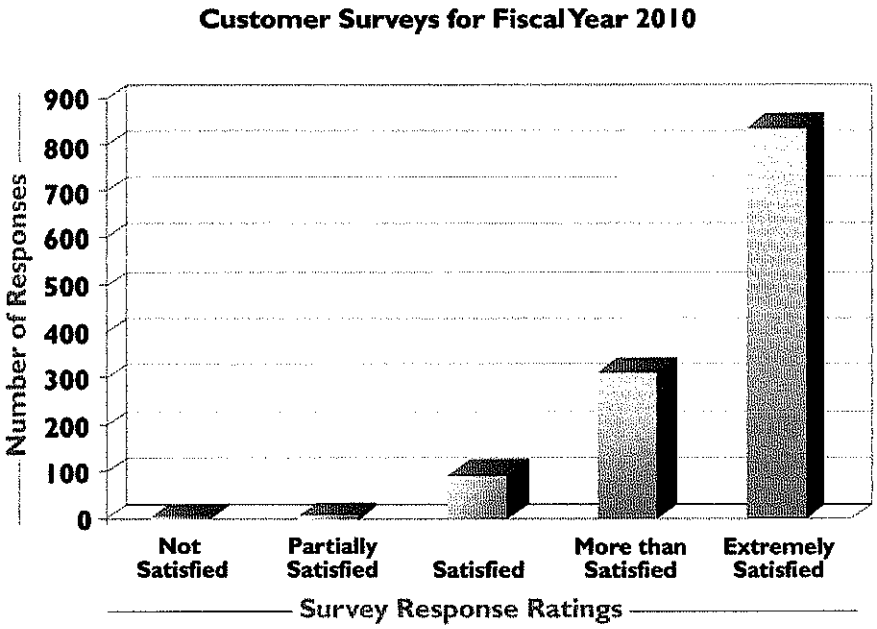
Dr. Helms comes to LMI from AcademyHealth—the national society for the fields of health services research and health policy. Much of his career has focused on advancing federal and state health policy through planning, program analysis, and development of new initiatives to expand coverage for the uninsured. Dr. Helms is frequently invited to review options for national health reform and to facilitate consensus processes on health policy issues. He also serves on a number of health-related boards and advisory committees.

Dr. Helms received his PhD in public administration and economics from the Maxwell School of Citizenship and Public Affairs at Syracuse University and his bachelor's degree in political science from Colorado College.

LMI Overview

To meet the challenges facing government managers, LMI brings a combination of public-service history and focus, broad perspective, deep analytical skill, and service-oriented mission—unique in the government consulting market—that allows us to bring the practical and pioneering solutions government managers need to deliver agency objectives.

In 1961, LMI was established as a not-for-profit and non-partisan organization of highly talented business management specialists who focused on the science of logistics. LMI, which operates free of commercial and political interest, is focused exclusively on public-sector management. We act as a trusted advisor to government managers and bring creative management and technical minds to bear on solving complex issues. We still maintain a strong basis in planning and logistics, but also provide expertise in other mission areas, including healthcare, acquisition, facilities and asset management, financial management, resource management, information and technology, and organizations and human capital.



LMI has more than 930 staff members with a variety of backgrounds, including healthcare administrators, economists, modelers, engineers, logisticians, attorneys, and other analysts. Our workforce sets us apart. LMI's people are highly motivated by our public-sector focus and bring a shared vision of improving government management to our clients.

We are committed to fulfilling client needs with high-quality products and services. We are well prepared to meet this challenge by using our ISO 9001–certified quality management system. As shown in our 2010 customer survey responses, 99 percent of our customers are satisfied with our services.

Whether LMI is helping shape the policies that guide a state's future course or working side by side with state personnel to bring best management practices to the day-to-day operations of large programs, our outcome-based approach can help your organization succeed.

LMI is headquartered in McLean, VA, and has satellite offices in Mechanicsburg, PA; Aberdeen and Baltimore, MD; Newport News and Petersburg, VA; Belleville, IL; and San Antonio, TX.

For more information:

Whitney Owen, Program Manager
LMI Center for Health Reform
(571) 633-7715, wowen@lmi.org

David Helms, Director
LMI Center for Health Reform
(703) 917-7264, dhelms@lmi.org