

## **Potential Tasks for Implementing Premium Assistance through a Consumer Choice Health Purchasing Group**

This document discusses the key tasks that could be involved in the development of a premium assistance program in conjunction with a consumer choice health purchasing group (CHPG). Currently, all states have developed public programs through which eligible children may receive free or highly subsidized medical care under the State Children's Health Insurance Program (S-CHIP) initiative. Through a premium assistance program, federal S-CHIP subsidies would be combined with employer contributions for coverage of uninsured children through a CHPG-participating health plan.

The successful implementation of a premium assistance program may depend upon the ease and efficiency in which S-CHIP eligible children are identified and enrolled such that employees receiving S-CHIP subsidies are treated in the same manner as non-eligible employees. For this reason, the underlying assumption in this document is that the CHPG, through its administrator, may perform a range of functions that otherwise would be conducted by the state S-CHIP plan.

It is important to note that although the steps discussed in this document are listed in numerical order, they do not need to be started or completed in the same sequence. Many aspects of premium-assistance program development can occur simultaneously, although the completion of some elements may depend on the completion or resolution of others. In addition, because actual implementation of a premium assistance program depends on the final determination of a number of key policy issues in each state, some of the descriptions of the necessary tasks are not very specific.

### **Task One: Cost-Effectiveness Assessment and Health Plan Tier Ratio Analysis**

The successful implementation of a premium assistance subsidy program is dependent upon meeting several criteria, but chief among these is the ability of the program to meet the federal/state cost-effectiveness test. Simply put, the amount of subsidy paid to an employee for coverage of uninsured children (including the cost of any co-payment or benefits fill-in needed) cannot be greater than what the state would pay to enroll such children in its S-CHIP program. The amount of the subsidy that might be paid to an employee enrolled through the CHPG would depend upon the premium for the health plan chosen (assuming the total benefit package meets federal standards), administrative loads, the employer contribution amount, and the cost of enrolling children in the state S-CHIP program. Note that because the cost-effectiveness test requires a specified benefit level, this test is greatly simplified due to the standardized benefits in a CHPG. Due to these standardized benefit levels, once the initial calculations are made for a CHPG, thresholds can be developed regarding employer contributions such that any time an employer contribution is greater than the threshold, the cost-effectiveness test is met.

To undertake a premium assistance program, discussions should be held with state officials to resolve how premium assistance through the CHPG might be facilitated (which is discussed as Task Two). As part of this discussion, it would be useful to understand the number of CHPG-

participating health plans that might meet the cost-effectiveness test for given employer contribution rates, administrative loads, benefit plan designs, and assumed state S-CHIP costs.

One problem that would need to be resolved with the state (and possibly the federal government) is whether, in conducting the cost-effectiveness test, the calculations use the actual number of children in the enrolling family or an average number of children in enrolled S-CHIP families. If the actual number of children in the family is used, families with one child may rarely qualify for premium assistance while their similarly situated co-workers with two or more children will more easily qualify. Similarly, a worker might not qualify with one child, but could when a newborn was added. Such potential inequities and discontinuities could be avoided if the cost-effectiveness determination used an average number of children per family, which could be based on the average number of children in low-income working families in the state or on the average number of children in S-CHIP enrolled families.

To facilitate discussions with the state, it may be helpful to understand the average child cost per family among the various health plans participating in the CHPG. This analysis would involve examining the differential in premium rates between the employee-only and employee-plus-child tiers and between the employee-plus-spouse and employee-plus-family tiers. In addition, the average number of enrolled members in the employee-plus-child and employee-plus-family tiers would be useful (by product and possibly by geographic area depending on the state S-CHIP costs used). Using these data, as well as data on the assumptions about the cost of the additional benefits required to raise the benefit package to federal standards, potential administrative loads, and the average child cost per family in the S-CHIP program, an analysis could be conducted to determine the number of health plans that might qualify for premium assistance at given employer contribution levels.

It may also be useful to analyze the employee-plus-child and employee-plus-family tier ratios used by the CHPG-participating health plans. The strategies employed by the health plans regarding their tier ratios may differ greatly. Some health plans may use one employee-plus-child and one employee-plus-family multiplier across all age cells, regions, and products. Other health plans may employ multipliers that vary by age and possibly product and geographic region, while others may add a flat dollar amount that may vary by product and region. Differences in tier multipliers may affect which health plans might qualify for premium assistance depending on employer contribution level, and thus it would be useful to better understand the existing variation among health plan multipliers before developing any potential solutions (such as implementing standardized tier multipliers for S-CHIP qualifying benefit plans). Finally, it would be beneficial to have a better understanding of employer contribution amounts and the basis for such contributions (lowest-cost plan, flat dollar amount, etc.).

