

**New York State  
Final Project Report  
State Planning and Establishment Grants for the  
Affordable Care Act's Exchanges**

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**State: New York**

**Project Title: State Planning and Establishment Grants for the Affordable Care Act's Exchanges**

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## **Project Detail**

New York's Exchange planning grant accomplishments for the period of September 30, 2010 through September 29, 2011 are described in this initial final project report. Since New York has received a no-cost extension for this grant through June 2012, three additional quarterly reports and an additional final project report will be provided by the State to describe activities conducted through this grant from September 30, 2011 through June 1, 2012. The activities to be funded during this extended period include the following:

- Work conducted by the four Health Research, Inc. (HRI) staff who are supported by this grant
- Travel costs of State staff and four HRI staff to Exchange meetings and conferences
- Development of a report by the Urban Institute that summarizes its modeling results, which will be presented to stakeholders
- Completion of Wakely Consulting Group's "Exchange Business Plan of Operations" and "Exchange Five-year Administrative Budget Projections & Self-Sustainability Analysis"

Additional details regarding core area decisions, the needs assessment, technical assistance, and the final work plan, and the final evaluation report will be included in the second final project report for this grant that will be submitted on June 1, 2012.

Project summaries for each of the nine core areas of the Exchange Planning Grant, over the September 2010 through September 2011 project period, are included below.

## **Core Areas**

### **• Background Research.**

New York has completed or is near completion on a significant amount of background research that continues to support all aspects of Exchange planning and facilitates policy discussions among state government officials, state legislators and other stakeholders.

The key accomplishments to report include:

- Conducted simulation modeling to estimate the cost and insurance coverage impacts of health reform in New York
- Analyzed the impact of a Basic Health Plan option in New York
- Analyzed the impact of merging the non-group and small group insurance markets in New York
- Developed a New York-specific business operations work plan
- Estimated costs of Exchange development, implementation, and on-going Exchange operations
- Projected a 5-year budget for Exchange operations
- Analyzed how the Exchange operations will achieve financial self-sustainability by January 2015.

Final reports will be completed during quarters 1 and 2 of 2012 in the first six months of 2012 and will be used to further assist in decision-making for Exchange policy and design issues, including development of the Needs Assessment in the next final project report for this grant.

Several additional Exchange policy studies are underway with consultant assistance supported by the Robert Wood Johnson Foundation (RWJF) through New York's participation in RWJF's State Health Reform Assistance Network. These include an examination of 1) the role of third party assisters, including Navigators, producers, chambers, and business associations, in enrolling individuals and small groups into qualified health plans in the Exchange; 2) whether benefits offered to individuals and small groups should be standardized inside and/or outside the Exchange; 3) issues, options, and timeline for activity on reinsurance and risk adjustment if operating a state-based Exchange; 4) how best to align, integrate access to the range of health coverage options available through the Exchange (e.g. Qualified Health Plans, Medicaid, CHIP, Exchange subsidies, Basic Health Program); and 5) what role the Exchange can play in reducing health disparities. Each of these studies will involve stakeholder consultation and will result in a written report describing the issues and options for consideration.

Finally, additional background research has been conducted through private organizations that are committed to advancing the reform of health care in New York. The New York State Departments of Health (DOH) and Financial Services<sup>1</sup> (DFS, previously the Insurance Department), the lead agencies responsible for Exchange planning under the coordination of the Governor's Office, have consulted regularly with private entities such as the United Hospital Fund (UHF) and the New York State Health Foundation (NYSHF) to generate additional background research that draws from existing agency knowledge and will best benefit planning activities. Relevant reports prepared by these organizations are posted on the State's health care reform website at [www.healthcarereform.ny.gov/research\\_and\\_resources](http://www.healthcarereform.ny.gov/research_and_resources).

- **Stakeholder Involvement.**

The State has consulted with over 120 organizations regarding development of the Exchange. These groups represent health care consumers, administrators, doctors, hospitals and other health care providers, insurers, producers, businesses, unions, academics, local governments, New York's Native American Tribal governments, and the general public. This consultation has occurred through a variety of methods, including large formal meetings, a series of public forums across the State, discussions at conferences and policy forums, and discussions of small groups of stakeholder organizations to inform the State's submitted comments to the U.S. Department of Health and Human Services (HHS) and the Internal Revenue Service (IRS), and meetings with individual organizations upon request. Representatives from the State Legislature and State agencies also attended public meetings and met individually with State staff to

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<sup>1</sup> On October 3, 2011, the NYS Insurance Department was integrated into the new NYS Department of Financial Services.

discuss the Exchange. Materials from such events are publicly available on the State's health care reform website, [www.HealthCareReform.ny.gov](http://www.HealthCareReform.ny.gov), which has been used throughout the grant project period to share information regarding Exchange development with stakeholders and the general public. This website will continue to be used for providing information on new developments of the Exchange planning process, including grant applications and awards, as well as available contractual opportunities. The State also created and has used implementation update emails for the purpose of sharing news with stakeholders. All interested individuals are able to sign up to receive these implementation update emails on the State's health care reform website.

In addition to these activities, the State also engaged with stakeholders to discuss the Exchange through the Medicaid Redesign Team (MRT) open work group process being coordinated by DOH. While the MRT is focused on the more specific issue of reforming the State's Medicaid program, the Exchange was discussed in this forum because of the need for thoughtful integration of Medicaid and the Exchange. Staff from DOH and The Governor's Office who are involved in Exchange planning activities staff two of the MRT work groups and others attend relevant work group meetings to stay informed of the MRT's work related to the Exchange and to utilize these meetings as another method to hear stakeholders' input.

A list of the stakeholder organizations that have been consulted through this grant's project period, as of December 2011, is included as Appendix A.

Through this consultation, New York received valuable feedback on the Exchange development process. Such feedback included comments that informed the State's comments on HHS' and IRS' proposed rules, requests for comments, and requests for information. Additionally, consultation with stakeholders yielded feedback on Exchange governance structure, purchasing role, benefit options, organization of the market, and ideas about how to prevent adverse selection. A consensus formed among many stakeholders around the preference for a public authority governance structure. Additionally, many stakeholders suggested that decisions on certain Exchange design options, such as market merger and purchasing role, would benefit from further study. Many stakeholders also noted that given the regional differences across the State, the Exchange will need to consider how to best consider these local differences in the design and operation of the Exchange. These views are reflected in the Governor's Program Bill (A8514/S5849) that would create the New York Health Benefit Exchange.

