

U.S. NEWS

'Lego' Model for Exchange Software

Firm Links People, Insurers and Government Systems in Two States' Health-Insurance Marketplaces

BY JENNIFER CORBETT DOOREN

CALVERTON, Md.—Pradeep Goel arrived from India 23 years ago to study in America. On Tuesday, Mr. Goel, now chief executive of a fast-growing technology company, faces his toughest examination yet: Making sure the software behind two new health-insurance exchanges doesn't crash.

Mr. Goel likens his work to taking Lego pieces and snapping them together in a manner that's never been fully tried before.

For the state exchanges to work, normally separate computer systems have to talk to each other and it is EngagePoint Inc.'s job to build software bridges between those systems. When a consumer tries to sign up online for insurance, the state's computers have to interact with federal computer systems to verify the person's Social Security number, citizenship status and income. The state exchange also has to link up to the private insurance companies offering policies on the exchanges.

Within minutes, the program has to produce a final answer, telling enrollees what plans are available, how much in federal subsidies they are eligible for and whether they qualify for Medicaid. There are thousands of different scenarios determining whether a person might qualify for help, Mr. Goel said.



Melissa Golden for The Wall Street Journal

Pradeep Goel's firm built software for Minnesota and Maryland exchanges.

"Eligibility is the 800-pound gorilla," he said.

Mr. Goel said he sees the beginning of open enrollment Tuesday as mile five in a 26-mile marathon. "We'll pause, take a drink of water and run again," he said.

Technology tasks are occupying an army of thousands of contrac-

tors ahead of the biggest change in the U.S. health system in decades.

Fourteen states and the District of Columbia are running their own exchanges, with the rest leaving all or part of the task to the federal government. Mr. Goel's privately held EngagePoint won

contracts to help build exchanges in two of the 14 states, Minnesota and Maryland.

In the past year, Mr. Goel, 44 years old, has added more than 200 people to the company's staff of about 400, and expects to more than double last year's revenue of \$23 million. With his older brother, he started a health-care software company in 1991 that in 2004 was sold to WebMD Corp. His next venture was EngagePoint, founded in 2007.

Originally, EngagePoint's main business was designing software to help consumers manage health-savings accounts. But the passage of the Affordable Care Act in 2010 opened up opportunities.

Mr. Goel's Lego-building work is just one part of the picture. For exchanges in Maryland and Minnesota, Connecture Inc. makes "shopping" software that allows consumers to see insurance-plan offerings and compare them. Other software, made by EngagePoint, handles bill processing and payments. EngagePoint is the systems integrator, working under prime contractor Maximus Inc. in Minnesota and Noridian Health-care Solutions LLC in Maryland.

Mr. Goel said he is confident the Maryland and Minnesota marketplaces will open and allow consumers with relatively simple situations to buy coverage on day one. He is less sure about more difficult cases, such as large fami-

lies with children from multiple marriages living together who may qualify for different types of insurance. The federal and state exchanges can enroll people manually if needed.

Last week, the District of Columbia said its marketplace was experiencing a "high error rate" and wouldn't be able to calculate the subsidies until November, effectively forcing many people to wait a month.

Mr. Goel expects Maryland and Minnesota's marketplaces to function better because they started earlier. "I call this stacked dominoes. It's very important to make the first one go live on Oct. 1," he said.

In Minnesota, the state exchange known as MNsure won't initially be able to accept "life changes" such as a baby born on, say, Oct. 2. It plans to add the function in time for Jan. 1, when coverage takes effect across the country.

In Maryland, state officials decided in April to focus on getting its exchange, known as Maryland Health Connection, working for individuals on Oct. 1 and delayed opening of the small-business exchange until Jan. 1.

Last week, Mr. Goel chalked up one small victory. He typed his Social Security number into a test version of the Maryland system and it correctly verified his identity.