

# New York State Exchange Establishment Level 1 Funding

## June 29, 2012

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### Project Narrative

This response to the Cooperative Agreement to Support Establishment of a State-Operated Health Insurance Exchange is the third Level One submission made by the State of New York. The first Agreement was submitted in June 2011 and was awarded \$10.7 million; and the second Agreement was submitted in December 2011 and was awarded \$48.5 million. This additional request will fund necessary staff and work that needs to be completed to bring New York through the Exchange Blueprint application process and through much of 2013 as we work toward the October 1, 2013 open enrollment date. Specifically, this request focuses on Exchange IT Systems, Program Integration, Providing Assistance to Consumers, and key topics under the Business Operations Core Areas.

### *A. Demonstration of Past Progress in Exchange Core Areas*

#### 1. Background Research

New York has completed 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

Several additional Exchange policy studies have been completed 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 1) an examination of 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; and 3) issues, options, and timeline for state activity on reinsurance and risk adjustment if operating a state-based Exchange.

All of the studies listed above involved stakeholder consultation. Written reports describing the issues and options for consideration are posted on the New York Health Benefit Exchange website at [www.HealthCareReform.ny.gov](http://www.HealthCareReform.ny.gov).

Additionally, studies are underway, with the support of earlier Establishment Grant funds, to examine:

- Essential Health Benefits
- Insurance Market Issues
- Purchasing Role of the Exchange/Qualified Health Plan Certification Options
- Continuation of State Health Programs
- Medicaid Benchmark Benefits

As with our earlier work, we will present the results of these analyses to stakeholder groups as the studies are completed and will make the final reports publicly available.

Finally, additional background research has been conducted through private organizations that are committed to advancing the reform of health care in New York such as the United Hospital Fund (UHF) and the New York State Health Foundation (NYSHF). State government officials work closely with these and other organizations.

## 2. Stakeholder Consultation

Since our last submission in December 2011, the State has met regularly with a large group of 125 stakeholders representing all sectors – consumer advocates, health plans, agents and brokers, health care providers, health policy experts, members of Tribal Nations and others. Five large stakeholder meetings were convened on the following topics:

- Simulation modeling of the effects of various policy decisions, including implementation of a Basic Health Plan, on the Exchange
- Business Operations Plan
- The role of Third Party Assistors
- Essential Health Benefits
- Risk Adjustment and Reinsurance Programs

The Exchange planning team also regularly meets with individual groups on a range of policy issues.

The State has continued outreach to Indian Tribal governments for their input on the design of the New York Health Benefit Exchange and other related issues of concern. Exchange planning staff convened a meeting with Tribal Health staff and other members of Tribal Nations to seek input on the planning and implementation process for the Exchange and to develop a process

for regular convening around Exchange issues. Also in attendance were staff from the US Department of Health and Human Services (HHS), the Centers for Medicare and Medicaid Services (CMS), and the new York State Department of Health (DOH).

The State's federal health care reform website, [www.HealthCareReform.ny.gov](http://www.HealthCareReform.ny.gov), and implementation update emails continue to serve as the primary resources for sharing information regarding implementation with stakeholders. The website is updated continuously to include new developments of the Exchange planning process, including information regarding grant applications and awards, as well as available contractual opportunities.

In addition to these activities, the members of the Exchange planning team have spoken at meetings across the state to inform stakeholder groups about Exchange planning activities.

### **3. State Legislation/Regulatory Actions**

On April 12, 2012, Governor Cuomo issued an Executive Order establishing the New York Health Benefit Exchange. The Executive Order establishes the Exchange within the Department of Health (DOH) and directs DOH to work in conjunction with the Department of Financial Services (DFS, previously the New York State Insurance Department) and other state agencies to take all steps necessary to effectuate the Exchange and to carry out the requirements and serve the goals of the Affordable Care Act. The Exchange is also directed to convene regional advisory committees consisting of consumer advocates, small business representatives, health care providers, agents, brokers, insurers, labor organizations, and other appropriate stakeholders, to provide advice and recommendations on the establishment and operation of the Exchange.

### **4. Governance**

On April 12, 2012, Governor Cuomo issued an Executive Order authorizing the establishment of the New York Health Benefit Exchange. The Executive Order establishes the Exchange within DOH and directs DOH to work in conjunction with DFS and other state agencies to take all steps necessary to effectuate the Exchange and to carry out the requirements and serve the goals of the Affordable Care Act. The Exchange is also directed to convene regional advisory committees consisting of consumer advocates, small business representatives, health care providers, agents, brokers, insurers, labor organizations, and other appropriate stakeholders, to provide advice and recommendations on the establishment and operation of the Exchange.

### **5. Program Integration**

The Governor's Office continues to hold weekly Exchange Implementation Planning meetings with DOH, DFS, and Exchange 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. This core team coordinates to produce unified RFPs for Exchange implementation, and works together on both the Robert Wood Johnson Foundation and the Enroll UX2014 initiatives.

Eligibility and Enrollment is one of the most complex core areas in the design and development of an Exchange. A major focus of New York's program integration activities is work on eligibility and enrollment redesign activities. New York must redesign its current eligibility rules to align with the eligibility determination based on modified adjusted gross income (MAGI) and align the eligibility rules across programs to the greatest extent possible so that consumers can move between Medicaid and APTC eligibility without gaps in coverage. It must also consolidate dozens of eligibility categories into four. Perhaps the largest challenge is to redesign the 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 the joint planning sessions, ongoing work with DOH staff and outside consultants, through our participation in HHS User Groups on Eligibility, Income Verification and Application Language and Application/Eligibility Flows and the Medicaid and CHIP Coverage Learning Collaborative.

