State Health Reform Assistance Network
Charting the Road to Coverage

Health Insurance Exchange: Exchange Implementation Workplan

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The document identifies critical State Based Exchange (SBE) implementation tasks that must be completed in order to achieve SBE certification. The workplan is organized according to the major areas of Exchange certification articulated in the Draft Blueprint for Affordable State-based and State Partnership Insurance Exchanges released by the Department of Health and Human Services in May 2012. The document also reflects those tasks that are central to achieving certification of a Partnership Exchange in the areas of Plan Management and Consumer Assistance, based on the Blueprint guidance. In terms of eligibility functionality, tasks that are critical to Medicaid program compliance with the ACA, including Exchange interface requirements, are also reflected for SBE and Partnership Exchange certification. Finally, the workplan notes where specific tasks are conditions for a state's ability to obtain Exchange Establishment funding.

Robert Wood Johnson Foundation

State Based Exchange Implementation Task	Comment	Plan Management Partnership	Consumer Assistance Partnership	Responsible Agency	Completion Date	Recommendation
1.0 Legal Authority and Governance						
Secure Exchange establishment authority: • Affordable Insurance Exchange • SHOP Exchange	**Required** to secure Establishment grant Level 2 funding **Required** as a condition of Exchange certification					
Establish Exchange Board/ governing structure	**Required** as a condition of Exchange certification					
If the Exchange is a non-profit organization, develop board structure including: • Board members, including one member who is a consumer representative • Conflicts of interest policy and board member disclosures • Demonstration that board does not have a majority of voting members with conflicts of interest • Board Charter, bylaws, committee structure, policies, and meeting schedule						
2.0 Consumer and Stakeholder Engagement and Support						
Develop and implement Stakeholder Consultation Plan reflecting engagement with: • Consumers • Small businesses • Medicaid and Child Health Insurance Plan (CHIP) agencies • Agent/brokers • Employer organizations • Others	**Required** as condition of receipt of Establishment funds and Exchange Certification					
Develop and implement a tribal consultation policy and process	**Required** as a condition of Exchange Certification					
Develop culturally and linguistically appropriate outreach and education materials, including auxiliary aids and services for people with disabilities, regarding: • Eligibility and enrollment options • Program information • Benefits and services through the Exchange • Insurance Affordability Programs (IAPs) • SHOP	**Required** as a condition of Exchange Certification					

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Develop and implement a multi-year Outreach Plan that articulates the Exchange's outreach strategy for target populations: • Individuals • Small businesses and their employees • Agents/brokers • Employer groups • Health care providers • Community based organizations • Tribal organizations • Advocates for hard to reach populations	**Required** as a condition of Exchange Certification					
Design Exchange toll-free, call center: • Define business processes, business and functional requirements • Procure or leverage existing call center solution for Exchange • Develop call center operating plan including plan for integration or coordination with existing state call centers (Medicaid, CHIP, Insurance Agency)	**Required** as a condition of Exchange Certification					
Develop Exchange website	**Required** as a condition of Exchange Certification					
Develop Navigator program including: • Plan for program funding • Grantee selection criteria • Conflict of interest standards • Grantee payment mechanisms • Training requirements • Navigator oversight and compliance plan	**Required** as a condition of Exchange Certification *Note: This appears to contradict final Exchange guidance which gives state exchanges discretion to start their Navigator programs after initial open enrollment.*		✓			
Issue Navigator application or Request for Proposal (RFP)			✓			
Develop Navigator eligibility appeal process and operational plan	**Required** to provide as Exchange function and describe process and capacity as part of Exchange certification					

