

Exchange Blueprint Application and Minnesota Exchange Grant Budget Overview

Presentation to Health Reform Task Force and
Health Insurance Exchange Advisory Task Force
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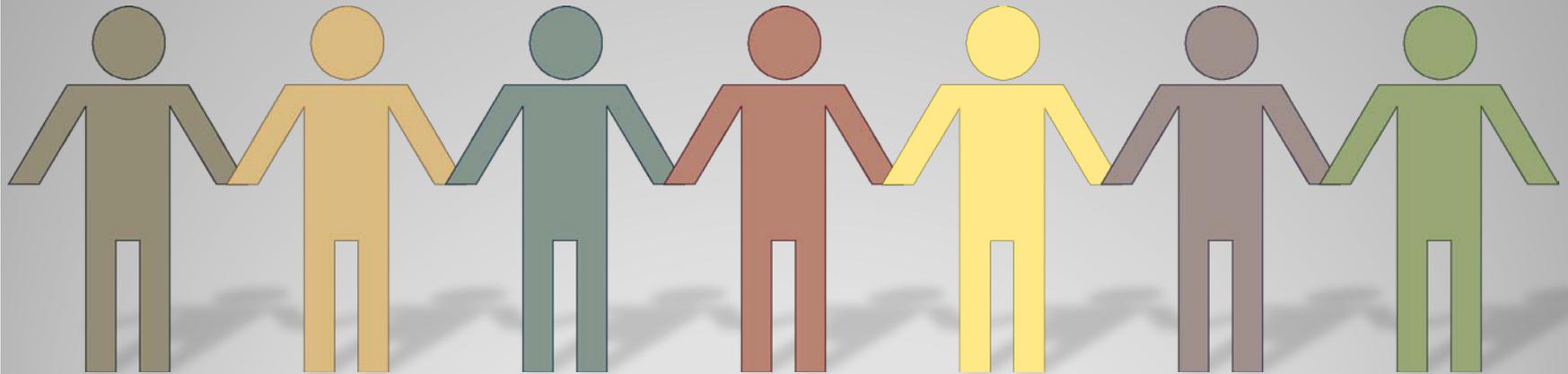


What is an Exchange?

A new marketplace where Minnesotans can find, compare, choose, and get quality, affordable health care coverage that best fits their needs and budget

The image shows two overlapping screenshots of the Minnesota Health & Human Services Exchange Prototype website. The top screenshot displays the main navigation bar with the HIX logo and menu items like 'Home', 'How to Use', 'Request Exemption', 'Health Insurers', and 'About the Exchange'. Below the navigation is a large banner with a family photo and a 'Welcome to the Health Insurance Exchange' message. A sidebar on the right contains a 'What would you like to do?' section with buttons for 'Apply for Assistance & Purchase Plans', 'Purchase Plans', and 'Get Cash/Food Assistance'. The bottom screenshot shows a 'Minnesota Exchange Prototype' header with a search bar and a 'START HERE' link. It features a 'Welcome to the Minnesota Exchange Prototype' section with a family photo and a 'Login' form. Below this are sections for 'How this Site Works', 'What is Health Care Reform?', and 'Quality Assured Health Care Providers'. At the bottom, there is a calculator titled 'How will the Health Reform Act affect my household?' with input fields for the number of adults and children, and the annual household income.