- **Program Integration.**

During this project period, the Governor's Office has held weekly Exchange Implementation Planning meetings with DOH, DFS, and Exchange Planning Grant staff in furtherance of New York's ongoing commitment to ensuring a high level of coordination and integration of its public and commercial health coverage responsibilities and efforts through an Exchange. Some recent highlights and products of program integration efforts include:

- participating in Joint Application Design (JAD) meetings to further detail and delineate specific business requirements, processes, and policy decisions for the Exchange Information System;
- defining the scope of work and deliverables for contractors;
- releasing the Request for Proposals (RFP) for the Systems Integrator;
- releasing an RFP for consultant studies on Exchange policy design questions;
- developing a plan to utilize the technical assistance provided through the RWJF “State Health Reform Assistance Network;”
- submitting comments on HHS proposed rules, requests for comments, and requests for information;
- drafting state legislation;
- and working on the development of applications and notices with the Enrollment UX 2014 project as well as via our participation in the Center for Consumer Information and Insurance Oversight (CCIIO) User Group on Application Language, which is being coordinated with the Enrollment UX project.

New York is also working on issues of program integration through work on eligibility and enrollment redesign activities. New York must redesign its current eligibility and enrollment systems and processes to meet the requirements of the ACA and result in real-time eligibility determinations and automated processes to the maximum extent possible. New York has made significant progress on this through JAD sessions, ongoing work between DOH staff and outside consultants, and through our participation in CMS/CCIIO User Groups and/or Learning Collaboratives on Eligibility, Income Verification, and Application Language and Application/Eligibility Flows. New York is also an active participant in a number of other User Groups/Learning Collaboratives (e.g. Early Innovator, Plan Management, Financial Management, FMAP and MAGI Methodologies), related to Exchange design, development and implementation.

- **Resources & Capabilities.**

This core area is addressed through the Needs Assessment.

- **Governance.**

During the project period, New York reviewed and evaluated three main governance model options for the Exchange: (1) placing the health insurance Exchange within an

existing State agency; (2) establishing a public authority; and (3) establishing a not-for-profit agency. Each model has advantages and disadvantages for the successful operation of a state-based Exchange. The Governor's Program Bill (A8514/S5849), which has been passed by the NYS Assembly but is pending in the State Senate, would create the New York Health Benefit Exchange as a public benefit corporation. This governance structure choice has received overwhelming consensus. A public benefit corporation was the preferred governance structure because it balances the desire for transparency and accountability gained from a governmental entity with the need for the entity to be sufficiently nimble in order to meet the 2014 target operational date and to enable it to adapt to a changing environment over time. This choice was informed by research conducted by the State, as well as a January 2011 United Hospital Fund report, "Building the Infrastructure for a New York Health Benefit Exchange: Key Decisions for State Policymakers." Additionally, this choice was informed by discussions with stakeholders and comments they provided to the State. Such comments were received through a meeting held on April 21, 2011, that focused on key design questions, including governance; the series of public forums that was conducted in May 2011; and individual meetings with stakeholders that have taken place upon request throughout this planning grant period.

- **Finance.**

The Exchange is required to perform complex financial and business functions for individuals and small business employers and employees. A good deal of work has been completed during the preliminary planning process, but further review to assess the existing capacity of the financial management system, the adequacy of accounting and financial reporting, internal controls and which existing components can be leveraged by the Exchange need to be completed. Once New York's governance structure is in place, we will make further decisions regarding the operations of the Exchange and cost estimates will need to be refined.

Using federal Exchange Planning grant dollars, New York has contracted with the Urban Institute and Wakely Consulting to determine the initial and on-going budget necessary to implement and operate the Exchange. This analysis will identify the number of operational processes and systems that must be developed as well as analysis of the funding necessary to set up and run the Exchange. Once the cost estimates have been finalized for implementation, Year 1 and projected for a 5-year period, a financial sustainability plan will be completed that will identify the revenue sources to prepare for Exchange self-sustainability by January 2015.

Based on the key decision points, New York plans to utilize staff and/or consultant services to assist with infrastructure development and further development of the work plan. This will provide the basis for developing solicitations for consultants and/or contractors to help establish or run select functions within the Exchange and for developing a model of self-sustainability for the Exchange.

As an Early Innovator state, New York has developed preliminary draft business requirements for financial management, including risk adjustment, reinsurance and premium administration. As such requirements are reviewed and finalized they will be posted to CALT for use by other states. As part of the process, a round of Financial Management JAD sessions was held in September. These sessions continued the work of defining policy issues and business processes focusing on the role of the Exchange in risk management and transaction processing.

New York's program integrity efforts are two-fold: 1) ensuring program integrity of the New York Health Benefit Exchange and 2) ensuring that federal grant dollars are expended as designated in the terms of our grants and contracts.

New York is a leader among states in identifying and preventing fraud, waste, and abuse in the Medicaid program and promoting program integrity on the front-end through cost avoidance, data mining, and provider compliance programs. We will apply this approach to our efforts to prevent waste, fraud, and abuse with the New York Health Benefit Exchange and will comply with the ACA provisions aimed at reducing fraud and abuse. The State is committed to developing a full plan to prevent fraud, waste, and abuse in its New York Health Benefit Exchange. This will include examining new program integrity provisions under Medicaid, Medicare, and private insurance; identifying implementation steps to meet new federal requirements; and understanding and educating qualified health plans on financial integrity and fraud and abuse reporting requirements.

With regard to ensuring the integrity of federal grant dollars, New York has instituted an audit function for each of its contractors that are conducting New York Health Benefit Exchange planning activities. The Community Health Advocates program provides regular data to the State with regard to numbers of clients served, issues and problems raised and their resolution. The Urban Institute and Wakely Consulting have provided regular updates on the status of their work and regularly submit invoices that account for their time spent on this project. Through these consultant reports, the State is monitoring the work of its consultants and ensuring that each is meeting the requirements of their respective contracts.

- **Technical Infrastructure.**

New York has sought funding for its Information Technology (IT) systems work through several funding opportunities:

- 1) New York's Early Innovator (EI) award, the State is designated to receive \$27.4 million over two years.
- 2) New York received Advanced Planning Document (APD) funding for \$10.5 million to support activities related to Medicaid eligibility in the context of the integrated Exchange design, development and implementation activities under the EI grant.

- 3) New York was awarded \$10.7 million in a Level 1 Establishment Grant to support exchange planning and implementation staff, IT project staff, consultants for policy studies and IT, and consumer assistance activities.
- 4) New York received a corresponding APD for a \$1.23 million for Medicaid IT systems work aligned with the Exchange systems and policy work supported in our Level 1 Establishment Grant application.

Since New York was awarded a \$27.4 million EI grant in early 2011, the State is working, along with other Innovator states and HHS (CMS and CCIIO) on the required artifacts, activities, and deliverables contemplated under the terms and conditions of the Innovator Collaborative Agreement. New York has participated in two federal gateway reviews to date: Architecture Gateway (4/1/11) and Project Baseline (5/13/11). CMS/CCIIO is expected to conduct a detailed design review in 2012 after New York has selected the Exchange systems integrator (see below). Exchange design, development, and implementation (DDI) activities will continue under the EI grant during the grant period 2011-2012, coordinated with Establishment grant activities and supplemented by Establishment resources.

On July 15, 2011, DOH issued an RFP for a “Systems Integrator” to build the IT system for New York’s Health Benefit Exchange, to be funded in part with the State’s Early Innovator award. Bids were received and the selection of a vendor is nearly complete. We expect the Systems Integrator to be on board in January 2012.

