



“We’re incredibly proud of the continued success of kynect, which has helped hundreds of thousands of Kentuckians find quality, affordable health coverage.”

– Governor Steve Beshear, Commonwealth of Kentucky

Changing Lives: Deploying an Effective State-Run Exchange to Promote Enrollment in Affordable Healthcare Insurance.

Many health analysts did not expect Kentucky, a state at or near the bottom of almost every measurable health category, to lead the nation in improving access to quality, affordable healthcare coverage for its citizens. Nor did they think that the benefits of a state-run healthcare exchange would extend in ways that could alter its economic future for the better. The Governor and his leadership team proved them wrong.

When Kentucky Governor Steve Beshear took office, he faced a tremendous challenge in overcoming longstanding issues associated with uninsured and underinsured citizens. So when the Affordable Care Act (ACA) became law, he didn’t see it as a burden, but rather as a once-in-a-lifetime opportunity to improve the health status of the state’s citizens over the long-term. And that was when he made one of the most important decisions in his role as governor.

“We could have opted to use the federal marketplace as a means for providing access to affordable healthcare insurance,” explains Governor Beshear. “But we chose to build a state-based exchange that would allow Kentuckians to enroll in Medicaid or private health insurance to better serve the people of Kentucky.”

A bold and politically-charged choice in some circles, this approach would go beyond a standalone system. Instead, the state-run exchange would integrate with other existing systems to help support the broader, more streamlined delivery of health and human services programs. The Governor quickly won broad support from the state’s advocacy, healthcare, and insurance communities that helped smooth the way for a successful enrollment effort.

Impacts from transformation:

- An insurance marketplace offering better, more affordable coverage options
- Reduced the uninsured rate in Kentucky by nearly half
- Job creation among agencies, issuers, and healthcare providers
- A reduction in previously uncompensated hospital care expenses
- A healthier workforce contributing to a stronger economy



A Vision Unfolds

The state began by establishing the Office of the Kentucky Health Benefit Exchange (OKHBE), which resides within the Cabinet for Health and Family Services (CHFS). Then it tasked the advisory board with ensuring that the health exchange not only met the requirements of the law, but also the needs of Kentuckians.

“We didn’t set out simply to enroll Kentuckians in programs,” says Rodney Murphy, CHFS executive director of Administrative and Technology Services and chief information officer for the Cabinet. “We wanted to build a technical architecture that would allow CHFS to holistically integrate health information to continually guide improvements in the health and lives of our citizens.”

Murphy and team realized it would be difficult to develop an ACA- and HIPAA-compliant platform without greater knowledge of eligibility and health plan operations. That’s why they turned to Deloitte for help in October 2012. Leveraging Deloitte’s experience with large IT system implementations, the team worked together to prioritize and tackle complex requirements involving multiple stakeholders and agencies. The goal: follow an aggressive schedule to build and deploy the Kentucky Health Benefit Exchange (KHBE) by the federal government’s October 1, 2013 start date for open enrollment.

Specifically, this involved developing a unified, secure, integrated system that included:

- “kynect,” an online Self-Service Portal providing for end-to-end eligibility and enrollment while also supporting individual and group insurance plan maintenance and billing functions
 - Gives individuals, families, and small businesses real-time, online access to coverage options
 - Allows users to shop anonymously, providing personal information only after they’ve decided on a plan
 - Provides enrollment assistance via the kynect Call Center or through agents and brokers, who have easy dashboard access to related account and activity information
 - Processes eligibility and enrollment for Medicaid and other health insurance affordability programs offered
- Worker-Portal Lite, which later evolved into a full online Case Management System to enable case workers to register, validate, certify, and maintain cases for Medicaid and other agencies, such as the Kentucky Children’s Health Insurance Program (KCHIP)

Working rapidly and confidently, CHFS and Deloitte made real progress. “The state was among the first to test its system in conjunction with a federal data hub in June 2013, which helped fix problems early on,” says Chris Clark, technology program manager for the exchange. “Deloitte’s disciplined project, risk, and change management approaches helped make the high-quality performance of these solutions possible,” adds Murphy.



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Developed in 12 Months, Kentucky's State-Run Health Insurance Exchange Excels

In just one year, the CHFS and Deloitte team designed and deployed the new healthcare exchange, with impressive initial and ongoing results.

After the go-live day, kynect:

- Logged over 10,000 applications for coverage in less than two days
- Averaged 1,000 enrollments per day in the first few weeks

Since then, more than:

- 421,000 Kentuckians have enrolled in new health coverage, reducing the uninsured rate by almost half
- 2,045 business have completed applications and are eligible to offer coverage to employees

"With guidance from Deloitte, we delivered an efficient one-stop website that makes it easy for applicants to enroll in new coverage. At the same time, we gave equal attention to issuer requirements so that the state marketplace is effective all around," says Murphy.

What's more, the exchange has boosted employment – creating new jobs among agency, issuers, and healthcare providers. Additionally, as the enabling foundation of Medicaid expansion in Kentucky, the exchange has reduced the financial burden of uncompensated care on hospitals in the state.

Today, CHFS continues to collaborate with Deloitte to provide expanded capabilities under the KHBE, knowing the team is well equipped to fulfill Governor Beshear's vision of a healthier populace, workforce, and economy.

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"In the first two weeks of operation alone, an average of 1,000 Kentuckians enrolled in new health coverage each day — which made Kentucky's health benefit exchange among the nation's most reliable and successful. Deloitte did a fantastic job in helping us achieve this."

— Governor Steve Beshear,
Commonwealth of Kentucky

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