## **Task Two: Exploration and Resolution of State Policy Options Affecting Program Design**

Although it is possible to develop a premium assistance program for a CHPG without significantly altering how a state operates its S-CHIP program, the efficiency and transparency of a premium-assistance program could be greatly enhanced by several changes in state policy. By making the program efficient for the employer, employee, and broker, and transparent to the

employer, the probability of enrolling uninsured children will increase substantially. Thus, state and CHPG officials should discuss ways to resolve a number of issues that would help the program be designed and operate in a seamless, transparent fashion. Because these issues affect other aspects of program design, it may be necessary to complete this task in parallel with Tasks One, Three, Six, Seven, and Eight.

There are a number of issues that a CHPG could discuss with state officials, but these issues depend in part on the capabilities and role the CHPG and its administrator would like to play vis-a-vis the state S-CHIP program, as well as on the state's current operational structure. Major issues that should potentially be discussed and resolved with a state could include:

- Is it possible the CHPG could develop an S-CHIP application to supplement its normal employee application, thereby obviating the need for a separate S-CHIP application as long as the same information is collected? By doing so, the CHPG could streamline the application process for S-CHIP eligible employees (for one, they would not have to report some of the same information on two applications) and could reinforce the perception that the subsidized coverage is available through the CHPG rather than a public program.
- How does the state currently conduct eligibility determinations and enrollment for S-CHIP eligible children? Does the state contract with an independent vendor or do such processing internally? Can some or all of these functions be performed by the CHPG and its administrator with CHPG enrollees? There is a range of activities with which the CHPG could assist or substitute for the state in processing applications. These activities could include:
  - collecting applications, tracking them, and forwarding them to the state and/or its vendor for processing;
  - collecting applications and electronically scanning them for transmittal to the state and/or its vendor for processing;
  - reviewing premium assistance applications to ensure they are complete and accurate;
  - reviewing premium assistance applications and making presumptive eligibility determinations; and
  - notifying employees of their eligibility determination.
- What cost will the state use for the cost-effectiveness test? Will it be a per-child amount or a per-family amount? If the state S-CHIP now contracts with multiple at-risk health plans with premiums that vary by health plan and/or region, how will the different premium amounts factor into the cost-effectiveness comparison?
- Since the availability of CHPG health plans to premium assistance-eligible employees will depend on the state premium amount, administrative loads, benefit plan costs, and the employer contribution amount, must a minimum number of subsidized health plan choices be available to a S-CHIP eligible employee? Must there be any commonality between the health plans that are available to S-CHIP eligible employees across geographic areas or in terms of those directly available through the state's S-CHIP program? Must any minimum number or geographic coverage of providers be available to premium assistance eligible-employees (based on the health plans available under the employer contribution amount)?
- If the state is paying an at-risk premium to one or more health plans for its S-CHIP program, how might the state treat coverage in the CHPG that extends beyond the date the premium rates for the S-CHIP program are renewed? For example, the S-CHIP program's premium rates may be renewed on March 1 while a group enrolls in the CHPG with a February 1

effective date—would a new employee that joins the company on April 1 and is eligible for premium assistance use the old or the new state cost-effectiveness rate?.

- Since it is possible the S-CHIP subsidy might be paid directly to the employee, would state officials be willing to provide a one-month subsidy payment up front to CHPG employees? An up-front payment would ease any cash-flow burdens created by employer payroll deductions (the payroll deduction could be based on the total premium—for both the standard and supplemental benefit plan—less the employer contribution).
- If the CHPG employs pre-existing condition exclusions, what, if any, pre-existing condition exclusions might state officials allow to be applied to children who elect to receive coverage through the CHPG?
- If the CHPG is responsible for paying the state subsidy to the employee or employer, would the CHPG need to conduct bad debt collection activities, in particular for employees who are retroactively terminated for a period greater than one month?
- If the state coordinates with individuals—certified application assisters—who help S-CHIP eligible individuals enroll in the S-CHIP program, could the brokers or staff of the CHPG and its administrator become certified assisters as well? If the state compensates such individuals for assisting with applications, could the CHPG be given the funds to compensate such individuals as well—including brokers and internal staff—who assist employees who are enrolled through the CHPG? If only state-certified application assisters are available to assist employees, would the CHPG be able to receive contract information for these assisters for coordination purposes?
- What, if any, process might exist for converting a child who is receiving coverage through the state S-CHIP program to subsidized employee-child coverage through the CHPG?