In the interim, work on the IT system has progressed. The EI project management team has been working with DOH, DFS, and other “subject matter experts” to develop the wide range business requirements and processes required to stand-up the Exchange, and to flag important remaining policy decisions, needed to support New York’s Exchange IT solution. Additionally, the Social Interest Solutions (SIS)/Lewin Group Exchange IT “gap analysis,” funded by the NYSHF and published in May 2011, has provided important information, guidance and stakeholder perspectives that help inform the Exchange IT design and development process. We continue to “drill deeper” on the gap analysis, particularly including other core areas beyond eligibility and enrollment, such as certification and qualifications for qualified health plans, customer service, and communication.

Finally, New York is actively engaged in the Exchange User Experience (UX) 2014 project. Through this initiative, which is supported by several national and state foundations IDEO will develop IT specifications for a “best in class” user-friendly front-end for the Exchange to help ensure that large numbers of eligible consumers successfully enroll in and retain coverage. New York’s previously awarded Level 1 Establishment Grant will fund specific technical consulting expertise and assistance with the State’s participation in this project to help ensure that the front-end developed best meets the needs of New York.

- **Business Operations.**

The business requirements, functions and services of a fully operational Exchange are complex due to the interfacing with many different state and federal agencies. This complexity requires New York to fully review existing services and functions across all state agencies that can be leveraged and identify those functions, IT system support and staffing needs to meet the requirements of the Exchange.

New York is currently working with consultants at the Urban Institute and Wakely Consulting to support Exchange design. The Urban Institute has developed baseline population and premium data and completed micro-simulation modeling that will inform design choices for the health insurance Exchange. The Urban Institute's work will provide the State with an estimate of the enrollment capacity needed in the health insurance Exchange in view of design parameters chosen and provide advice regarding the infrastructure needed to support that capacity.

Wakely Consulting, Inc. is also conducting analyses associated with the Exchange operations, including development of a New York-specific business operations work plan and five-year Exchange financial model and self-sustainability analysis. Wakely Consulting has prepared initial drafts of a detailed work plan of Exchange business and operational tasks, a five-year budget for Exchange operations, and analysis of funding options to achieve self-sustainability of New York's Health Benefit Exchange by January 2015.

Finally, as described above, additional studies are underway with RWJF support pertaining to Exchange operations. These include the examination of: 1) the role of third party assisters, including Navigators, producers, chambers, and business associations, in enrolling individuals and small groups into qualified health plans in the Exchange; 2) whether benefits offered to individuals and small groups should be standardized inside and/or outside the Exchange; 3) issues, options, and timeline for state activity on reinsurance and risk adjustment if operating a state-based Exchange; 4) how best to align, integrate access to the range of health coverage options available through the Exchange (e.g. QHP's, Medicaid, CHIP, Exchange subsidies, BHP); and 5) what role the Exchange can plan in reducing health disparities.

- **Regulatory or Policy Actions.**

On June 23, 2011, the Assembly passed the Governor's Program Bill which would create the New York Health Benefit Exchange. The Bill is available at [http://www.healthcarereform.ny.gov/health\\_insurance\\_exchange](http://www.healthcarereform.ny.gov/health_insurance_exchange). The Bill, which is awaiting action in the State Senate, would establish a single Exchange – a centralized, customer-service oriented marketplace where individuals and small groups would be able to purchase qualified health plans, receive eligibility and subsidy determinations, and enroll in a range of coverage options, including public health coverage programs – operated by a governmental entity with the flexibility to meet the ambitious deadlines set by the Affordable Care Act (ACA).

The Bill includes the functions of the New York Health Benefit Exchange and also requires studies of key policy decisions that will need to be made by the State. These studies will be presented to the Governor and Legislature to inform policy decisions on the design of the New York Health Benefit Exchange. It is anticipated that further legislation will be required based on the recommendations received in the studies. Topics of these studies in the Governor's Program Bill include the following:

- Essential Benefits
- Insurance Market Issues
- Basic Health Program
- Purchasing Role
- Self-Sufficiency
- Benchmark Benefits
- Healthy New York and Family Health Plus Employer Buy-In
- Role of Navigators
- Health Savings Accounts
- Role of Insurance Producers, Chambers, Business Associations
- Role of Exchange in Reducing Health Disparities
- Integration of Public Health Insurance
- Large Employer Participation

### **Challenges Encountered over the Grant Period**

Throughout the grant period, New York's procurement requirements have posed challenges to the State's Exchange planning work. New York's State Finance Law sets out highly prescriptive guidelines for the purchase of services, technology and commodities by State agencies. Major purchases in excess of \$50,000 require a lengthy, competitive and detailed procurement process that does not lend itself to short timeframes to establish contracts with vendors to assist with Exchange development. While this Law is necessary for a fair and competitive government structure, it challenges the Departments' abilities to move as quickly with Exchange planning as required by the grant process.

### **Needs Assessment**

New York has contracted with Wakely Consulting Group to develop a five-year administrative budget for the Exchange, in order to determine start-up and administrative costs for CY 2011-2015. As previously stated, this report is one of the projects that will be completed with the State's planning grant funds in the first six months of 2012. At this time, the best available estimates of projected funding needs are included in the following chart. Estimates below under "Exchange Implementation" reflect the amount received in New York's June 2011 Level 1 Establishment Grant application. We

anticipate seeking additional funding of \$48.5 million through a second Level 1 Establishment Grant request in December 2011 for the March 2012 through February 2013 period, and funding through December 31, 2014 through a Level 2 Establishment Grant request. Amounts for the Level 2 request are not currently available.