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Define role of agents/brokers, including web brokers, in the Exchange and Medicaid and, if appropriate, develop: • Plan for agent/broker training on qualified health plans (QHPs), IAPs and Exchange privacy and security standards • Process for verifying that agent/brokers are in compliance with state law (licensure, etc.) • Agent/broker Exchange registration process • Web broker/Exchange agreement process • Agent/broker/web broker oversight and compliance plan	**Required** as a condition of Exchange Certification					
3.0 Eligibility and Enrollment						
Determine preferred option for Joint Application for QHPs and IAPs: • Use HHS Secretary model application; • Modify HHS Secretary model application and seek Secretary approval for use; or, • Develop state specific application and seek Secretary approval for use.	• Pending Secretary's model application • **Required** as a condition of Exchange Certification					
Determine preferred option for SHOP application: • Use HHS Secretary model application; • Modify HHS Secretary model application and seek Secretary approval for use; or, • Develop state specific application and seek Secretary approval for use	Pending Secretary's model application **Required** as a condition of Exchange Certification					
Determine whether state will offer a Basic Health Program	Federal BHP guidance pending					
Develop and document an eligibility and enrollment coordination strategy among the Exchange, other state agencies that administer IAPs, and the SHOP, including determining roles of the Exchange and other state agencies in: • Making Medicaid/CHIP determinations • Making Premium Tax Credit (PTC) determinations • Transitioning cases for further determination for IAPs	**Required** as a condition of Exchange Certification	✓	✓			
Develop Memoranda of Understanding (MOU) between and among the Exchange, HHS, and other state agencies, memorializing agreed upon roles and responsibilities in Exchange eligibility determination		✓	✓			

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Establish capacity to accept and process applications, updates and redeterminations for applicants and enrollees, by phone, web, mail and in-person: • Define application/update/redetermination business processes, business and functional requirements • Develop application/update/redetermination operating plan and procedures including plan for coordination with Medicaid/CHIP agencies • Procure new or leverage existing vendor contracts for web site, mail vendor, call center to support required application/update/redet functionality	**Required** as a condition of Exchange certification **Required** per ACA for Medicaid Agencies in State Based Exchange (SBE), Federally Facilitated Exchange (FFE), FFE partnership models	✓	✓			
Develop Exchange reasonable compatibility standard for Medicaid/CHIP and PTCs, as applicable	**Required** for all determinations and redeterminations in SBE model per Medicaid and Exchange Eligibility regulation **Required** for Medicaid/CHIP determinations and redeterminations in FFE, FFE partnership models per Medicaid Eligibility regulation	✓	✓			
Define eligibility verification requirements and verification plan for QHPs, PTC and Medicaid/CHIP	Development of a verification plan is **required** per Medicaid Eligibility regulations	✓	✓			
Establish eligibility data verification capacity, including: • Connectivity to the federal data services hub • Connectivity to other sources of eligibility verification data, including state-based income sources such as wage reporting and unemployment	**Required** as a condition of Exchange certification **Required** for Medicaid/CHIP determinations and redeterminations in FFE, FFE partnership model	✓	✓			
Develop operating plan and procedures, including privacy protections, for accepting, storing, associating, imaging, processing and storing documentation required for eligibility verification • Privacy protections • Procedures for electronic, mail and facsimile transmission methods	**Required** as a condition of Exchange certification **Required** for Medicaid/CHIP determinations and redeterminations in FFE, FFE partnership model	✓	✓			

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Develop (or purchase from HHS, or other state) eligibility rules engine for QHP, PTC, Medicaid/CHIP, SHOP: • QHP rules • PTC rules (if Exchange is providing PTC determination directly) • MAGI Medicaid rules • SHOP employer rules • SHOP employee rules	MAGI Medicaid rules only **required** for FFE, FFE partnership models per Medicaid Eligibility regulations	✓	✓			
Develop operating plan and procedure for: (i) accepting transitioned cases (non-Medicaid eligible) **from** the Medicaid/CHIP agency; and, (ii) transitioning cases (non-MAGI, full determination requests) **to** Medicaid/CHIP agencies	**Required** as a condition of Exchange certification	✓	✓			
Develop Medicaid/CHIP agency operating plan and procedure for: (i) accepting transitioned cases (non-MAGI, full determination requests) **from** the Exchange; (ii) transitioning cases (non-Medicaid eligible) **to** the Exchange.	**Required** for Medicaid/CHIP determinations and redeterminations in SBE, FFE, FFE partnership model					
Define eligibility notice requirements for QHPs, IAPs and SHOP, including: • Notice types • Notice content • Alternate formats and multiple languages • Coordination with Medicaid/CHIP agencies • Coordination with insurance carriers	**Required** as a condition of Exchange certification	✓	✓			
Define or revise eligibility notice requirements for Medicaid MAGI, including: • Notice types • Notice content • Alternate formats and multiple languages • Coordination with the Exchange • Coordination with insurance carriers						
Develop system capacity to generate notices by completing: • Business requirements • Functional requirements • Rules	**Required** as a condition of Exchange certification	✓	✓			
Determine whether Exchange will conduct determinations for individual responsibility exemptions directly or through the federally managed service	**Required** as a condition of Exchange certification					
If Exchange will provide exemption eligibility determination functionality, develop capacity by completing: • Exemption request process and procedures • Business requirements • Functional requirements • Rules	**Required** as a condition of Exchange certification					

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Develop system capacity to process QHP selections and terminations using electronic enrollment transaction standards, by completing: • Business requirements • Functional requirements • Rules	**Required** to provide policies and procedures as part of Exchange certification					
Develop system capacity to process Medicaid managed care plan selections and terminations using electronic enrollment transaction standards, by completing: • Business requirements • Functional requirements • Rules						
Determine whether State Exchange will: • Conduct premium tax credit eligibility determinations; or, • Rely on the federally managed PTC eligibility determination service.	**Required** as a condition of Exchange certification					
If Exchange will provide PTC eligibility determinations, develop capacity to compute actual PTC by completing: • Business requirements • Functional requirements • Rules	**Required** as a condition of Exchange certification					
Develop reporting capacity required to report and reconcile QHP selections, terminations and PTC/CSR information with CMS and Carriers.	**Required** as a condition of Exchange certification. Exchange reporting guidance and data elements pending.					
Develop transition plan for PCIP to Exchange.	**Required** as a condition of Exchange certification					
4.0 Plan Management						
Review reference plans and develop State Essential Health Benefit OR rely on federal default reference plan	**Required** to define and select QHPs	✓				
Validate existing or secure Exchange authority to certify QHPs	**Required** as a condition of Exchange certification.	✓				

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Develop QHP procurement strategy addressing key policy issues: • Carrier participation • Service areas • Standardized benefits • Limited product offerings • Limited network products	*These decisions will impact on and should be closely coordinated with private market reform decisions. In states pursuing a BHP and states with significant Medicaid Managed Care penetration, considerations should be given to coordinating procurement strategies across programs.*	✓				

Define QHP issuer and plan certification requirements:
• Issuer:
  ▸ Licensure and good standing
  ▸ Network adequacy and Essential Community Providers
  ▸ Marketing
  ▸ Accreditation
  ▸ Transparency
• Plan
  ▸ EHB
  ▸ Actuarial value
  ▸ Discriminatory benefit design
  ▸ Meaningful difference
  ▸ Service Area
  ▸ Rate increases
	Required to certify plans as Exchange function and provide policies and procedures as part of Exchange certification
	
	Develop QHP "best interest" test
	
	These decisions will impact on and should be closely coordinated with private market reform decisions.
		✓				

Determine "best interest test" for QHP certification	**Required** as a condition of Exchange certification					
Develop QHP certification policy, process and procedure for certifying QHPs against defined criteria	**Required** as a condition of Exchange certification	✓				
Develop QHP certification, recertification and decertification business processes, identifying entities responsible for certification activities and their roles and responsibilities, including: • Exchange • Department of Insurance • Department of Health (as applicable) • Medicaid Agency (as applicable)	**Required** as a condition of Exchange certification	✓				
Develop process and system requirements for certifying and monitoring plans on an ongoing basis, including analyzing rates, covered benefits, cost-sharing, and plan variation by completing: • Business requirements • Functional requirements • Rules	**Required** as a condition of Exchange certification	✓				

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As part of plan monitoring, develop process for Exchange to monitor and/or collect analyze and resolve enrollee complaints, including a plan to coordinate consumer complaint monitoring with other state agencies (Insurance, Medicaid, consumer assistance and ombudsman programs.)	**Required** as a condition of Exchange certification	✓				
Develop process and system requirements for QHP recertification, decertification, and appeals of decertification by completing: • Business requirements • Functional requirements • Rules	**Required** as a condition of Exchange certification	✓				
Develop process for transitioning enrollees of decertified plans to new QHPs	**Required** as a condition of Exchange certification	✓				
Select or procure plan management information technology system to support collection of QHP and Medicaid Managed Care issuer and plan data, QHP certification activities, monitoring of ongoing plan compliance with QHP certification standards	**Required** as a condition of Exchange certification	✓				
Develop and implement issuer engagement and technical assistance plan related to QHP operational standards	**Required** as a condition of Exchange certification	✓				
Establish timeline for QHP issuer accreditation no later than 2016	**Required** as a condition of Exchange certification	✓				
Define minimum quality reporting requirement for QHPs and develop process for carrier data collection and analysis	**Required** as part of Exchange certification Quality plan guidance pending from HHS	✓				
Hire plan management staff		✓				
Issue QHP certification standards and application		✓				
5.0 Risk Adjustment and Reinsurance						
Determine whether state will run a risk adjustment program or have HHS do so	**Required** as a condition of Exchange certification	*HHS runs risk adjustment in FFE/Partnership Exchanges*				
If state will run risk adjustment: • Validate or secure legal authority • Identify the state agency or other entity that will administer the program (e.g. Insurance Agency, Medicaid Agency or other, non-profit entity.) • Design program • Develop policies and procedures	**Required** as a condition of Exchange certification					

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Determine state role in collecting data to support either a federal or state risk adjustment model		✓	✓			
Determine whether state will run a reinsurance program or have HHS do so	**Required** as a condition of Exchange certification	✓	✓			
If state will run reinsurance, determine whether state will establish or contract with a not-for-profit reinsurance entity	**Required** as a condition of Exchange certification	✓	✓			
If state-run reinsurance program, design reinsurance program and publish any modifications to federal parameters	**Required** as a condition of Exchange certification	✓	✓			
If state-run reinsurance program, establish legal authority and capacity to: • Receive self-insured market reinsurance payments from HHS • Determine payment amounts • Perform data collection and auditing of reinsurance payments	**Required** as a condition of Exchange certification	✓	✓			
If state-run reinsurance program, and entity collects contributions in the fully insured market, establish legal authority and capacity to: • Identify all issuers in the fully insured market that owe reinsurance contributions • Determine appropriate reinsurance amounts from issuers • Ensure the collection of reinsurance contributions	**Required** as a condition of Exchange certification	✓	✓			
6.0 SHOP						
Develop business and functional requirements for requisite employee choice model of employer-selected level of coverage	**Required** as a condition of Exchange certification					
Determine whether Exchange will offer a "pick a plan" model and/or allow broader forms of employee choice on all benefit levels • Design business and functional requirements for additional choice models						
Determine whether state will merge individual and small group market for rate setting purpose (risk pool merger)						
Determine whether state will define small group as 50 or 100 for SHOP participation in 2014						
Determine whether state will implement minimum participation requirements • Validate or secure authority to administer uniform group participation rules	**Required** as a condition of Exchange certification					

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Develop premium calculator capacity	**Required** as a condition of Exchange certification					
Develop or outsource premium aggregation capacity	**Required** as a condition of Exchange certification					
Design policies, procedures and notice requirements for premium non-payment or late premiums	**Required** as a condition of Exchange certification					
Define enrollment capacity to support employer and employee enrollment in SHOP including rolling enrollment and special enrollment periods: • Process model • Business requirements • Functional requirements • Rules	**Required** as a condition of Exchange certification					
Develop operations plan, policy, and procedures to ensure that QHP issuers make rate changes at a uniform time (quarterly, monthly or annually) and to prohibit issuers from varying rates for a qualified employer during the plan year	**Required** as a condition of Exchange certification					
Develop enrollment capacity to ensure that small employers are offered only QHPs that meet the requirements of the state's small group market (Plan management business requirement and rules)	**Required** as a condition of Exchange certification					
7.0 Organization and Human Resources						
Hire core Exchange leadership and staff: Executive Director, Policy Director, Finance Director, Operations Director, IT Director						
Develop Exchange staffing plan and hiring strategy 2013-2015, including Organizational Chart	**Required** as part of Exchange certification					
8.0 Finance and Accounting						
Develop long-term Exchange operating budget and management plan	**Required** as a condition of Exchange certification					
Prepare and submit Exchange Establishment funding request(s)						
Develop Exchange sustainability plan, including methods for generating revenue and validation or plan to secure legal authority for revenue generation.	**Required** as a condition of Exchange certification					

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9.0 Technology						
Assess available system components for reuse: • Early Innovator/other state components • FFE system components		✓	✓			
Initiate RFI and/or identify available learnings on system component vendors from other states (through CALT, other vehicles)		✓	✓			
Complete system design work for technology platform to support Exchange business functions		✓	✓			
Develop technology roadmap and procurement strategy identifying technology gaps and plan to fill		✓	✓			
Develop and issue RFP(s) for: • System Integrator • IT vendors • IVV contractor		✓	✓			
Complete IT procurement • Score RFP responses • Vendor demonstrations • Vendor selection • Contracting		✓	✓			
Initiate system design		✓	✓			
Start test planning and initiate IVV		✓	✓			
10.0 Privacy and Security						
Develop privacy and security policies and procedures	**Required** as a condition of Exchange certification	✓				
Determine whether state will design, procure or leverage federal identity authentication and proofing functionality	**Required** as a condition of Exchange certification	✓				
If state will develop IA/IP, design and/or procure functionality	**Required** as a condition of Exchange certification	✓				
Develop and obtain IRS approval of Federal Tax Information Safeguard Procedures Report, if Exchange will use IRS data obtained through federal hub for eligibility verification	**Required** as a condition of Exchange certification	✓				
11.0 Oversight, Monitoring and Reporting						
Develop oversight plan, policies and procedures for each Exchange function, including: • Quality controls • Outcome metrics		✓				
Define and document Exchange fraud, waste and abuse prevention procedures		✓				
Develop oversight reporting requirements consistent with oversight plan and HHS reporting requirements		✓				

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12.0 Contracting, Outsourcing and Agreements						
Develop overview of necessary outsourcing agreements and partnership MOUs, including data and privacy agreements, to support Exchange functions, which may include: • Vendors • Federal agencies • State agencies		✓				
Develop and execute MOUs and outsourcing agreements		✓				
13.0 State Partnership Exchange Activities						
Determine whether state seeks to and has the capacity to operationalize a partnership exchange for: (i) plan management; (ii) consumer outreach; or, (iii) both.		✓	✓			
Determine whether state will rely on FFE for Medicaid/CHIP eligibility assessments or determinations		✓	✓			
Develop business process flows reflecting coordination, data interfaces and handoffs between State Agencies and FFE for: • Plan management • Medicaid/CHIP eligibility determinations • Consumer assistance		✓	✓			
Develop capacity to interface with the FFE for partnership functions (plan management or consumer assistance)		✓	✓			
Develop system and operations capacity to interface with the FFE for eligibility data exchange and coordination of determinations		✓	✓			