### **Task Three: Development of Preliminary Structure and Flow Charts for Different Enrollment Scenarios**

The development of a premium assistance program largely entails the creation of administrative processes and work flows that enroll eligible individuals and their children, distribute payments so that health plans and eligible individuals are made whole, and track and reconcile enrollment, premium, and subsidy payment. Optimal work flows would utilize and emulate existing administrative processes developed and refined by a CHPG and its administrator.

Flow charts should be developed to track all processes associated with enrollment, notification, billing, payment, subsidy distribution, reconciliation, and reporting for premium assistance-eligible employees. Specifically, flow charts should determine the roles, processes, and timing played by credentialed brokers, employers, eligible and non-eligible employees, application assisters, health plans, the CHPG, and state officials. Specifically, flow charts should be developed for the various scenarios that may be encountered, in particular:

- quoting, enrollment of, and billing for a group new to the CHPG;
- enrollment of eligible employees that are new to an existing CHPG group;
- enrollment of eligible employees that have been employed by an existing CHPG group but are uninsured and/or have uninsured children; and
- development of rate quotes and enrollment of existing CHPG groups during open enrollment.

## **Task Four: Development of Supplemental Benefit Plan Offerings for S-CHIP Eligible Children**

It is likely that a CHPG's current plan offerings would need to be supplemented in order to meet the S-CHIP cost-sharing (deductible, coinsurance, and co-pays) limits and benefit requirements. This can be done either by designing a supplemental rider to provide the necessary cost-sharing fill-in and any necessary additional services or by offering a new benefit package (in addition to the current products offered by the CHPG) that would meet the S-CHIP requirements (at least for enrolled children). (Several factors can affect this decision. The most important is the cost-effectiveness criterion, which will be harder to meet if broker commissions must be paid on the supplemental benefits. Another is whether state insurance rules would require the new package to be offered to all small employers.)

The coverage provided to subsidy-eligible children (either a regular CHPG plan with an S-CHIP supplemental rider or a new CHPG plan designed for S-CHIP eligible employees) must have an actuarial value that equals or exceeds the actuarial value of one or more of the benchmark plans chosen by the state. In addition, it must cover the following specific services:

- inpatient and outpatient hospital services,
- physicians' surgical and medical services,
- laboratory and x-ray services,
- well-baby and well-child care, including age-appropriate immunizations (per the ACIP), plus
- coverage of the following services equal to at least 75 percent of the actuarial value of the coverage provided for (each of) these services under the benchmark plan (or at least one benchmark plan if the state has more than one):
  - prescription drugs,
  - mental health services,
  - vision services, and
  - hearing services.

Alternatively, a state may choose to require that the coverage equal or exceed the benchmark plan's coverage on a service-by-service basis.

In addition to the service-coverage requirements, the coverage provided to S-CHIP-eligible children (whether regular plus rider or combined into one product) must meet specific requirements with respect to cost-sharing. Federal law requires that:

- There must be no co-payments for well-baby, well-child, and immunization visits.
- Families with incomes under 150% of the federal poverty level (FPL) may pay only "nominal" co-payments, which vary by state but are limited, for example, to \$1 for a service costing \$15 or less, up to \$5 for a service costing \$80 or more.
- There must be an upper limit on each family's out-of-pocket spending for all children's cost-sharing in a given year. Federal law relates this limit to family income, but states have chosen various ways of implementing it.

Under the actuarial-equivalence standard, the actuarial value of the CHPG's plan would be determined including any supplemental rider. Federal law requires full actuarial equivalence to

the benchmark benefit package, not to the actual benefit package used in the S-CHIP program, which may be richer.

If the new-product approach is chosen, premium billing would proceed in the usual manner. There would simply be an additional “benefit level” to be accounted for. Employees receiving S-CHIP subsidies would be reimbursed by the CHPG for their premium contribution (less any standard S-CHIP premium requirements set by a state), and the state would reimburse the CHPG for those outlays.