| <b>Function</b>  | <b>FFY 2011</b>      | <b>FFY 2012</b>      | <b>FFY 2013</b>     | <b>FFY 2014</b> |
|--|----------------------|----------------------|---------------------|-----------------|
| <b>Exchange Planning</b>   | <b>\$259,740</b>     | <b>\$740,260</b>     |                     |                 |
| Personnel  | \$0                  | \$0                  |                     |                 |
| Fringe   | \$0                  | \$0                  |                     |                 |
| Travel   | \$6,000              | \$3,800              |                     |                 |
| Equipment  | \$0                  | \$0                  |                     |                 |
| Supplies   | \$0                  | \$0                  |                     |                 |
| Contractual  | \$233,740            | \$736,460            |                     |                 |
| Other (stakeholder meetings)                                     | \$20,000             | \$0                  |                     |                 |
|  |                      |                      |                     |                 |
| <b>Innovative Exchange IT Systems</b>                            | <b>\$14,695,410*</b> | <b>\$19,593,881*</b> | <b>\$4,898,470*</b> |                 |
| Personnel  | \$1,992,428          | \$2,656,571          | \$664,143           |                 |
| Fringe   | \$868,095            | \$1,157,460          | \$289,365           |                 |
| Travel   | \$69,750             | \$93,000             | \$23,250            |                 |
| Equipment  | \$937,500            | \$1,250,000          | \$312,500           |                 |
| Supplies   | \$4,463              | \$5,950              | \$1,488             |                 |
| Contractual  | \$10,354,050         | \$13,805,400         | \$3,451,350         |                 |
| Indirect   | \$469,125            | \$625,500            | \$156,375           |                 |
|  |                      |                      |                     |                 |
| <b>Exchange Implementation: June 2011 Level 1--Awarded</b>       | <b>\$2,693,725</b>   | <b>\$8,081,174</b>   | <b>TBD</b>          | <b>TBD</b>      |
| Personnel  | \$719,209            | \$2,157,626          | TBD                 | TBD             |
| Fringe   | \$311,202            | \$933,605            | TBD                 | TBD             |
| Travel   | \$14,946             | \$44,837             | TBD                 | TBD             |
| Equipment  | \$0                  | \$0                  | TBD                 | TBD             |
| Supplies   | \$1,908              | \$5,725              | TBD                 | TBD             |
| Contractual  | \$1,464,000          | \$4,392,000          | TBD                 | TBD             |
| Other  | \$24,691             | \$74,073             | TBD                 | TBD             |
| Indirect   | \$157,770            | \$473,309            | TBD                 | TBD             |
|  |                      |                      |                     |                 |
| <b>Exchange Implementation: December 2011 Level 1--Requested</b> | <b>N/A</b>           | <b>\$39,936,720</b>  | <b>\$8,538,098</b>  | <b>TBD</b>      |
| Personnel  | N/A                  | \$651,615            | \$271,380           |                 |
| Fringe   | N/A                  | \$2,078,021          | \$415,604           |                 |
| Travel   | N/A                  | \$100,000            | \$20,000            |                 |
| Equipment  | N/A                  | \$21,583             | \$4,317             |                 |
| Supplies   | N/A                  | \$83,337             | \$16,667            |                 |
| Contractual  | N/A                  | \$36,875,253         | \$7,784,747         |                 |
| Other  | N/A                  | \$0                  | \$0                 |                 |
| Indirect   | N/A                  | \$126,912            | \$25,382            |                 |

|   |                     |                       |                       |                      |
|---|---------------------|-----------------------|-----------------------|----------------------|
| <b>Other Business Operations Estimates:</b> |                     |                       |                       |                      |
| Consumer Assistance                         | \$2,400,000         | \$6,000,000           | \$6,000,000           | \$6,000,000          |
| Navigators                                  |                     |                       | TBD                   | TBD                  |
| <b>Sub-total of Current Estimates</b>       | <b>\$20,048,875</b> | <b>\$74,352,035**</b> | <b>\$19,436,568**</b> | <b>\$6,000,000**</b> |

\* This budget includes the \$27.4 million Early Innovator Grant award and \$11.7 million APD Medicaid funds.  
 \*\*These 2012 Exchange Implementation estimates reflect only the costs including in New York's June 2011 Level 1 Establishment Grant award and December 2011 Level 1 Establishment Grant request; corresponding Medicaid APD funds are not included here. We anticipate seeking additional federal funds for 2012-2014 through a Level 2 Grant request.

Wakely Consulting Group is also preparing a business plan of operations. This report will include staffing levels needed to support the Exchange. Initial estimates from this plan indicate a range of 30-80 staff could be needed.

New York plans to award several contracts relating to the Exchange that are funded by the State's Early Innovator and June 2011 Establishment Level 1 awards. Early Innovator funds will support a Systems Integrator and a vendor for quality assurance services. We expect these contracts will be awarded in early 2012. Additionally, New York plans to award contract(s) for policy studies and reporting requirements using its June 2011 Establishment Level 1 award, with an award date of also early 2012. The State expects to award additional contracts with Establishment Grant funding from future Level 1 and 2 awards.

Descriptions of the contracts to be awarded in early 2012, to be awarded through a DOH request for proposals process, are as follows:

IT Systems Integrator: The selected information technology (IT) contractor will contract with DOH to design, develop and deliver to DOH an operational ready New York Health Benefit Exchange and a New York State Small Business Health Option Program Exchange (HBEIT) solution based upon the requirements defined in the Affordable Care Act. The full request for proposals for this contract, issued by DOH, is available here: <http://www.health.ny.gov/funding/rfp/1106211137/>.

Quality Assurance (QA) Services: The QA Contractor will oversee the work of the primary contractor selected to provide design, development, implementation and operational services for the HBEIT as defined in the FAS for the HBEIT. The contractor will also be responsible for providing an ongoing critical review and assessment of the performance of the primary contractor for the HBEIT. The QA contractor will be required to oversee and review the work necessary to achieve the goals of the Systems Integrator contract. The full request for proposals for this contract, issued by DOH, is available here: <http://www.health.ny.gov/funding/rfp/1108311202/>.

**Policy Studies:** Several studies are needed to inform the direction and establishment of the Exchange, to ensure that the Exchange will be viable and successfully serve the needs of New York consumers and businesses. DOH issued this RFP to secure one or more contractor(s) to assist the State with the conduct of one or more studies to inform policy decisions related to the implementation of the New York Health Benefit Exchange. Study topics include the following: Essential Benefits for the New York Health Benefits Exchange, Insurance Markets, Purchasing Role of the Exchange, Medicaid Benchmark Benefits, Healthy New York and the Family Health Plus Employer Partnership, and Health Savings Accounts. The full request for proposals for this contract, issued by DOH, is available here: <http://www.health.ny.gov/funding/rfp/1110141209/index.htm>.

An assessment of the information technology builds and systems changes required to establish an operational Exchange is being developed through the State's Early Innovator grant work. We expect this assessment will be available when the State submits its second final project report for this grant in June 2012.

### **Technical Assistance**

The known technical assistance requirements at this time are described in the previous section. These include the IT systems integration, quality assurance services, and policy studies. Each of these requirements is a high priority for the State, which is reflected in the fact that requests for proposals for each have been released and contracts for them will be awarded in early 2012. Additional technical assistance needs are anticipated, but detailed requests are not yet known. Funding for such future needs will be included in the State's future Establishment Grant request(s).

In addition to the technical assistance that the State will pursue through future grants, technical assistance is also available at no cost to the state through the RWJF's grant-funded initiative, the "State Health Reform Assistance Network." New York is one of ten states that were chosen to receive technical assistance through this initiative in which RWJF is funding consultants to provide technical assistance, research and monitoring, and consumer engagement to support efforts to maximize coverage gains made possible by the ACA. For New York, this assistance ranges from brief data requests and short issue summaries to more in-depth projects, including five consultant studies.

Additionally, New York continues to participate in the Exchange User Experience (UX) 2014 project. Through this initiative, which is supported by several national and state foundations, the design and innovation consultancy firm IDEO will develop IT specifications for a "best in class" user-friendly front-end for the Exchange to help ensure that large numbers of eligible consumers successfully enroll in and retain coverage. New York's June 2011 Level 1 Establishment Grant will fund specific technical consulting expertise and assistance with the State's participation in this project to help ensure that the front-end developed best meets the needs of New York.