Projected Audience – Over one million Minnesotans

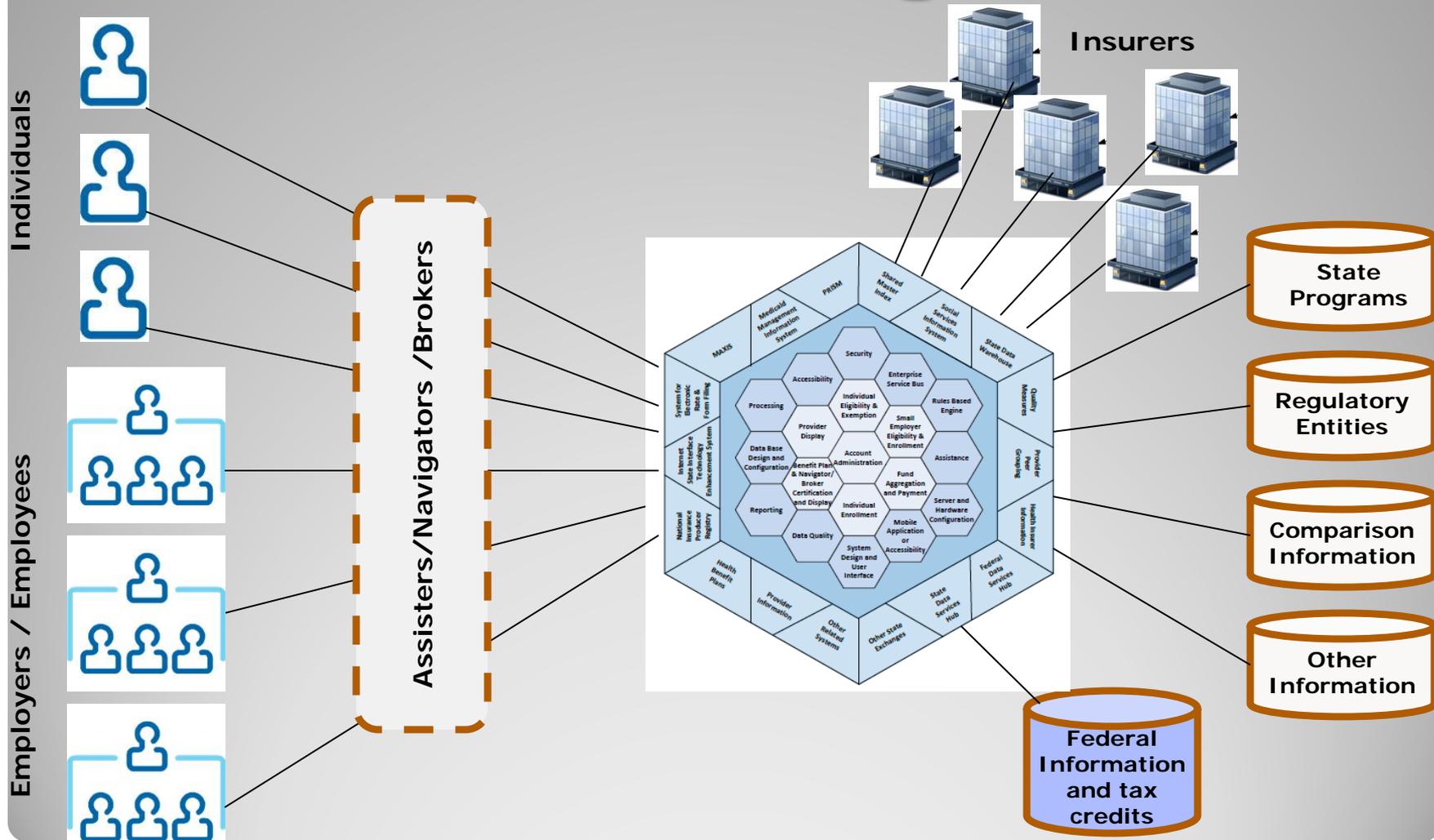


**Individual
Consumers –
350,000**

**Small Businesses
and Employees –
200,000**

**Medical Assistance
Enrollees –
700,000**

How will an Exchange Work?



Exchange Options for States

State-based Exchange

State operates all Exchange activities, may use Federal government for some services

State Partnership Exchange

HHS operates, but State can operate and administer activities for Plan Management, Consumer Assistance or both

Federally-facilitated Exchange

HHS operates

Federal Exchange Considerations

- Plan Management: Plan certification requirements, process, and selection
- Customer Service
- Navigator and Agent/Broker Programs
- Financing
- Comparison Data: Cost, Quality, and Satisfaction
- Medicaid Interactions

What is the Blueprint?

The Blueprint is the application describing readiness to perform Exchange activities and functions to the U.S. Department of Health and Human Services (HHS) for states seeking approval to operate a State-based Exchange.

Blueprint Dates

- **November 16, 2012:** Deadline for States seeking to operate a State-based Exchange beginning in 2014 to submit an Exchange Blueprint.
- **January 1, 2013:** Date by which HHS will make initial Exchange approval determinations.
- HHS can approve, conditionally approve or not approve Blueprint applications.

What is Conditional Approval?

- States may receive conditional approval if they have not met all blueprint requirements, but have made significant progress and can demonstrate they will be ready for operation by October 1, 2013
- States that receive conditional approval will complete an agreement with HHS that sets out future milestones and dates for operational readiness assessments

Blueprint Components

**Declaration
Letter**



**Exchange
Application**

Section 1: Declaration Letter

For a State-based Exchange, the Declaration Letter must include:

- Confirmation of State's intention to apply to operate State-based Exchange.
- Indication of whether State intends to administer a risk adjustment program in the first year of operations or if will use Federal services.
- Indication of whether State intends to administer its own reinsurance program by establishing or contracting with a nonprofit reinsurance entity.

Declaration Letter

- Indication of whether the State-based Exchange will perform tax credit and cost-sharing eligibility determinations or if it will use Federal services for this activity.
- Designation of the designee(s) authorized to act as primary point of contact and authorized to bind the State with HHS regarding the State's Exchange, and complete and sign the application.

Section 2: Application

- List of requirements for State seeking approval to operate a State-Based Exchanges. States must demonstrate readiness to perform required activities and functions
- Not a narrative, but a compilation of:
 - Attestations for completion or future completion
 - Supporting documentation (description of processes, reference files, contracts, agreements, work plans, etc.)
 - Testing files

Application

- Application is an iterative process
- Once a Blueprint is submitted the State has flexibility regarding the operational and policy options that are included or referenced in the Blueprint
- The State has the opportunity to amend or add other operational or policy options not identified in the initial submission

Application Components

- 1.0 Legal Authority and Governance
- 2.0 Consumer and Stakeholder Engagement and Support
 - Includes stakeholder consultation, Tribal consultation, outreach and education, call center, website, Navigators and Agents/Brokers
- 3.0 Eligibility and Enrollment
- 4.0 Plan Management
- 5.0 Risk Adjustment and Reinsurance
- 6.0 Small Business Health Options Program (SHOP)

Application Components

- 7.0 Organization and Human Resources
- 8.0 Finance and Accounting
- 9.0 Technology
- 10.0 Privacy and Security
- 11.0 Oversight, Monitoring and Reporting
- 12.0 Contracting, Outsourcing and Agreements
- 13.0 State Partnership Exchange Activities

1.0 Legal Authority and Governance

- Enabling authority for Exchange and SHOP
- Board and governance structure

2.0 Consumer and Stakeholder Engagement and Support

- Stakeholder consultation plan
- Tribal consultation plan
- Outreach and education
- Call center
- Internet website
- Navigators
- In-person assistance program (if applicable)
- Agents/brokers (if applicable)
- Web brokers (if applicable)

3.0 Eligibility and Enrollment

- Single streamlined application for Exchange and SHOP
- Coordination strategy with Insurance Affordability Programs and SHOP
- Application, updates, acceptance and processing and responses to redeterminations
- Notices, data matching, annual redeterminations and response processing
- Verifications
- Document acceptance and processing
- Eligibility determinations

3.0 Eligibility and Enrollment con't

- Eligibility determinations for tax credits and cost sharing reductions
- Applicant and employer notification
- Individual responsibility requirement and payment exemption determinations
- Eligibility appeals
- Plan selections and terminations, and tax credit/cost sharing information processing
- Electronically report results of eligibility assessments and determinations



4.0 Plan Management

- Authority to perform and oversee plan certification
- Plan certification process
- Plan management system(s) or processes that support the collection of plan data
- Ensure ongoing plan compliance
- Support issuers and provide technical assistance
- Issuer recertification, decertification, and appeals
- Timeline for plan accreditation
- Plan quality reporting



5.0 Risk Adjustment and Reinsurance

- Risk adjustment program
- Reinsurance program

Note: can use federal service

6.0 Small Business Health Options Program (SHOP)

- Compliance with SHOP requirements
- SHOP premium aggregation
- Electronically report results of eligibility assessments and determinations for SHOP

7.0 Organization and Human Resources

- Organizational structure and staffing resources to perform Exchange activities

8.0 Finance and Accounting

- Long-term operational cost, budget and management plan

9.0 Technology

- Compliance with HHS IT guidance
- Adequate technology infrastructure and bandwidth
- IV&V, quality management and test procedures

10.0 Privacy and Security

- Privacy and security standards policies and procedures
- Safeguards based on HHS IT guidance
- Safeguard protections for Federal information

11.0 Oversight, Monitoring and Reporting

- Routine oversight and monitoring of Exchange activities
- Track/report performance and outcome metrics related to Exchange activities
- Uphold financial integrity provisions including accounting, reporting and auditing procedures