Additionally, since June 2011, New York has operated a consolidated call center which is responsible for the Medicaid, Child Health Plus, and Family Health Plus (New York's Medicaid expansion) helplines. The call center initiated operations for the Child Health Plus helpline in December 2010; the Medicaid and Family Health Plus helplines were implemented by the call center in June 2011. The call center is a component of the statewide Enrollment Center, *New York Health Options*, and offers centralized application assistance and information on all of New York's public health insurance programs. *New York Health Options* is operated by a vendor, MAXIMUS, and handles an average of 80,000 calls a month. As described in Section B.2. of this application, the *New York Health Options* will serve as the foundation on which New York will build the customer service and "back-room" operations of the Exchange.

Finally, on March 13, 2012, DOH issued a RFP for an established training entity to develop and deliver training, materials and technical assistance on New York's public health insurance programs to the local departments of social services (LDSS), to grantees and health plans participating in the Facilitated Enrollment (FE) program, the *New York Health Options* Enrollment Center (EC) and any other entities, as determined by the State, that assist individuals in enrolling for health insurance. A contract with the training vendor is expected to be finalized by July 2012 and will be expanded to include training related to the provisions of the Affordable Care Act.

## 6. Exchange Information Technology Systems

New York continues to move forward in developing a “consumer-centric” IT system to support a State-run health insurance Exchange. The Early Innovator project management team continues to facilitate Joint Application Design (JAD) sessions with DOH, DFS and other “subject matter experts” to develop business requirements in core business areas and identify remaining policy issues that impact the design of New York’s Exchange IT solution.

DOH developed the 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 and has finalized a contract with Computer Sciences Corporation (CSC) to develop and build the IT system for New York’s Health Benefit Exchange. CSC is beginning to gather business requirements for the Exchange IT solution. Social Interest Solutions (SIS), a subcontractor under this contract, and the organization that performed New York’s Gap Analysis included later in this application, will be a “subject matter expert” in the Eligibility and Enrollment core business area.

In addition, New York continues to play an active role in the Enroll UX 2014 project, a public-private partnership charged with creating a first-class user experience for health insurance exchanges operated by state and federal governments under the ACA. The final design deliverables for the project were released in early June, including flexible and scalable design specifications, which states can customize for their unique policy, programmatic, and implementation needs.

Initial funding for the All Payer Database (APCD) was received in the December 2011 Establishment Grant to fund the creation and implementation of an APCD governance structure; the development and promulgation of regulations for APCD operation; the defining of requirements for the claims submission guide; the determination of the technology architecture approach; defining processes to accept claims data, to build master person and master patient indexes, and to make data available to support defined use cases; and initial investment in the IT infrastructure that will house, maintain, and operate the APCD. New York has made significant progress on this work. Since the receipt of Establishment funds in February, the state has formalized an APCD governance and operational structure, which was adopted by the APCD Steering Committee in March. Within the governance structure, several teams have been established and have begun their work, in addition to the Steering Committee which continues to meet quarterly.

A high-level design for the APCD has also been created. Software has been identified and secured to process and validate incoming data against formatting and threshold requirements as well as to clean, standardize, and filter data elements coming to the APCD. IBM Initiate software has been proposed to use as an eMPI in the APCD project for Master Patient Index and Master Provider Index. A pilot project is underway to use Initiate to link and match two data sources. Working with a contractor from IBM, the Initiate server engine and the client

application have been installed and configured to operate in the DOH environment. Under the current pilot, two data sources have been bulk loaded and matched via IBM Initiate. The match involved testing with different permutations with varying sets of matching criteria and weighting criteria. The match results were examined to determine which combination of match blocking schemes yielded the best results. Discussion to acquire a permanent license is ongoing at the Agency CIO level with the Office of Mental Health to see if DOH can take advantage of their existing contract with IBM.

## 7. Financial Management

New York has completed a significant amount of work during the preliminary planning process, but further review to assess the existing capacity of the DOH financial management system, the adequacy of accounting and financial reporting, internal controls and which existing components can be leveraged by the Exchange needs to be completed.

A preliminary analysis of the costs of implementing the requirements of the Exchange and the on-going annual budget necessary to operate an Exchange has been prepared by Wakely Consulting. This analysis includes the identification of the number of operational processes and systems that must be developed for implementation and operation of the Exchange as well as analysis of the funding necessary to set up and run the Exchange. This will provide the basis for developing a model of self-sustainability for the Exchange.

In 2011 and 2012, we convened a series of meetings and calls with Wakely Consulting to identify and refine the necessary components for the Exchange's financial implementation plan. Preliminary drafts of a five year budget and self-sustainability analysis and business plan of operations were provided by Wakely following these meetings. DOH is currently in the process of refining this work to reflect the Exchange's establishment within DOH and guidance from HHS.

## 8. Program Integrity

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 education. New York State law and regulation require that health plans with enrollment that exceed a certain level must develop and file with regulators an internal plan to detect, investigate and prevent fraudulent and abusive activities. The plan

must include written policies, procedures and standards of conduct that are distributed to all affected employees and appropriate delegated entities, and that articulate the health plans' commitment to comply with all applicable federal and state standards and identify and address specific areas of risk and vulnerability. The health plan must designate an officer or director who has responsibility and authority for carrying out provisions of the plan, and who reports directly to senior management. Health plans must also establish an internal Special Investigations Unit (SIU) that must be integrated into all plan operational activities. Because these requirements apply to all licensed health plans in New York, they will extend to Qualified Health Plans offered in the Exchange.