Throughout the project period, New York has also benefitted from the support and work of the New York State Health Foundation (NYSHF) and the United Hospital Fund (UHF). NYSHF is a private, statewide foundation that aims to improve New York's health care system by expanding health insurance coverage, containing health care costs, increasing access to high-quality services, and addressing public and community health. In support of the State's implementation planning efforts, NYSHF has funded a series of reports on issues related to the Exchange and the ACA, is supporting SIS's continued involvement in New York's IT work, has also provided funding to support New York's involvement in the Enrollment UX project described above, and is supporting work on the analysis of risk adjustment methodologies. As previously discussed in the "Background Research" section, UHF has analyzed key design options relating to a State-operated Exchange in New York. UHF is a nonprofit health services research and philanthropic organization whose mission is to shape positive change in health care for the people of New York.

Finally, DOH has been working with a new Enrollment Center contractor, Maximus, to develop and launch a statewide consolidated call center for public coverage options in New York, and to handle telephone renewals for self-attesting populations, starting in 2011. Deliverables and lessons learned from this effort will help inform and support Exchange implementation in New York.

### **Final Project Work Plan**

A work plan for the Exchange is under development. A current draft work plan is included as Appendix B.

### **Final Evaluation Report**

New York appreciates the importance of evaluation, data collection activities and analyses for successful evaluation of its Exchange. Performance measures we expect to consider for evaluation reports include call center statistics, consumer assistance and appeals data, website traffic data, and enrollment data. An evaluation report will continue to be developed throughout the no-cost extension period and through work with consultants such as Wakely Consulting through products such as the business plan of operations.

### **Exchange Deliverables**

Deliverables relating to Exchange development and planning activities are available at [www.HealthCareReform.ny.gov](http://www.HealthCareReform.ny.gov). Such materials include press releases, presentations, stakeholder testimony received at the public forums, grant materials such as project narratives and quarterly reports, and links to requests for proposals (RFPs) issued by DOH. These deliverables are available on the following webpages:

- Press releases: <http://www.healthcarereform.ny.gov/press/>
- PowerPoint Presentations: <http://www.healthcarereform.ny.gov/timeline/>
- Stakeholder testimony from public forums
  - May 16, 2011  
(Albany): [http://www.healthcarereform.ny.gov/timeline/2011-05-16\\_albany/](http://www.healthcarereform.ny.gov/timeline/2011-05-16_albany/)
  - May 17, 2011  
(Syracuse): [http://www.healthcarereform.ny.gov/timeline/2011-05-17\\_syracuse/](http://www.healthcarereform.ny.gov/timeline/2011-05-17_syracuse/)
  - May 18, 2011 (New York City): [http://www.healthcarereform.ny.gov/timeline/2011-05-18\\_nyc/](http://www.healthcarereform.ny.gov/timeline/2011-05-18_nyc/)
  - May 19, 2011  
(Rochester): [http://www.healthcarereform.ny.gov/timeline/2011-05-19\\_rochester/](http://www.healthcarereform.ny.gov/timeline/2011-05-19_rochester/)
  - May 23, 2011 (Call-In): [http://www.healthcarereform.ny.gov/timeline/2011-05-23\\_call-in/](http://www.healthcarereform.ny.gov/timeline/2011-05-23_call-in/)
- Webcast video of the May 18, 2011 Forum in New York City and a recording of the May 23, 2011 Call-In Forum are available through this page: <http://www.healthcarereform.ny.gov/timeline/>
- Planning Grant materials: [http://www.healthcarereform.ny.gov/exchange\\_planning\\_grant/](http://www.healthcarereform.ny.gov/exchange_planning_grant/)
- Early Innovator Grant materials, IT Systems Integrator RFP, and quality assurance services  
RFP: [http://www.healthcarereform.ny.gov/health\\_insurance\\_exchange/early\\_innovator\\_grant.htm](http://www.healthcarereform.ny.gov/health_insurance_exchange/early_innovator_grant.htm)
- June 2011 Establishment Level 1 Grant materials and policy studies  
RFP: [http://www.healthcarereform.ny.gov/health\\_insurance\\_exchange/exchange\\_establishment\\_grant.htm](http://www.healthcarereform.ny.gov/health_insurance_exchange/exchange_establishment_grant.htm)

**Appendix A:**  
**List of Stakeholder Organizations Consulted on the Exchange  
 through Planning Grant Project Period, as of December 2011**

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**Business**

|   |  |  |
|---|--|--|
|   | Citizen Action of New York                         | National Black Leadership Commission on AIDS       |
| Albany-Colonie Regional Chamber of Commerce | Citizen Action of Western New York                 | National Organization for Women-NYC                |
| Brooklyn Chamber of Commerce                | Citizens' Committee for Children of New York       | New York Association on Independent Living         |
| Business and Labor Coalition of New York    | Coalition for Asian American Children and Families | New York Immigration Coalition                     |
| Business Council of New York State          | Commission on the Public's Health System           | New York Public Interest Research Group            |
| CenterState CEO                             | Community Service Society of New York              | New Yorkers for Accessible Health Coverage         |
| Chamber Alliance of New York State          | Empire Justice Center                              | Operation Exodus                                   |
| Chautauqua County Chamber of Commerce       | Health Care for All New York                       | Project CHARGE                                     |
| Greece Chamber of Commerce                  | Health Care for America Now/New York State         | Raising Women's Voices for the Health Care We Need |
| Hudson Valley Business Journal              | Hispanic Federation                                | Regional Center For Independent Living             |
| Rochester Business Alliance                 | Interfaith Health Care Coalition                   | Resource Center for Accessible Living Kingston     |
| Schenectady Chamber of Commerce             | Korean Community Services of Metropolitan New York | Schuyler Center for Analysis and Advocacy          |
| Small Business Majority                     | Make the Road New York                             | The Legal Aid Society's Health Law Unit            |
|   | Medicaid Matters New York                          | Women's Bar Association of the State of New York   |
|   | Medicare Rights Center                             | Women's City Club of New York                      |
| <b><u>Consumers</u></b>                     |  | Young Invincibles                                  |
| AARP  | Metro New York Health Care for All Campaign        |  |
| Center for Independence of the Disabled, NY | NARAL Pro-Choice New York                          |  |
| Children's Defense Fund-New York            |  |  |

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List of Stakeholder Organizations Consulted on the Exchange  
through Planning Grant Project Period, as of December 2011

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**Health Plans**

Amerigroup  
Coalition of New York State  
Public Health Plans  
Delta Dental  
First Ameritas Life Insurance  
Corp.  
MVP  
New York Health Plan  
Association  
New York State Conference  
of Blue Cross Blue Shield  
Plans  
United HealthCare Group

**Health Policy Experts**

Manhattan Institute for  
Policy Research  
New York State Health  
Foundation  
Public Health Solutions  
Rockefeller Institute of  
Government  
United Hospital Fund

**Insurance Brokers and  
Agents**

Central New York Chapter of  
the National Association of  
Health Underwriters  
Century Benefits Group  
HealthPass New York  
Independent Insurance  
Agents & Brokers of New  
York  
National Association of  
Insurance & Financial  
Advisors-New York State  
New York State Association  
of Health Underwriters  
Professional Insurance  
Agents of NYS  
**Labor Unions**  
1199 SEIU  
AFL-CIO  
AFSCME DC 37 Local 1549  
Civil Service Employees  
Association  
District Council 37  
Freelancers Union  
Health & Welfare Council of  
Long Island

**Local/Tribal  
Governments**

Manhattan Community  
Board Six  
New York's Native American  
Tribal governments  
New York State Association  
of Counties  
New York State Association  
of County Health Officials  
Office of the Mayor of New  
York City  
Public Health Association of  
New York City

**Providers/  
Pharmaceutical and  
Associations**

American Cancer Society  
American College of  
Physicians  
American Heart Association  
CardioMag Imaging, Inc.  
Center for Disability Rights  
Charles B. Wang Community  
Health Center  
Committee of Methadone  
Program Administrators

**Appendix A:**  
**List of Stakeholder Organizations Consulted on the Exchange  
 through Planning Grant Project Period, as of December 2011**

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|   |  |                                      |
|---|--|--------------------------------------|
| Community Health Care Association of New York State                                     | Medical Society of the State of New York                         | The Leukemia & Lymphoma Society      |
| Consumer Directed Choices   | Mothers & Babies Perinatal Network, Inc.                         | Visiting Nurse Service of New York   |
| Cystic Fibrosis Foundation  | New York Association of Alcoholism and Substance Abuse Providers | <b><u>Other</u></b>                  |
| Family Planning Advocates of New York State   | New York Association of Psychiatric Rehabilitation Services      | Fair Health US                       |
| Finger Lakes Health Systems Agency  | New York Presbyterian Hospital                                   | P2 Collaborative of Western New York |
| Gay Men's Health Crisis   | New York State Council for Community Behavioral Healthcare       | Partnership for New York City        |
| Greater New York Hospital Association   | New York State Dietetic Association                              |                                      |
| Healthcare Association of New York State  | New York State Nurses Association                                |                                      |
| Hemophilia Association of New York, Inc.  | Onondaga County Medical Society                                  |                                      |
| Henry Street Settlement   | Pfizer   |                                      |
| Hospice and Palliative Care Association of New York State                               | Pharmacists Society of the State of New York                     |                                      |
| Immigrant Health and Cancer Disparities Service, Memorial Sloan-Kettering Cancer Center | Physicians for a National Health Program                         |                                      |
| Iroquois Healthcare Alliance  | Planned Parenthood of New York City                              |                                      |
| Leukemia & Lymphoma Society   | St. Joseph's Neighborhood Center                                 |                                      |
| March of Dimes  |  |                                      |

## Appendix B: Timeline by Core Work Process

| 1. Governance & Oversight (assumes BOD appointed in Spring 2012)  | Begin   | End     |
|---|---------|---------|
| BOD begins ED search process and selects ED   | Q2 2012 | Q2 2012 |
| BOD begins process to hire legal counsel  | Q2 2012 | Q2 2012 |
| BOD develops board calendar & location of meetings  | Q2 2012 | Q2 2012 |
| Exchange ED identifies issues requiring Board vote  | Q2 2012 | Q3 2012 |
| BOD develops Board Subcommittees  | Q2 2012 | Q2 2012 |
| BOD develops Board Policies and Procedures  | Q2 2012 | Q3 2012 |
| BOD begins process to adopt Organizational Bylaws   | Q2 2012 | Q3 2012 |
| BOD adopts conflict-of-interest rules for Directors & Exchange Staff                                    | Q2 2012 | Q2 2012 |
| Develop and submit (second) Level 1 grant application   | Q4 2011 | Q4 2011 |
| Develop and submit Level 2 grant application  | Q2 2012 | Q2 2012 |
| Develop schedule for reviewing studies/reports and recommendations as required by statute               | Q2 2012 | Q3 2012 |
| Create advisory committee schedules and select meeting places for 5 regional advisory committees        | Q2 2012 | Q2 2012 |
| Develop process for incorporating recommendations of Regional Advisory Committees                       | Q2 2012 | Q3 2012 |
| 2. Internal Administration (assumes BOD appointed in Spring 2012)                                       | Begin   | End     |
| BOD assumes responsibility for ED search process and selects ED   | Q2 2012 | Q2 2012 |
| ED hires key Senior Mgmt., including CFO/COO/CIO  | Q2 2012 | Q3 2012 |
| Develop exchange organizational chart   | Q3 2012 | Q3 2012 |
| Develop staffing plan   | Q3 2012 | Q3 2012 |
| Interim staff locates physical space options for exchange (temporary or permanent)                      | Q1 2012 | Q1 2012 |
| ED/Sr. Mgmt. begin to hire exchange staff, especially in key areas of IT, Finance, and Ops              | Q2 2012 | Q3 2012 |
| ED finalizes physical space decision  | Q2 2012 | Q3 2012 |
| Begin to hire consultants for subject matter expertise in key areas                                     | Q2 2012 | Q4 2012 |
| Assign staff ownership for completion of studies/reports & recommendations required by exchange statute | Q1 2012 | Q3 2012 |
| Start analytical work on list of studies and reports required by exchange statute                       | Q4 2011 | Q1 2012 |
| Develop Exchange IT Strategy in coordination with Medicaid  | Q1 2010 | Q1 2012 |
| Set up interagency meetings and/or ensure exchange representation in existing mtgs                      | Q1 2011 | Q4 2013 |
| Identify vendors/suppliers for administrative needs   | Q2 2012 | Q2 2012 |
| Acquire Tax ID for exchange   | Q4 2012 | Q4 2012 |
| Register exchange as public authority with Secretary of State, IRS, etc.                                | Q2 2012 | Q2 2012 |
| Develop proposal for salary structure and benefits for exchange personnel                               | Q1 2012 | Q1 2012 |
| Develop organizational policies & procedures  | Q2 2012 | Q3 2012 |
| Develop contracting mechanism to easily bring on consultants & suppliers                                | Q2 2012 | Q3 2012 |
| Develop and submit (second) Level 1 grant application   | Q4 2011 | Q4 2011 |
| Develop and submit Level 2 grant application  | Q2 2012 | Q2 2012 |
| 3. Financial Management (assumes BOD appointed in Spring 2012)  | Begin   | End     |
| Hire CFO  | Q2 2012 | Q3 2012 |
| Set up banking structure in coordination with State Comptroller   | Q2 2012 | Q3 2012 |
| Begin to develop administrative budget model  | Q2 2012 | Q3 2012 |
| Hire accounting and budgeting staff   | Q2 2012 | Q3 2012 |
| Hire payroll vendor or establish internal payroll department  | Q2 2012 | Q2 2012 |

\*\* Systems design, development and implementation of core business functions of Exchange expected to be within Systems Integrator (SI) contract (e.g. financial management, plan management, customer service, communications, eligibility and enrollment, oversight).

|  |              |            |
|--|--------------|------------|
| Research short term accounting system to record basic exchange rec/pay transactions, TBD**   | Q2 2012      | Q3 2012    |
| Develop exchange chart of accounts   | Q2 2012      | Q3 2012    |
| Identify accounting structure for recording of transactions -- GAAP/STAT, etc.   | Q2 2012      | Q3 2012    |
| Identify and scope out basic financial reports for CMS/BOD during start up   | Q2 2012      | Q3 2012    |
| Working with DOH, begin to develop IT operational financing strategy   | Q1 2011      | Q1 2012    |
| Develop a contracting process for acquiring computers and office equipment   | Q2 2012      | Q3 2012    |
| Begin to develop system of internal control for exchange finance operations  | Q2 2012      | Q3 2012    |
| Hire audit firm (operational and financial)  | Q3 2012      | Q3 2012    |
| Refine five year budget and self-sustainability model  | Q2 2012      | Q4 2013    |
| Prepare financial & budget components of Level 2 grant application   | Q2 2012      | Q3 2012    |
| Begin to assess longer term exchange finance systems -- PB; Accounting; QHP Coordination   | Q2 2012      | Q4 2012    |
| <b>4-8: Eligibility Verification; Premium Tax Credit; Website; Enrollment, Billing &amp; Collections and SHOP Specific Processes – Responsibilities of System Integrator(SI)</b> | <b>Begin</b> | <b>End</b> |
| Assign interim exchange IT staff to work groups/committees to ensure exchange representation   | Q2 2011      | Q2 2011    |
| Gather and define preliminary exchange business and technical requirements   | Q2 2011      | Q1 2012    |
| Develop exchange Systems Integrator (SI) RFP   | Q2 2011      | Q3 2011    |
| Publish exchange Systems Integrator (SI) RFP   | Q3 2011      | Q3 2011    |
| Develop exchange Quality Assurance RFP   | Q2 2011      | Q3 2011    |
| Publish exchange Quality Assurance RFP   | Q3 2011      | Q3 2011    |
| Assess and score exchange Systems Integrator RFP responses   | Sep-11       | Dec-11     |
| Assess and score exchange Quality Assurance RFP responses  | Q4 2011      | Q4 2011    |
| Select exchange Systems Integrator vendor; negotiate terms , finalize contract   | Q1 2012      | Q1 2012    |
| Select exchange Quality Assurance vendor; negotiate terms, finalize contract   | Q1 2012      | Q1 2012    |
| Per System Integrator contract, identify and move to development center  | Q1 2012      | Q1 2012    |
| Implement, test, validate, go live   | Q1 2012      | Q4 2013    |
| Ensure close coordination with DOH on all Eligibility-Related Matters  | Q1 2011      | Q4 2014    |
| Develop cost allocation methodology as part of operational financing strategy  | Q1 2012      | Q1 2012    |
| Hire permanent exchange IT staff (Mgr., Analysts, Project Managers)  | Q2 2012      | Q3 2012    |
| Work with CFO/COO once hired to implement exchange administrative IT infrastructure  | Q2 2012      | Q3 2012    |
| Acquire computers, software, email capability, data storage, communications equipment (perm staff)   | Q2 2012      | Q3 2012    |
| Ensure physical facility is properly wired and configured for IT needs of new staff  | Q2 2012      | Q2 2012    |
| Help locate physical space for influx of short term IT implementation (SI and QA vendors)  | Q1 2012      | Q1 2012    |
| <b>9. Customer Service Call Center –Expected to be outside of SI contract</b>  | <b>Begin</b> | <b>End</b> |
| Gather and define business and technical requirements for call center  | Q2 2012      | Q3 2012    |
| Hire exchange IT staff for call center   | Q2 2012      | Q2 2012    |
| Determine buy/build approach for call center   | Q3 2012      | Q3 2012    |
| Implement, test, validate, go live   | Q3 2012      | Q4 2013    |
| <b>10. Outreach &amp; Marketing Plan</b>   | <b>Begin</b> | <b>End</b> |
| Begin search and hire Chief Sales & Marketing Officer  | Q4 2012      | Q1 2013    |
| Begin search and hire Chief Communications Officer   | Q4 2012      | Q1 2013    |
| Develop a high level communication & outreach strategy for exchange; initiate research   | Q3 2012      | Q3 2012    |
| Solicit input from key stakeholders in state   | Q3 2012      | Q3 2012    |
| Develop an outreach and marketing budget   | Q3 2012      | Q3 2012    |
| Develop return on investment (ROI) metrics   | Q3 2012      | Q3 2012    |
| Develop & Publish RFP for Marketing & Advertising Vendor   | Q4 2012      | Q4 2012    |
| Finalize RFP process and select vendor   | Q4 2012      | Q1 2013    |

\*\* Systems design, development and implementation of core business functions of Exchange expected to be within Systems Integrator (SI) contract (e.g. financial management, plan management, customer service, communications, eligibility and enrollment, oversight).

|   |                |                |
|---|----------------|----------------|
| Working with vendor, complete market research and begin planning activities                       | Q1 2013        | Q1 2013        |
| Identify outreach partners (other state agencies and existing health care advocacy grps)          | Q4 2012        | Q1 2013        |
| Identify potential marketing partners and alliances for exchange                                  | Q4 2012        | Q1 2013        |
| Select outreach and marketing partners  | Q1 2013        | Q1 2013        |
| Execute outreach and communication plan   | Q1 2013        | Q4 2013        |
| Collect data and calculate ROI  | Q3 2013        | Q4 2013        |
| <b>11. Navigator Program</b>  | <b>Begin</b>   | <b>End</b>     |
| Conduct Third Party Assistor study and review results   | Q4 2011        | Q2 2012        |
| Hire exchange staffer to oversee Navigator program  | Q3 2012        | Q3 2012        |
| Determine level of consulting services required, if any   | Q3 2012        | Q3 2012        |
| Develop Navigator stakeholder meetings to solicit input from key stakeholders                     | Q3 2012        | Q3 2012        |
| Determine level of training and certification required of Navigators by Exchange                  | Q3 2012        | Q4 2012        |
| Develop Navigator training program  | Q4 2012        | Q4 2012        |
| Determine level of compensation to be paid to Navigators -- per enrollee/fixed grants, etc.       | Q3 2012        | Q4 2012        |
| Develop funding stream for Navigators -- pre 2014 / post 2013                                     | Q3 2012        | Q4 2012        |
| Develop RFP for Navigators  | Q4 2012        | Q4 2012        |
| Select Navigators   | Q4 2012        | Q1 2013        |
| Train Navigators  | Q2 2013        | Q3 2013        |
| Develop Navigator Management Tool, TBD**  | Q4 2012        | Q1 2013        |
| <b>12. Broker Program</b>   | <b>Begin</b>   | <b>End</b>     |
| Conduct Third Party Assistor study to determine broker comp, services provided, markets serviced  | Q4 2011        | Q1 2012        |
| Develop broker stakeholder meetings to solicit input from broker community                        | Q4 2011        | Q1 2012        |
| Using data from market study and stakeholder mtgs, develop exchange broker strategy               | Q2 2012        | Q2 2012        |
| Determine level of broker compensation for writing exchange business                              | Q2 2012        | Q3 2012        |
| Hire exchange staffer to oversee broker program   | Q3 2012        | Q3 2012        |
| Determine funds flow of broker payments   | Q3 2012        | Q3 2012        |
| Develop broker management tool to track key broker metrics, TBD**                                 | Q4 2012        | Q1 2013        |
| Develop a broker training program for exchange products   | Q3 2012        | Q4 2012        |
| Train brokers   | Q1 2013        | Q3 2013        |
| Develop a broker-advisory council for ongoing feedback from brokers once operational              | Q2 2013        | Q2 2013        |
| Reflect broker-specific policies in QHP procurement   | Q4 2012        | Q4 2012        |
| <b>13. Qualified Health Plan (QHP) Certification</b>  | <b>Begin</b>   | <b>End</b>     |
| Determine exchange staff to oversee QHP procurement   | Q3 2012        | Q3 2012        |
| Compile data necessary to analyze and develop procurement goals                                   | Q2 2012        | Q3 2012        |
| Analyze data and develop state procurement goals  | Q3 2012        | Q3 2012        |
| Communicate goals of procurement with BOD   | Q3 2012        | Q3 2012        |
| Develop communication plan to meet with carriers prior to release of RFP                          | Q3 2012        | Q3 2012        |
| Incorporate into QHP procurement strategy OPM offerings   | Q3 2012        | Q3 2012        |
| Organize cross-functional QHP procurement team  | Q4 2012        | Q4 2012        |
| Incorporate Plan Rating System in procurement   | Q4 2012        | Q4 2012        |
| Incorporate Risk Adjustment methodology in procurement  | Q4 2012        | Q4 2012        |
| Develop with IT, operational specifications for QHP's -- enrollment/premium rates/billings, TBD** | Q1 2012        | Q3 2012        |
| Develop and publish RFP   | Q4 2012        | Q4 2012        |
| Select & Contract with QHP's  | Q1 2013        | Q1 2013        |
| Begin implementation of QHP's   | Q1 2013        | Q1 2013        |
| Test systems, interfaces, website design  | Q2 2013        | Q3 2013        |
| <b>OPEN ENROLLMENT</b>  | <b>Q4 2013</b> | <b>Q1 2014</b> |

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| 14. Plan Rating System  | Begin   | End     |
|---|---------|---------|
| Review federal guidance for Plan Rating System  | Q3 2012 | Q3 2012 |
| Determine goals of state in rating QHP's  | Q3 2012 | Q3 2012 |
| Select type of quality/cost metrics to rank QHP's   | Q3 2012 | Q3 2012 |
| Determine availability of plan rating data  | Q3 2012 | Q4 2012 |
| Integrate with exchange website, TBD**  | Q3 2013 | Q3 2013 |
| Develop implementation plan for ongoing data maintenance and updating of ratings                | Q4 2012 | Q4 2012 |
| Integrate with QHP procurement strategy   | Q4 2012 | Q4 2012 |
| Include plan rating specifications into QHP procurement document                                | Q4 2012 | Q4 2012 |
| 15. Reinsurance & Risk Adjustment Program   | Begin   | End     |
| Conduct study on reinsurance and risk adjustment needs and options                              | Q3 2011 | Q1 2012 |
| Determine level of interaction necessary with HHS regarding federal implem of risk corridors    | Q2 2012 | Q2 2012 |
| Determine availability of enrollment and claims data for analysis                               | Q4 2011 | Q2 2012 |
| Compile necessary data to begin analytical assessment   | Q4 2011 | Q2 2012 |
| Determine where will program be managed within the state  | Q3 2012 | Q3 2012 |
| Decide on where will data be held and managed for start-up and operations                       | Q4 2011 | Q3 2012 |
| Contract with subject matter experts  | Q2 2012 | Q3 2012 |
| Develop risk adjustment methodology for program implementation                                  | Q2 2012 | Q3 2012 |
| Develop schedule of meetings with carriers in market  | Q2 2012 | Q2 2012 |
| Discuss proposed risk adjustment methodology with carriers and solicit input                    | Q3 2012 | Q3 2012 |
| Communicate with BOD program specifics after meeting with carriers                              | Q4 2012 | Q4 2012 |
| Develop "dry runs" of agreed upon methodology to determine impact on market                     | Q1 2013 | Q1 2013 |
| Share results of "dry runs" with carriers; modify methodology if necessary                      | Q1 2013 | Q3 2013 |
| Develop implementation plan -- data mgmt.; communications; funds flow; reconciliation           | Q4 2012 | Q1 2013 |
| Implement program   | Q1 2014 | Q4 2014 |
| 16. External Reporting  | Begin   | End     |
| Identify reporting requirements per ACA and CMS/HHS guidelines                                  | Q3 2012 | Q3 2012 |
| Solicit BOD and key stakeholder input as to type of information exchange should report          | Q3 2012 | Q3 2012 |
| Develop list of reports mandatory and optional  | Q3 2012 | Q4 2012 |
| Create report template for content of each report   | Q4 2012 | Q4 2012 |
| Develop or acquire necessary databases to support mandatory and optional reporting, TBD**       | Q4 2012 | Q4 2012 |
| Create schedule of report publication dates: monthly; quarterly; annual                         | Q4 2012 | Q4 2012 |
| Depending on level of reporting, hire exchange staff to support initiative                      | Q4 2012 | Q4 2012 |
| Develop IT requirements: reporting tools; interfaces; CMS/HHS requirements, TBD**               | Q4 2012 | Q1 2013 |
| 17. Exemption Certificates & Appeals of Eligibility   | Begin   | End     |
| Identify obligations and requirements per ACA and CMS/HHS guidelines                            | Q3 2012 | Q3 2012 |
| Document appeals processes currently in operation in other state agencies                       | Q3 2012 | Q3 2012 |
| Document a process flow of how certificates and appeals would be administered                   | Q3 2012 | Q3 2012 |
| Identify as part of process flow: data needs; type of support staff required; est. # of appeals | Q4 2012 | Q4 2012 |
| Determine amount of existing resources which could be leveraged                                 | Q4 2012 | Q4 2012 |
| Develop specifications for IT needs, TBD**  | Q4 2012 | Q1 2013 |
| Develop implementation plan for appeals department in exchange: budget; physical space; staff   | Q4 2012 | Q4 2012 |
| Begin to hire necessary staff   | Q4 2012 | Q1 2013 |
| Implement plan  | Q3 2013 | Q3 2013 |

\*\* Systems design, development and implementation of core business functions of Exchange expected to be within Systems Integrator (SI) contract (e.g. financial management, plan management, customer service, communications, eligibility and enrollment, oversight).