If the rider approach is chosen, the cost of the rider would not be deducted from the employee’s pay, so in addition to reimbursing employees for their premium contribution, the CHPG would have to be paid directly by a state for the rider coverage and would transmit those payments to the appropriate health plans.

A key point is that S-CHIP-eligible children cannot be asked to pay cost-sharing in excess of S-CHIP limits and then get reimbursed for the excess after the fact. Therefore, they will need identification that lets providers know the actual cost-sharing requirements to which they are subject. We assume this will mean that participating health plans will either issue each child a second ID card showing the supplemental coverage or annotate the basic health plan ID card to show the lower cost-sharing. Also, each participating health plan will need to have the administrative ability to “turn off” cost-sharing when children reach the upper limit on overall cost-sharing per family.

## **Task Five: Development or Revision of Internal CHPG Program and Operational Rules**

In addition to the design of supplemental benefit plan designs to bring up coverage of S-CHIP eligible children to federal standards, a CHPG may have to develop or alter other program and participation rules to implement a premium assistance program. Specifically, the following are some of the program rules that may need to be altered:

- Qualifying Events: Typically, employees who have declined coverage for themselves or for their children are not eligible to seek coverage in the CHPG until the next open enrollment period. The CHPG may need to create a new qualifying event such that employees whose children who are found eligible for premium assistance may get coverage (for their child, themselves and their child, and possibly their spouse) without waiting until their employer’s next open enrollment.
- Pre-Existing Condition Exclusions: To the degree that the CHPG has any pre-existing condition exclusions, it may need to alter its policies regarding the application of pre-existing condition exclusions (see state policy issues under task two).
- Dependent Eligibility Dates: The prologue to the federal regulations for Title XXI indicates that a child becomes ineligible for a subsidy when they reach their 19<sup>th</sup> birthday. The CHPG, if necessary, may need or want to alter its eligibility rules for children so that it is in accordance with this federal guideline.
- Retroactive Termination and Collection Policies: If subsidy payments are “advanced” to employees prior to verifying their continued eligibility for coverage in the CHPG, a state may be willing to forego the loss of one month’s subsidy. However, for retroactive

terminations, a state may be less willing to forego lost subsidies, and thus the CHPG may need to amend its termination and collection policies for retroactively terminated employees.

- **Billing and Enrollment Cycles:** Depending on how premium-assistance applications are processed and how eligibility determinations are made (either by the state, its vendor, or the CHPG and its vendor), the CHPG may need to revise its billing and enrollment cycles to accommodate premium assistance enrollees. Ideally, a process would be developed to work with existing CHPG cycles, but a final determination would depend upon how various design issues with the state are resolved.

In addition to specific program rules, the CHPG may want to establish new guidelines for health plan participation to ensure equity among its carriers. Because the availability of health plans to premium assistance-eligible employees will depend upon the premium amount, the employer contribution, administrative loads, and the state cost of coverage, health plans with higher prices may not believe it necessary for them to develop and offer a supplemental benefit plan because they will rarely be an option (that is, only for employers with high contribution amounts). Or, health plans may perceive a higher risk associated with subsidy-eligible employees and children, and thus may have little interest in covering them.<sup>1</sup> Thus to ensure equity among all participating health plans, a CHPG may wish to establish the development of a supplemental benefit plan as a criteria for participation. Of course, the CHPG would have to weigh this requirement against the cost of plan compliance and any effect on the plan's desire to participate in the CHPG.

Similarly, if the CHPG does not establish standard tier multipliers (for employee-plus-child and employee-plus-family tiers) for at least the S-CHIP qualifying product among its participating health plans, health plans may attempt to avoid the subsidy-eligible population (if required to offer a product), or segments of it, by establishing tier ratios that make their premiums either noncompetitive or not within the bounds of the cost-effectiveness test. To prevent this from occurring, the CHPG may wish to establish standard tier multipliers at least for their S-CHIP compliant products.

Finally, health plans may be able to avoid specific premium-assistance eligible employees if their premium rates for the supplemental benefits are too high. Thus, a CHPG may want to analyze and negotiate the differential premium amounts its health plans develop for the supplemental benefit package.