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 or studies. For example, 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. Similarly, 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. Other consultants funded through RWJF and Establishment grant funds also provide regular updates on their work and submit invoices for their time. 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.

## **9. Health Insurance Market Reforms**

### Six-Month Reforms

New York has successfully implemented the six-month insurance market reforms that took effect beginning on September 23, 2010. This included legislation to conform state law with ACA-related insurance market reforms implemented to date, including prohibitions on lifetime limits and rescissions, restricting annual limits, eliminating cost-sharing for preventive services, eliminating pre-existing condition exclusions for children up to age 19, providing for dependent coverage up to age 26 on parent's plan, direct access to OB/GYN services, choice of primary care physician, coverage of out-of-network emergency services without pre-authorization, and enhanced external appeal rights. The legislation, which was fully vetted with consumers, health insurers, health care providers and other stakeholders, strengthens New York's already extensive body of consumer protections and, where appropriate, preserves state law that exceeds federal requirements, such as providing an option for young adults through age 29 to purchase coverage through their parent's employer plan.

### Pre-existing Condition Insurance Plan

The ACA established a pre-existing condition insurance plan for high-risk individuals. Coverage through this program will be available until January 2014 when more health insurance coverage options become available through the New York Health Benefit Exchange. New York's current allocation to fund the NY Bridge Plan, the State's pre-existing condition

insurance plan, is approximately \$85 million annually. The NY Bridge Plan covers a broad range of services; and its premium rates are \$362/month for residents of upstate counties and \$421/month for residents of downstate counties.

The NY Bridge Plan was highlighted for its relatively low out-of-pocket costs to enrollees in an Issue Brief by the Commonwealth Fund (*Realizing Health Reform's Potential, Early Implementation of Pre-Existing Condition Insurance Plans: Providing an Interim Safety Net for the Uninsurable*, June 2011).

#### Premium Rate Review

New York received a \$1 million Cycle I Rate Review Grant from HHS in August 2010 to enhance its rate review processes and a second Rate Review Grant in September 2011 for \$4.4 million. The DFS has used those funds to: improve rate filing requirements; enhance IT capacity and activities, including working with the National Association of Insurance Commissioners (NAIC) to upgrade the System for Electronic Rate and Form filing system; increase public access to the rate review process and information on rate increases; partner with FAIR Health, Inc., a not-for-profit organization which manages a database of health care claims; and hire one actuary and one examiner. This grant has provided New York with key resources to enhance its rate review activities under New York's new prior approval law, which was enacted in June 2010. New York will continue and expand on these enhancements through its Cycle II Rate Review Grant.

#### Exchange market reforms

The Urban Institute released a simulation modeling report projecting market impacts. The report estimates the cost and coverage impacts of federal reform, the impact of a Basic Health Plan option, as well as the projected impact of merging the non-group and small group insurance markets in New York and increasing group size from 50 to 100 in 2014.

## **10. Providing Assistance to Individuals, Small Businesses, Coverage Appeals, and Complaints**

New York State has launched successful statewide consumer assistance activities through the Community Health Advocates Program (CHA) administered by Community Service Society (CSS). In partnership with three specialist agencies, CSS provides technical assistance, support and backup to the statewide CHA network of 30 community-based organizations and agencies, which provide on-the-ground assistance (education, counseling, and navigational services) to individual consumers in the communities where they live and work. Similarly, CSS is the administrative hub to the newly created statewide Small Business Assistance Program (SBAP) network of 13 small business serving organizations. CSS also conducts quality assurance, case audits, and database management for CHA and SBAP.

In the first quarter of 2012, CHA assisted more than 15,000 New Yorkers from all regions of the state. Since its inception in October 2010, CHA has assisted more than 60,000 consumers representing the geographic, ethnic, racial, linguistic and economic diversity of the state with a wide-range of health care issues.

Since our last application, CHA also made significant progress on the development of SBAP. SBAP is now serving small businesses in all regions of the state through community-based small business serving agencies and new staff at CSS. In partnership with key leaders of the business community, CHA convened an SBAP Advisory Council and conducted a needs assessment and identified program priorities. In March 2012, following an RFP process, CHA selected 13 organizations to join the network. The SBAP agencies include Chambers of Commerce as well as organizations targeting microenterprises and immigrant, minority, and women-owned small businesses. In March, CHA held a two-day intensive training for the staff of these organizations. Since April, SBAP agencies have handled 109 cases and conducted 55 presentations about the Affordable Care Act, health insurance options and tax credits for small businesses with a total of 1,459 participants.

In response to the significant increase in call volume due to the listing of CHA on commercial carrier explanation of benefit notices, CHA has strengthened its central live answer hotline capacity by recruiting and training additional professional and volunteer staff. With the enhanced staff, the number of clients served by the hotline increased from 269 to 400 cases per month.

## **11. Business Operations/Exchange Functions**

Since June 2011, New York has operated a consolidated call center which is responsible for the Medicaid, Child Health Plus, and Family Health Plus helplines. The call center initiated operations for the Child Health Plus helpline in December 2010 and the Medicaid and Family Health Plus helplines in June 2011. The call center is a component of the statewide Enrollment Center, *New York Health Options*, and offers centralized application assistance and information on all of New York's public health insurance programs. *New York Health Options* is operated by a contractor, MAXIMUS and, as described in detail in Section B.2. of this application, will serve as the foundation on which New York will build customer service and "back-room" operations for the Exchange.

Also within *New York Health Options*, New York has launched a telephone renewal option in twelve counties. The early experience finds that the option to renew by phone is popular with consumers, results in less missing information, higher follow-through on documentation requests, and increased retention rates than mail-in renewals. While telephone renewal significantly improves the renewal experience for consumers, it requires more worker time to complete a renewal than a mail-in application. New York's experience positions the State well to provide broader telephone application and renewal pathways through the Exchange.

On March 13, 2012, DOH issued a RFP for an established training entity to develop and deliver trainings, materials and technical assistance on New York's public health insurance programs to the local departments of social services (LDSS), to grantees and health plans participating in the Facilitated Enrollment (FE) program, the *New York Health Options* Enrollment Center (EC) and any other entities, as determined by the State, that assist individuals in enrolling for health insurance. A contract with the training vendor is expected to be finalized by July 2012 and will be expanded to include training related to the provisions of the Affordable Care Act.

New York has worked with consultants at the Urban Institute and Wakely Consulting to support Exchange design. The Urban Institute 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 has provided the State with an estimate of the enrollment capacity needed in the health insurance Exchange in view of design parameters chosen. Wakely Consulting has also conducted analyses associated with the Exchange operations, including development of a New York-specific business operations work plan, and a preliminary draft of a five-year Exchange financial model and self-sustainability analysis.

Finally, as described above, additional studies have been completed 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; and 3) issues, options, and timeline for state activity on reinsurance and risk adjustment if operating a state-based Exchange. And, several other studies are underway, with earlier Establishment grant support, to examine the following policy issues: essential health benefits, insurance market issues, purchasing role of the Exchange/Qualified Health Plan certification options, continuation of state health programs, and Medicaid benchmark benefits.

### **11.1 Certification, recertification, and decertification of Qualified Health Plans**

States must define criteria, set standards and develop processes to ensure and monitor that Exchange health plans are "in good standing" and meet the requirements outlined in the ACA in order to be qualified.

New York has been working with NAIC and a collaboration of over twenty states to modify the System for Electronic Rate and Form Filing (SERFF) to serve as the vehicle to approve QHP designs and approve rates. SERFF will populate the consumer facing plan comparison tool with information on QHPs. SERFF is also being evaluated as part of the SI process as the potential source of information to populate health plan network and quality information for the consumer web portal. DOH has a robust network adequacy review system developed for Medicaid Managed Care that might be the preferred solution for reviewing QHP network adequacy and for populating the plan comparison tool to permit filtering by provider.

New York is also working with Wakely Consulting on an analysis of federal QHP certification standards, as well as considerations for additional state-specific criteria. Over the course of the next few months, the Exchange planning team, with the input of stakeholders, will develop the QHP certification criteria with the goal of issuing a solicitation to health plan in January 2013.

### **11.2 Plan Rating System**

Under the ACA Section 1311 (c)(3), State exchanges must assign a rating to each QHP in accordance with the criteria to be developed by the Secretary. The rating system will assess QHPs in each benefit level on the basis of the relative quality and price.

DOH has been collecting analyzing and publicly reporting health plan performance data since 1994. Plan performance is evaluated annually across a broad range of nationally recognized quality, utilization and member satisfaction metrics. The data generated from this reporting system, known as the Quality Assurance Reporting Requirements (QARR), are used for a number of different purposes including: providing financial rewards for high quality plans participating in Medicaid, determining auto-assignment preference for Medicaid, considering health plan expansion requests, measuring continuous quality improvement, and for informing policy makers and consumers. The QARR data is collected for a variety of plan products including commercial, Medicaid, Child Health Plus and preferred provider organization (PPO).

The highly experienced team assigned to collect and analyze the QARR data includes clinicians, analysts and program evaluators. Public reporting of QARR data has gone from being a 12 month process to one that is now complete in approximately five months, with the earliest release of results within three months of data submission. After data is validated and processed, staff begin the work of sharing with all interested parties, including publicly and commercially insured individuals who can use the information produced to inform their health plan choices. QARR data is posted on the DOH website in several formats including eQARR, (an electronic point and click tool) and the annual report on Managed Care Performance. In addition, Consumer Guides, which distill results from many measures into a highly readable format, are made available in hard copy to Medicaid recipients to assist them in selecting a health plan. Electronic versions are available on the DOH website for commercially insured persons.

### **11.3 SHOP-Exchange**

Benefits of a SHOP Exchange will include availability of tax credits to make coverage more affordable, a wider choice of plan options, and help in administering health insurance benefits. Specifically, the SHOP may assume some or all of the human resources functions of offering health insurance to employees – make plan choices available, enroll eligible employees, and collect premiums to send to health plans. If desired, the small employers' role could be limited to setting the amount to contribute toward employees' coverage. Finally, small business

employees would have much broader choice of coverage through the SHOP Exchange than they typically do today.

While New York intends for its SHOP Exchange to leverage as much functionality as possible from the systems being built for the individual Exchange, New York's Exchange will require certain functionality that is specific to the SHOP. SHOP-specific functionality includes mechanisms for premium billing and employer choice.

Using funding from a previous establishment grant, New York will soon engage the services of a consultant to provide advice in the development of a New York specific plan to design and implement a SHOP program that meets the needs of New York's small businesses and is appropriately supported by the state's technical SHOP solution. The consultant will work with small businesses, health plans and brokers to develop policies and procedures to ensure that the SHOP "adds value" to New York's existing small group insurance market. It will also work closely with the SI to identify opportunities to integrate SHOP functions with Exchange functions (e.g., consumer assistance, marketing, etc.) and to develop processes and procedures to verify eligible employers and employees, gather input from stakeholders, conduct focus groups, and work on messaging to promote the service.

## ***B. Proposal to meet Program Requirements***

### **1. Governance**

Governor Cuomo's Executive Order established the New York Health Benefit Exchange within the Department of Health (DOH). The Department of Financial Services (DFS) will also play an integral role in the development of the Exchange and by carrying out state regulatory functions related to New York's insurance markets. The attached Summary (see Mandatory Other Attachment file) of the Wakely Consulting Business Plan of Operations lays out 5 core processes and 17 Exchange functions that must be undertaken to establish a state-based Exchange. This high-level work plan is the starting point for our work in each area and has informed our staffing request in this grant. Specifically, New York requests funding to recruit and hire executive leadership and critical staff to operationalize the Exchange.

#### **Executive Leadership**

The Exchange will become a new office within the DOH with the Executive Director reporting to the Commissioner of Health and the Governor's Secretary for Health. Funding is requested to support the establishment of an Executive Office for the Exchange consisting of an Executive Director, a Deputy Director and Chief Operating Officer, Chief Information Officer, and an executive administrative assistant.

In addition to the five executive leadership positions, New York requests funding to recruit and hire staff in the following functional areas:

- Administration
- Policy and Planning
- Small Business Health Options Program
- Plan Management
- External Relations - Regional Advisory Committees
- Navigator Program
- Plan Quality Rating
- Health Plan Regulation
- Market Reforms
- Risk Adjustment and Reinsurance
- Broker Reforms

Details regarding the number of positions per functional area and associated salaries are included in the budget section of this application.

## 2. Program Integration

Program integration and administrative simplification is a primary goal of the ACA. New York requests funding support to plan for and develop the back-end operations of the Exchange Call Center and the overall strategy to provide seamless customer support. The State also requests support to plan and develop the back-end operations of the Exchange Eligibility and Enrollment function. Although New York has made substantial progress in these areas, the specific business processes and functional flows need to be developed for the eligibility and enrollment to reflect the new insurance options (QHPs and APTCs) and eligibility rules. The Call Center and customer support functions are the core areas to provide the integrated, seamless experience to provide assistance to the various consumers of the Exchange. Eligibility and Enrollment is the core area to provide a consumer-centric, largely automated experience. This proposal develops the operational plan including training to implement these services in time for open enrollment for the Exchange in October 2013.

### Call Center and Eligibility and Enrollment

New York requests additional funding to assist the *New York Health Options* Enrollment Center, operated by MAXIMUS, plan for the changes set forth in the ACA. MAXIMUS will expand the call center function to include responding to inquiries about Advance Premium Tax Credits (APTC), including inquiries regarding eligibility, premium payments, partial payments, and grace periods, and cost-sharing reductions (CSR). It will also provide customer support to

employers and employees with respect to SHOP and to health plans regarding QHP certification.

New York intends to centralize the back end operations for eligibility determinations for all APTCs and new enrollments for MAGI Medicaid and Child Health Plus (CHP). Medicaid renewals will be processed through a combination of the centralized processing center at the State and the local departments of social services. The centralized eligibility and enrollment processing unit will be staffed by a combination of state workers and MAXIMUS workers. State workers will provide training, quality assurance and oversight, and eligibility determinations for applicants whose eligibility cannot be determined electronically. Telephone assistance and data entry support will be provided by MAXIMUS and systems support to manage application/renewal workflow, documents, etc, will be provided by MAXIMUS or CSC. The State and MAXIMUS staff will work in a hybrid model in the centralized processing unit to perform implementation activities for eligibility and enrollment operations for both the Individual and SHOP portals.

The proposed funds will also be used to train customer service representatives on the array of Insurance Affordability Programs available and the information required for eligibility, including income rules based on MAGI and other rules that will be used to determine eligibility for Medicaid, the CHP, APTC, and the SHOP Exchange. DOH will work closely with MAXIMUS to develop and update policy manuals and training materials for customer service representatives and eligibility workers. Additionally, DOH will collaborate with MAXIMUS to update, revise and review scripting used by call center staff responding to inquiries, conducting eligibility screenings for individuals contacting the *New York Health Options* call center, and processing applications and renewals by phone. The call center is anticipated to be fully-functional by October 2013.

Business operations at the *New York Health Options* Enrollment Center will need to be reengineered to ensure the seamless processing of applications and renewals for individuals who are eligible for Medicaid, CHP, and APTC under the new MAGI methodology or are eligible to purchase through the SHOP Exchange, and refer non-MAGI applications and manual aspects of the application submission process to the appropriate entity. This will require MAXIMUS to collaborate with CSC to develop real-time interfaces between new and existing systems developed by MAXIMUS and New York's new Health Exchange IT solution. MAXIMUS will also be involved in the requirements analysis, requirements definition, user story generation, user story validation and user acceptance testing of the Health Exchange IT solution.

Some of the program integration activities that the funding will support include:

- Participate in JAD sessions with CSC and DOH to inform the development of the new eligibility system for MA, CHP, and individuals applying for APTC through the Exchange to ensure that the back end operations work smoothly with the system.

- Collaborate with the System Integrator on interfaces needed between MAXIMUS and CSC software and system
- Plan for the development and implementation of a back-end operation to support application and renewal processing for MAGI-MA, CHP, and APTC
- Plan for the expansion of the call center for consumers that will support eligibility screening, application and renewal processing, and consumer assistance regarding eligibility for New York's Exchange and public health insurance programs
- Assist with development of consumer-friendly, accessible application language, assistance tools, materials, notices and processes, including notices and process for Exchange appeals
- Hire and train staff for the call center and for eligibility determination in preparation for October 2013 open enrollment. These staff will accommodate an estimated caseload volume of 1.4 million in 2013
- Implement the expanded call center and the eligibility and enrollment function by October 2013

### 3. Exchange IT Systems

#### 3.1 System Integrator (SI) additional funding

In February 2011 the DOH was awarded an EI federal grant to support the DDI of the business requirements, processes and IT infrastructure needed to operate a New York Health Benefit Exchange, including a SHOP Exchange in accordance with the requirements of the ACA. New York issued an RFP in July 2011 with the following major goals:

- 1) Provide immediate support for New York to Design, Develop and deliver to DOH an Operational ready (DDO) Exchange IT system which meets the needs of the State, New York consumers, and a range of relevant stakeholders (e.g., employers, health plans, citizens, etc.);
- 2) Design and develop modular, reusable, scalable, open standards technology components for advancing New York Exchange IT system capabilities, working in collaboration with the HHS, CCIIO, CMS, the State of New York and other States;
- 3) Further mature and refine the New York Exchange IT system governance structure, building upon the planning work completed by DFS and DOH as a result of the State's first round planning grant award from CCIIO;
- 4) Refine and evolve the integration strategy of New York's Medicaid and Children's Health Insurance Program into the New York Exchange IT system;
- 5) Design the New York Exchange IT system such that it will be able to interoperate with other social benefit programs such as the Supplementary Nutrition Assistance Program, Temporary Assistance for Needy Families and Title IVE of the Social Security Act (Foster Care); and,

- 6) Position New York and other states to deploy successful Health Insurance Exchanges beginning in July 2013 for full implementation by January 1, 2014.

In addition, the contractor will be required to provide DOH with a range of assistance and deliverables, including assessments, analyses, recommendations, options, and development of scope of work for subcontracts and/or solicitations and other work products; and develop the procedures and standards necessary for successful implementation and operation of the New York Exchange IT system.

DOH has finalized a contract with Computer Sciences Corporation (CSC) but the total cost of the SI contract through the end of 2014 exceeds existing funds by \$87 million. New York requests additional funds for the SI contract to ensure that there is no gap in funding during the period of the grant. These funds will support the overall design, development, and implementation activities that will be conducted during this grant period. This will include upgrades needed to the current IT system and interfaces to the DOH legacy IT system components to the new IT system. These funds will cover costs for the period March 2013 – August 2013, when existing funds end through the end of this grant period.

New York also requests additional funding to supplement the NY-HX design and development. Certain DOH legacy system components will need to be upgraded and interfaces created to integrate with NY-HX. For example, the database that maintains network adequacy for all managed care plans (both public and commercial) may be used to certify network adequacy for QHPs and to populate the consumer facing plan comparison tool. DOH may need to build interfaces to integrate the data into NY-HX. Similarly, the DOH automated renewal tool may be used to transfer data to NY-HX on existing members.

### **3.2 IT Systems Quality Assurance**

To ensure that the contracted System Integrator is on target in regard to design, development and timelines, the New York Health Benefit Exchange will procure a Quality Assurance (QA) vendor. The purpose of the procurement of a qualified QA contractor is to provide QA services that include, but are not limited to, the review and assessment of the primary contractor's work products including the requirements of gathering, system design, system construction and test, user acceptance testing and the CMS operational review of the operational ready Exchange IT Solution based on the requirements in the ACA.

New York requests funds to support the SI Quality Assurance vendor for independent verification and validation (IV&V) that will be necessary for the testing of the Exchange IT system. A sample of the expected tasks that the QA vendor will be responsible for includes:

- Develop a detailed QA Plan
- Develop Review and Evaluation Criteria for the Primary Contractor's Deliverables
- Review Primary Contractor's Deliverables
- Ongoing Consultation and Project Management

- Monitor Project Quality
- Develop and Implement QA Controls Procedures
- Monitor Project Schedule
- Monitor Risk Management, Problems and Resolutions
- Review Primary Contractor's Work Plans, Designs and Reports

An RFP for the QA vendor was issued on September 26, 2011 and a contract is expected to be completed in July 2012.

### **3.3 All Payer Database**

New York seeks additional support to continue its work in establishing and administering an All Payer Database (APCD). This request includes funding for (1) the continuation of APCD activities, (2) the necessary resources to develop and implement an analytic component to support the Exchange, (3) support for outreach to engage data contributors, and (4) to identify and develop sustainability models. The APCD is the integral component that will support the quality rating process and provide data necessary to calculate risk adjustment capitation rates. New York's APCD has received one year of funding through the December Establishment grant; we now seek additional funding to continue these activities.

The continuation of funding will support the five employees funded under the December Establishment grant who will continue to spend 100% of their time working on APCD activities. Funding is also requested for the continuation of the Data Team Leader who has overseen analytic activities to determine the reporting requirements for commercial claims, and to understand the requirements for the master person and master provider indexes. The funding of these positions is necessary to continue the work underway to ensure a smooth and timely implementation.

Funding is also requested to staff the Analytics and Outputs Subgroup, which will largely be comprised of staff from the newly established Office of Quality and Patient Safety (OQPS). The staff on the Analytics and Outputs Subgroup of the Data and Informatics Team will develop requirements to create the proper data marts and cubes as they relate to risk adjustment and other Exchange functions. They will identify analytic reports, and the requirements for those reports, and any consumer products. Participants from this subgroup are expected to participate in the creation of policies and procedures for the establishment and operation of a risk adjustment program in accordance with federal requirements.

New York's APCD will support the business operations of the Exchange. At a minimum, the APCD will:

- Support Exchange requirements, including enhanced risk adjustment for health plans inside and outside of the Exchange
- Provide the Exchange with information on quality and cost

- Establish data marts designed specifically to assist DFS' efforts in reviewing and approving premium rate increases by providing valuable comparative information between plans.

The proposal requests funding for the continuation of activity after the December Establishment grant expires in February 2013, as well as the addition of new work that would begin in August 2012.

## **4. Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints**

### **4.1 Consumer Assistance Activities**

New York seeks funding to continue successful consumer assistance work through the Community Health Advocates (CHA) initiative. This funding will support consumer assistance activities that do not replace or supplant other federal funds and are integral to Exchange activities. During the grant period, New York plans to use requested Establishment funds to continue to provide assistance to individuals and small businesses through the statewide independent CHA initiative administered by the Community Service Society of New York (CSS). The continued provision of these targeted services, and the collection and analysis of information on the types of problems experienced by health insurance consumers, will provide an important tool to help the State assess consumer health insurance needs and determine appropriate types of assistance, outreach and needed capacity, in the context of planning for New York Health Benefit Exchange customer service functions.

New York will subcontract to the CSS to continue to operate CHA. This funding would allow us to continue these activities for another 6.5 months after the current CHA contract ends in mid-February 2013.

With continued federal funds through this Establishment grant, CHA will continue:

- Designing, preparing, and field testing training curricula and materials to educate advocates, small businesses, and consumers about the Exchange and consumer protections
- Reviewing and assessing the secure internet-based CHA database to design a robust quality assurance protocol for consumer engagement with Exchange enrollment and other activities
- Mining the CHA data to evaluate and determine what kind of assistance consumers will need in 2014

And, CHA will use the lessons learned about small business engagement in the first year of operation of the Small Business Assistance Program to develop recommendations to the SHOP Exchange.

#### **4.2 Third Party Assistor training and certification**

With up to 2 million New Yorkers becoming eligible for Exchange coverage in 2014, it is imperative for New York to continue to provide information about all available coverage options and enhance in-person and community-based application assistance for individuals seeking health coverage through Exchange.

New York requests funding to develop and provide training to Local Departments of Social Services, community based organizations, and health plans participating in the Facilitated Enrollment Program and other third-party assistors, including Navigators. The trainings will instruct entities on how to apply the new income and other eligibility rules to the screening and application processes for individuals applying for insurance affordability programs. Training topics will include, but are not limited to: determining eligibility based on the MAGI methodology, consolidation of Medicaid eligibility categories, eligibility for the SHOP Exchange, on the use of the new eligibility system for Insurance Affordability Programs. Third-party assistors will be required to submit applications taken on behalf of prospective enrollees electronically.

#### **4.3 Navigator certification and training**

Establishment funding is also being requested to develop the certification process for the Navigator program to ensure that Navigators meet certain quality and accountability standards. The proposed funding will supplement a forthcoming DOH training contract. Establishment funding will also be used to provide planning support for the implementation of a complaints and appeals module of New York's IT Health Exchange solution to specifically handle workflow routing and tracking for both complaints and appeals.

#### **4.4 Applications and Notices**

New York requests funding to support the reengineering of the eligibility and enrollment business processes as a result of a building a new Exchange IT solution. The requested funding will be used to develop the requirements of applications and notices as outlined in Federal requirements. New York will use the proposed funds to work with the MAXIMUS Center for Health Literacy to develop application questions and informational content on web pages in language that is appropriate to the literacy levels of consumers utilizing the self-service online enrollment process. This work also will be leveraged as New York finalizes its single-streamlined paper application as per federal requirements. Consumer testing and refinement of the application questions and website content are also included in this task. Additionally, New York will work with the Center for Health Literacy to ensure that the online and paper applications and front end of the Exchange meet 508 accessibility standards.

In addition to developing a linguistically-accessible application, New York also proposes to work with the Center for Health Literacy to develop and revise notices to be culturally competent and at a suitable reading level for consumers accessing health care coverage through the New York Exchange.

## 5. Business Operations of the Exchange

### 5.1 Plan Rating System

The DOH's Office of Quality and Patient Safety currently collects a wide range of quality of care, satisfaction and utilization data from commercial and Medicaid managed care plans. Static reports are then posted in the Department's website for use by consumers, researchers, policy makers and others.

([http://www.health.ny.gov/health\\_care/managed\\_care/reports/eqarr/2011/](http://www.health.ny.gov/health_care/managed_care/reports/eqarr/2011/)).

In keeping with its long history of measuring and publicly reporting health plan quality, New York intends to develop an interim quality rating system until such time as rules are promulgated by the Secretary. New York seeks funding to hire consultant computer programming support to perform the following activities:

- Review and streamline health plan quality metrics data intake processes
- Develop a system of edits that disallows invalid data from being accepted and produces error reports that go back to health plans
- Develop data compliance reports for use by program staff

New York also seeks funding to develop the capacity to allow consumers to perform customized queries of QHPs to assist them in choosing a health plan. Specifically, DOH intends to create interactive capability on the Exchange website that would allow consumers to customize their queries based on what's most important to them, such as the health plan's region, the health plan's quality rating, customer satisfaction ratings, provider network composition, among others. New York seeks funding to hire staff to work with the Office of Quality and Patient Safety to:

- Lead an assessment of how quality reporting for the QHPs should be assembled and shared with consumers as part of the shopping experience. An information gathering process that includes consumers and other stakeholders will be conducted over the summer and fall of 2012.

The proposed activity timeline is outlined in the table below:

| <b>Activity</b>  | <b>Timeline</b> |
|--|-----------------|
| Assemble a project team and develop project timeline.  | Complete        |
| Determine vehicle for obtaining consumer input. (IPRO contract, procurement, other)  | July 2012       |
| Develop templates, mock-ups of web pages to share with interested parties, leveraging UX 2014 screenshots to show what/how/where quality rating data might be displayed to the consumer as part of | July 2012       |

|  |                          |
|--|--------------------------|
| QHP comparison. (consumers, stakeholders)  |                          |
| Schedule a series of meetings to obtain stakeholder input. (health plans, consumer advocacy groups, others)  | August to September 2012 |
| Develop final set of QHP quality rating recommendations for Executive review and approval.   | October 2013             |
| Produce initial data for QHP quality rating for inclusion in Health Exchange consumer portal in time for Oct 2013 open enrollment, based upon 2012 data. | June 2013                |

## 5.2 Marketing and Outreach Plan

New York is developing a Marketing and Outreach Plan that will consist of a total of 4 phases. These Phases include (1) Positioning; (2) Pre-launch Planning; (3) Launch; and (4) Post launch and Maintenance.

The goal of the Exchange Marketing and Outreach Plan is to connect New Yorkers with quality, affordable health insurance through an easy-to-use, trusted source that allows them to compare and purchase plans. In order to meet this ambitious goal, New York plans to:

- Create a multi-faceted outreach campaign that creates multiple touch points that reach our target audiences.
- Extend our reach through navigators, consumer advocates, regional advisory committee members, and other stakeholders who have direct inroads with our target audiences.
- Target populations most likely to enroll to demonstrate early successes and build momentum.
- Plan concentrated communication waves with coordinated activities to help amplify our efforts.
- Build early public support for the Exchange to help encourage enrollment and sustain the Exchange.
- Reach low-income and diverse populations through targeted outreach.
- Build a small business owners' engagement plan with tailored touch points and messages that align with the rest of the campaign.

The proposed funding in this request will develop and test, name, brand positioning and message framework. The funding will cover the expenses associated with the following pre-launch (Phase 1: Positioning and Phase 2: Pre-launch Planning) research:

- Audience segmentation
- Ethnographies
- Message focus group
- Branding/positioning focus groups

In addition, New York requests funding to cover the expenses associated with two advertising campaigns during the summer of 2013 (Phase 3: Launch) to raise consumer awareness leading up to Fall 2013 open enrollment.

### *C. Summary of Exchange IT Gap Analysis*

New York previously submitted a required Gap Analysis in support of its Early Innovator grant application and the summary below with its June 2011 Establishment Grant application. In addition, as discussed above, the NYSHF, under a project developed in collaboration with DFS and DOH, funded SIS and Lewin to conduct an eligibility and enrollment systems gap analysis. The project's report, "Preparing New York's Information Technology Infrastructure for Health Reform: A Gap Analysis," released in May 2011, evaluates systems currently in place at DOH, the New York State Office of Temporary Disability Assistance, Hudson Center for Health Equity and Quality, New York City agencies and private health insurers. The Executive Summary from the report is provided here, the full report is available through <http://www.nyshealthfoundation.org/content/document/detail/12888/>.

***IT Infrastructure GAP Analysis New York, Executive Summary***  
**Prepared by Social Interest Solutions**

#### **Overview**

The Affordable Care Act (ACA) is a game changer both in terms of the culture of enrollment in public and subsidized health insurance and in terms of the infrastructure needed to support the enrollment process. Information Technology (IT) readiness will play a critical role in establishing a streamlined and integrated "no wrong door" process for accessing both public and private benefits under ACA.

NYSHealth, in partnership with New York State stakeholders, initiated a project to help New York State hone the New York vision for implementing health care reform in the most prudent and efficient way. Two national organizations, Social Interest Solutions (SIS) and The Lewin Group, were selected to do the following:

- Interview a wide range of stakeholders to gather insights and input
- Provide a detailed understanding of federal reform requirements and identify areas needing further federal clarification
- Catalog relevant New York systems for public and private programs
- Review relevant New York systems to determine functionality and potential for use in the Exchange
- Create a technology gap analysis to inform future decisions

A variety of activities took place to accomplish these tasks and work to assess the State's readiness kept pace with new federal guidance and other environment developments.

## Methodology:

A first step in the project was to review existing guidance and documentation and to meet with State leaders to understand the current New York “vision” for implementing the Exchange. One important component of this visioning session was discussing the state’s response to a U.S. Department of Health and Human Services (HHS) competitive “Early Innovators” Request for Proposals. The funding opportunity (subsequently awarded to New York) was to reward states demonstrating leadership in developing cutting-edge and cost-effective consumer-based technologies and models for insurance eligibility and enrollment in Exchanges. State stakeholders confirmed their commitment to the elements of the Early Innovator proposal and the Project Team then conducted a series of interviews with a broad range of stakeholders to get additional perspectives and input on the evolving vision.

Through these interviews and meetings with New York leadership and key stakeholders, the Project Team identified a list of IT systems that could be relevant to the work ahead in New York. The Project Team also identified key subsystems that may have ongoing value and could potentially be leveraged for meeting federal requirements. A variety of phone, Webinar and in person sessions were held to narrow the list of potential candidate systems and to conduct systems demos and transactional walkthroughs.

The systems reviewed included:

### New York State Department of Health

- eMedNY
- Healthcare Eligibility Assessment and Renewal Tool (HEART)
- New York State Office of Temporary Disability Assistance
- Welfare Management System (WMS) and five sub-systems
- myBenefits
- myWorkspace

### Hudson Center for Health Equity and Quality

- EnrollNY
- Facilitated Electronic Enrollment Application (FEEA)

### New York State Health Department Child Health Plus

- Knowledge Information System (KIDS)

### New York City Systems

- Access NYC
- New York City EDITS
- EDITS Review
- New York City Paperless Office System (POS)

## