

## Health Insurance Exchange Briefing Memo

### Federal Vision

*An Exchange is a mechanism for organizing the health insurance marketplace to help consumers and small businesses shop for coverage in a way that permits easy comparison of available plan options based on price, benefits and services, and quality. By pooling people together, reducing transaction costs, and increasing transparency, Exchanges create more efficient and competitive markets for individuals and small employers.*

### Key Principle – Consumer Experience

*State Health Benefit Exchanges are meant to provide an online consumer experience for buying health insurance that is comparable to best of class commercial shopping websites such as Amazon, Expedia, and Zappos.com. The basic goal of the Exchange is to allow someone shopping for health insurance to sit down, compare plans, figure out if they are eligible for a subsidy, **including Medicaid**, pick a plan, and enroll - **all within 15 minutes**.*

## Critical Health Insurance Exchange Federal Level 1 Funding Requirements Demonstration of Past Progress in Exchange Planning Core Areas

**Background Research:** Discuss the research conducted, including key findings and plans that resulted from this research.

**Stakeholder Consultation:** Discuss partnerships with various stakeholders and how public input into the Exchange planning process was gained, such as State HIT Coordinators and the State's health information exchange program, State officials, representatives of State Agencies, employers, insurers, advocacy groups, and consumer groups.

**State Legislative/ Regulatory Actions:** Discuss the progress made toward the creation of the necessary legal authority to establish and operate an Exchange that complies with Federal requirements available at the time of the application and provides for establishment of governance and Exchange structure

**Governance:** Discuss the progress made toward establishing the administrative structure (State agency, quasi-governmental agency, or non-profit organization) and governance structure of the Exchange (composition of governing body, conflict of interest standards, selection process).

**Program Integration:** Discuss how coordination with the State insurance regulatory entity (e.g. Department of Insurance), State Medicaid, CHIP, other State health subsidy programs, and other health and human services programs as appropriate, has been carried out during the planning process, and outcomes of these coordination efforts. Include planning activities related to streamlining eligibility and enrollment, and coordinating with the State Department of Insurance on issues including the financial stability of insurance companies, certification of plans, rate review, State licensure, solvency, and market conduct. Discuss any efforts that have taken place or may be planned to facilitate coordination with other specific health and human services programs.

**Exchange IT Systems:** Discuss steps taken toward the first phase of development of Exchange IT systems in accordance with the most current Federal IT guidance. Please reference Appendix D as well; including compliance with the standards adopted by the Secretary under Section 1561 of 20 the Affordable Care Act. Discuss steps taken to ensure a modular, flexible approach to systems development, including use of open interfaces and exposed application programming interfaces; the separation of business rules from core programming; and the availability of business rules in both human and machine readable formats.

**Financial Management:** Describe the financial management infrastructure the Exchange has established for financial management of the Exchange and Exchange grants using Planning grant funds (or other funds made available by the State for this purpose).

**Program Integrity:** Discuss planning activities related to auditing, financial integrity, oversight, and prevention of fraud, waste and abuse.

**Health Insurance Market Reforms:** Discuss progress in implementing Insurance Market Reforms under Subtitles A and C of the Affordable Care Act.

**Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints:** Discuss planning efforts related to ensuring individuals have access to assistance services in the State.

**Business Operations/ Exchange Functions:** Discuss the planning activities leading to the development of goals, milestones and timeframes for each function of the Exchange, to the extent that there is sufficient Federal guidance to do so at the time of the application. This includes:

- Certification, recertification, and decertification of qualified health plans
- Call center
- Exchange website
- Premium tax credit and cost-sharing reduction calculator
- Quality rating system
- Navigator program
- Eligibility determinations for Exchange participation, advance payment of premium tax credits, cost-sharing reductions, **and Medicaid**
- Seamless eligibility and enrollment process with Medicaid and other State health subsidy programs
  
- **The Exchange must determine an individual's eligibility for Medicaid, CHIP, and other applicable State health subsidy programs and the State must ensure that such individuals are seamlessly enrolled in the program for which they are eligible without need for further determination by the other program.**
  
- States are encouraged to consider how the Exchange eligibility system can be integrated – in the short or longer term - with other health and human services systems in the State since the eligibility function the Exchange will perform has significant similarities to eligibility determinations in other programs.
  
- States are encouraged to consider steps necessary to achieve interoperability with other specific health and human services programs for purposes of coordinating eligibility determinations, referrals, verification, or other functions.
  
- Enrollment process
- Applications and notices
- Individual responsibility determinations
- Administration of premium tax credits and cost-sharing reductions
- Adjudication of appeals of eligibility determinations
- Notification and appeals of employer liability
- Information reporting to IRS and enrollees
- Outreach and education
- Free Choice Vouchers
- Risk adjustment and transitional reinsurance

## Timing and Funding of Key Deliverables for Maine's Health Insurance Exchange

Date	Work Product	Funding Source
09/01/2011	<ul style="list-style-type: none"> <li>• Business Operations Plan</li> <li>• Implementation Plan</li> <li>• Advisory Committee Report</li> <li>• Draft Legislation</li> </ul>	Existing Planning Grant
09/30/2011	Level 1 Funding Grant Application  Project Startup Review (PSR) Architecture Review (AR) Project Baseline Review (PBR)	NA
11/01/2011	Technical Vendor Selection  Preliminary Design Review (PDR)	Level 1 Funding
03/01/2012	Technical Design Document  Detailed Design Review (DDR) Final Detailed Design Review (FDDR)	Level 1 Funding
03/31/2012	Level 2 Funding Grant Application	NA
05/01/2012 – 06/30/2013	Build  Pre-Operational Readiness Review (PORR)	Level 2 / (APD - 90/10)
01/01/2013	Readiness Review  Operational Readiness Review (ORR)	
06/30/2013	System Go-Live	
10/01/2013	Enrollment begins	
01/01/2014	Coverage begins	

The **business operations plan** will describe those systems and operational capacities that Maine will require in running an Exchange. The **implementation plan** must describe how Maine will build upon, reallocate, and/or streamline its existing resources to efficiently reach the capacities described in the business operations plan.

## **CCIO Reviews**

### **Project Startup Review (PSR)**

Deliverables: Acquisition Strategy, Concept of Operations, Risk Analysis, Alternatives Analysis, Scope Definition, Performance Measures, briefings/presentations to HHS

### **Architecture Review (AR)**

Products: Business Process Models, Requirements Document, Architectural diagrams, briefings/presentations to HHS

### **Project Baseline Review (PBR)**

Products: Project Process Agreement (Charter), Information Security Risk Assessment, Information Security Risk Assessment, Project Management Plan, Project Schedule, Release Plan, briefings/presentations to HHS

### **Preliminary Design Review (PDR)**

Products: System Security Plan, Test Plan(s) and Traceability Matrix, Logical Data Model, Data Use Agreement(s), Technical Architecture Diagrams (Software/Hardware Architectures, Network, Overall Infrastructure, Security, etc.), briefings/presentations to HHS

### **Detailed Design Review (DDR)**

Products: System Design Document, Interface Control Document, Database Design Document(s), Physical Data Model, Data Management Plan, Data Conversion Plan, Automated Code Review Results briefings/presentations to HHS

### **Final Detailed Design Review (FDDR)**

Products: See DDR products

### **Pre-Operational Readiness Review (PORR)**

Products: Contingency Plan, Inter/Intra-agency Agreement(s) (IAs), Test Case Specification, Implementation Plan, User Manuals, Operations & Maintenance Manual, Training Plan, Integration Testing, End-to-End Testing, Test Summary Report, Defect Reports, Security Testing Results, briefings/presentations to HHS

### **Operational Readiness Review (ORR)**

Products: See PORR products