12.0 Contracting, Outsourcing and Agreements

- Contracting and outsourcing agreements



Exchange Activity		Attestation		Testing Files*			Supporting Documentation*	HHS Approval Letter for Waive Out (X)
		Completed (X)	Expected Completion (date)	State Summary (X)	HHS-Developed (X)	IV&V (X)		
	consistent with 45 CFR 155.220(d), which address agent/broker registration with the Exchange, training on QHP options and Insurance Affordability Program(s), and adherence to privacy and security standards, as specified in 45 CFR 155.260.						<i>If applicable:</i> Brief description of Exchange's policy for ensuring compliance with 45 CFR 155.220(c)(3),(d) and (e), including how it will ensure web brokers are appropriately trained and meet the Exchange's privacy and security standards.	
2.9a	<i>If applicable:</i> The Exchange has a process to verify that web brokers are in compliance with State law including licensure requirements consistent with 45 CFR 155.220(e).							
2.9b	<i>If applicable:</i> The Exchange has agreements with web brokers, consistent with 45 CFR 155.220(d), which address web broker registration with the Exchange, training on QHP options and Insurance Affordability Program(s), and adherence to privacy and security standards, as specified in 45 CFR 155.260.							
3.0 Eligibility and Enrollment								
3.1	The Exchange has developed and will use an HHS-approved single, streamlined application for the individual market – or will use the HHS-developed application – to determine eligibility and collect information that is necessary for enrollment in a QHP for the individual market and for Insurance Affordability Programs as specified in 45 CFR 155.405. The Exchange has developed and will use an HHS-approved application for SHOP or will use the HHS-developed application for SHOP employers and employees as specified in 45 CFR 155.730.						<i>If applicable:</i> State-developed single-streamlined application to determine eligibility for the individual market. AND <i>If applicable:</i> State-developed single-streamlined application to determine eligibility for the SHOP.	



Exchange Activity		Attestation		Testing Files*			Supporting Documentation*	HHS Approval Letter for Waive Out (X)
		Completed (X)	Expected Completion (date)	State Summary (X)	HHS-Developed (X)	I/V (X)		
3.1a1	The Exchange has developed and will use a HHS-approved single, streamlined application for the individual market to determine eligibility and collect information that is necessary for enrollment in a QHP and for Insurance Affordability Programs as specified in 45 CFR 155.405. OR							
3.1a2	The Exchange will use the HHS-developed single, streamlined application for the individual market to determine eligibility and collect information that is necessary for enrollment in a QHP and for Insurance Affordability Programs as specified in 45 CFR 155.405.							
3.1b1	The Exchange has developed and will use HHS-approved applications for SHOP employers and employees as specified in 45 CFR 155.730. OR							
3.1b2	The Exchange will use the HHS-developed applications for SHOP employers and employees as specified in 45 CFR 155.730.							
3.2	The Exchange has developed and documented a coordination strategy with other agencies administering Insurance Affordability Programs and the SHOP that enables the Exchange to carry out the eligibility and enrollment activities.						Brief description of the Exchange's coordination strategy with other agencies administering Insurance Affordability Programs and the SHOP related to eligibility and enrollment activities.	
3.3	The Exchange has the capacity to accept and process applications, updates, and responses to redeterminations from applicants and enrollees, including applicants and enrollees who have disabilities or limited English proficiency, through all required channels, including in-person, online, mail, and phone.							



Exchange Activity		Attestation		Testing Files*			Supporting Documentation*	HHS Approval Letter for Waive Out (X)
		Completed (X)	Expected Completion (date)	State Summary (X)	HHS-Developed (X)	IV&V (X)		
3.3a	The Exchange has the capacity to accept and process applications, updates, and responses to redeterminations from applicants and enrollees in-person.							
3.3b	The Exchange has the capacity to accept and process applications, updates, and responses to redeterminations from applicants and enrollees online.							
3.3c	The Exchange has the capacity to accept and process applications, updates, and responses to redeterminations from applicants and enrollees via mail.							
3.3d	The Exchange has the capacity to accept and process applications, updates, and responses to redeterminations from applicants and enrollees via phone.							
3.3e	The Exchange has the capacity to conduct the activities set out in 3.3a – 3.3d for applicants and enrollees who have disabilities or limited English proficiency.							
3.4	The Exchange has the capacity to send notices, including notices in alternative formats and multiple languages; conduct periodic data matching; and conduct annual redeterminations and process responses in-person, online, via mail, and over the phone pursuant to 45 CFR 155, subpart D.						If the Exchange will conduct additional periodic data matching in accordance with 45 CFR 155.330(d)(2), provide brief description of the data sources to be used.	
3.4a	The Exchange has the capacity to generate and send notices, including notices in alternative formats and multiple languages, pursuant to 45 CFR 155, subpart D.							
3.4b	The Exchange has the capacity to conduct periodic data matching pursuant to 45 CFR 155, subpart D and act on the results of the data matching.							



Exchange Activity		Attestation		Testing Files*			Supporting Documentation*	HHS Approval Letter for Waive Out (X)
		Completed (X)	Expected Completion (date)	State Summary (X)	HHS-Developed (X)	IV&V (X)		
3.4c	The Exchange has the capacity to conduct annual redeterminations and process responses through all channels pursuant to 45 CFR 155, subpart D.							
3.5	The Exchange has the capacity to conduct verifications pursuant to 45 CFR 155, subpart D, and is able to connect to data sources, such as the Data Services Hub, and other sources as needed.						<p>Comprehensive list of data sources that the State is connecting to or interfacing with, including a description of the data types and information associated with each source (including data sources that are used as primary verification methods or are used when information is not reasonably compatible).</p> <p>AND</p> <p>Brief description of how verifications will be conducted in the following areas: residency, citizenship and immigration status, incarceration, household income, family/household size, whether an individual is an Indian, enrollment in an eligible employer-sponsored plan (if applicable), eligibility for qualifying coverage in an eligible employer-sponsored plan, and eligibility for non-employer-sponsored minimum essential coverage. If applicable, describe any of the verifications listed above that may require the support of Federal agencies.</p>	
3.6	The Exchange has the appropriate privacy protections and capacity to accept, store, associate, and process documents received from individual applicants and enrollees electronically, and the ability to accept, image, upload, associate, and process paper documentation received from applicants and enrollees via mail and/or fax.							
3.6a	The Exchange has the appropriate privacy protections and capacity to accept, store, associate, and process documents received from applicants and enrollees electronically.							

Progress to Date

- Design Review in May 2012.
 - Minnesota was 2nd state to participate in design review
- Signed IT contract
 - Minnesota is one of ten states with a signed IT contract
- Design review feedback – started to receive from CCIIO in late September
 - Informs Blueprint status
 - Exchange staff are currently working with CCIIO to understand and document Blueprint status and documentation requirements

Moving Forward

- Upcoming meetings:
 - October 10 Blueprint progress and open areas/policy options
 - October 24 Work group recommendations
 - November 20 Work group recommendations
 - December 6 Work group recommendations
- All materials posted on website on a rolling basis and available for public comment

Minnesota Exchange Grant Awards

Grant Funding

Federal Grant of
\$1 M
February 2011

Federal Grant of
\$4 M
August 2011

Federal Grant of
\$23 M
February 2012

Federal Grant of
\$43 M
September 2012



- Planning
- Design
- Technical Infrastructure
- Stakeholder Consultation
- Market Research

- Development
- Technical Infrastructure
- Program Integration
- Outreach



Planning Grant

- Grant Period: February 2011 to February 2012
- Total Award: \$1 million
- Activities:
 - Background research
 - RFP development
 - Proof of concept stipends



Level 1 Establishment Grant - 1

- Grant Period: August 2011 to August 2013
- One year grant extension from original award
- Total Award: \$4,168,070
- Activities:
 - Initial Exchange staff and associated administrative expenses
 - Market Analysis
 - Project management consulting
 - Portion of Maximus contract
- Total spending to date: \$2,096,920



Level 1 Establishment Grant - 2

- Grant Period: February 2012 to February 2013
- Total Award: \$23,331,499
- Activities:
 - Continued funding of Exchange staff and associated administrative expenses
 - Initial IT infrastructure (hardware/software)
 - Project management and business analysis
 - Plan management development
 - Public awareness/outreach development
 - Portion of Maximus contract
- Total spent through mid September: \$2,715,028



Level 1 Establishment Grant - 3

- Grant Period: September 2012 to September 2013
- Total Award: \$42,525,892
- Activities:
 - Staffing for development and information technology staff through January and associated administrative expenses
 - Staff augmentation for development and IT through January
 - IT system infrastructure and system licenses, maintenance and support
 - Provider and plan information display and management
 - Customer service design and development
 - Outreach and communication design and development
 - Program integrity and security
 - Broker/Navigator program design and development