## **Task Six: Identification of Supplemental Services Potentially Provided by the CHPG and Its Administrator**

As previously mentioned, much of the development and implementation of a premium assistance subsidy program hinges upon the efficient performance of various administrative tasks. Assessing the exact additional administrative services that would be required of a CHPG and its administrator would require full clarification from the state regarding how a premium assistance program might be structured. However, undoubtedly a CHPG will need to perform additional

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<sup>1</sup> We believe this should not be a problem as the parents of sicker children are less likely to have declined available coverage if offered.

services, the majority of which are discussed below. In this task, the CHPG would determine and refine with the state the services it would perform, and, if using a contract administrator, would solicit and negotiate a fee for the performance of such services by the administrator.

- Supplemental Enrollment Forms: If a state permits a CHPG to use supplemental forms in lieu of S-CHIP applications, these forms will need to be designed and structured so that they collect information required by the S-CHIP application that are not contained on the basic CHPG forms. In addition to designing and developing these forms, the CHPG at a minimum would incur costs for printing, storing, and distributing these forms.
- Communication Activities: The CHPG and its administrator may need to identify and communicate with employees who may be eligible for assistance and are currently enrolled in the CHPG for coverage for themselves but not for their children. In addition, the CHPG may need to identify and communicate with employees who waived coverage for themselves and who may be eligible for assistance and have uninsured kids. In addition, communication materials would need to be developed for inclusion in employee and employer enrollment kits and possibly other general informational brochures.
- Application Processing: As previously mentioned, there are several roles the CHPG and its administrator could play in processing premium assistance enrollment forms, from a minimum of receiving them and passing them onto the state to actual verification of data and determination of presumptive eligibility.
- Employer Contribution Monitoring: Although CHPGs typically verify that employers meet contribution requirements when they initially join, a CHPG and its administrator would need to ensure that employers contribute at least 50 percent towards family coverage (or whatever level state and federal officials can agree on, which may or may not vary by employer characteristics) and will need to monitor this contribution amount over time.
- Subsidy Payment to Employees: Regardless of the benefit plan design approach adopted for the program (new benefit plan designs versus riders for existing designs), the CHPG may have the additional responsibility of transmitting some form of subsidy payment directly to premium assistance-eligible employees. This task may not be much different from the commission checks sent to credentialed brokers but could require amendments to the CHPG's administrator's administrative system.
- Financial Reconciliation: In addition to the financial reconciliation tasks that a CHPG conducts for its health plans, it may be necessary for the CHPG and its administrator to reconcile premium and subsidy payments received with total payments to health plans and employees. Since eligible employees may be "advanced" their subsidy, the CHPG may need to reconcile bad subsidy debt with terminated employees. Collection efforts could also be required for retroactively terminated employees who were receiving subsidies.
- Financial and Enrollment Data Reporting: The CHPG would undoubtedly need to provide enrollment and financial data to the state for reporting to the federal government.
- Web Site Alteration: If the CHPG has a web site, it would be beneficial for the site to be altered to provide information on the premium assistance program and the terms and requirements for eligibility.
- Quoting Software Alterations: It may be necessary to alter the CHPG's quoting software so that individually tailored quotes may be provided to premium assistance-eligible employees that illustrate in which health plans the employee may enroll to receive a subsidy.
- Systems Changes: Systems changes by the CHPG and its administrator may be required to track individuals who are eligible for or who are receiving premium subsidies. Data fields

may need to be added or altered to reflect the receipt of subsidy payments, adjustments in broker commission payments, referral information provided to brokers in qualified leads, etc. Part of systems change activities will be the requirement to work with the participating health plans to determine what additional data they require and in what format they would like such data.

- Payment of Commission: As discussed in the next task, the CHPGs may need to develop the capability to reward brokers, its internal broker/sales representatives, or certified application assisters for assisting eligible employees complete applications for determination of eligibility for subsidy payments. In addition, if commission is not to be paid on the dependent portion of coverage—as well as the supplemental benefits—for S-CHIP eligible employees, the administrator’s commission payment system may need to be altered.
- Application Assister Coordination: The CHPG and its administrator may need to alter its administrative systems or develop new processes for coordination with state-certified application assisters. This may include developing a contact base of application assisters similar to what may exist for all brokers and credentialed brokers.
- Broker Training: Depending on the role of brokers in the premium assistance program, broker training materials and informational sessions may need to be developed and held to acquaint brokers to the program, to explain how it will be administered, and to discuss their role and possible coordination with application assisters, vendor broker/sales representatives, employers, and employees.
- Development of Electronic Interface: The CHPG’s administrator may need to develop some electronic interfaces with the state and its vendor and potentially some other agency within the state (for example, electronic funds transfer of subsidy payment if not coming through the state’s vendor).

## **Task Seven: Development of Reward Structure for Brokers, Internal Broker/Sales Representatives, and Possibly Application Assistors**

If possible, a reward structure should be developed to provide incentives for credentialed brokers, CHPG broker/sales representatives, and/or application assisters to assist employees whose children are eligible for premium assistance to complete and submit the required applications and supporting materials. Currently, states may compensate certified application assisters who assist eligible employees, but often brokers might forego the fee and refer employees to certified application assisters because they believe the S-CHIP application is too complicated. Providing brokers with the increased commission payment normally associated with changing enrollment of employees from an employee-only to an employee-child (or employee-spouse to employee-family) tier could provide them adequate incentive. However, such commission would be factored into the cost-effectiveness test, thereby potentially reducing the number of employer plans with a contribution sufficient to meet that test.

## **Task Eight: Development of State Waiver**

In order to develop a premium assistance program, a state would need the authority to do so under its own state statutes and would need to file a state plan amendment with the Health Care

Financing Administration to seek authorization for premium assistance. This task would primarily involve the state, but a CHPG would be involved in framing the plan amendment based upon the structure of the premium assistance program and the responsibilities borne by the CHPG.

## **Task Nine: Implementation of the Premium Assistance Program**

The activities to be performed under this task are similar to the items discussed for task six except that in this task, such items would be developed and implemented. Specifically, in preparation for the launch of a premium assistance program, the following are some of the tasks that would need to be performed (a more detailed implementation plan and time line should be developed for these and other activities):

- Supplemental enrollment forms would have to be designed, printed, and stocked. Furthermore, a process for distributing them would have to be determined—that is, supplemental forms would be included in every employee application kit, or would only be available upon request from the broker or the CHPG’s administrator. Existing forms—applications and declination forms—may need to be altered to collect contribution data or to provide a database of individuals who are uninsured or who have uninsured dependents (in case the individual’s family income changes or there are changes to the eligibility criteria for the premium assistance subsidy).
- Communication materials would have to be developed and distributed to inform existing CHPG employees about the premium subsidy program.
- Employee and employer enrollment kit materials would have to be altered to mention the availability of subsidies, the requirements for eligibility, and the process for enrolling.
- Explanatory materials would have to be developed for credentialing and training brokers regarding the premium assistance program. If brokers are to play a major role in announcing the program or assisting with application completion, broker-training sessions should be held.
- The CHPG’s internet site should be altered so that it discusses the program, provides information on employer and employee eligibility, and illustrates how it would work. Ideally, the site might contain a simulation engine that would demonstrate what coverage would cost for an eligible employee.
- The quoting system currently used by the CHPG would have to be altered to account for the cost of coverage for employees eligible for premium assistance at different employer contribution amounts.
- Depending on the role of and the CHPG’s coordination with application assisters, training materials and sessions for identified application assisters should be held. These materials and sessions would emphasize necessary information about the CHPG and what coordination would entail. Training sessions should also be held for brokers and CHPG broker and sales representatives.
- The CHPG and/or its administrator’s systems would have to be altered to provide tracking of S-CHIP eligible employees, to accommodate new benefit plan designs or supplemental benefits, to track and reconcile subsidy payment information, to develop subsidy payment checks, to alter broker commission payment processes, etc.

## **Task Ten: Development and Testing of Administrative Interface**

Prior to launching the premium assistance program, administrative interfaces with the various parties should be developed and tested. A CHPG and/or its administrator undoubtedly already have a well-established administrative interface with the participating health plans, but to the extent that the enrollment data transmitted and/or the format of the data is altered, the CHPG and/or its administrator should test the altered interface prior to launching the program.

In addition, the CHPG and/or its administrator may need to develop and test an electronic interface with the state as well as any contracted vendor for the state's S-CHIP program. Depending on the role the CHPG assumes in enrolling premium assistance employees, varying levels of electronic interconnectivity may need to be developed and tested with the state's vendor. In addition, if subsidy funds or other payments come from some state agency rather than the state's vendor, the CHPG and/or its administrator will need to develop and test an electronic interface and electronic funds transfer capability with this agency. In addition, the CHPG and/or its administrator may need to develop a direct electronic interface with state for reporting purposes if not handled through the state's vendor.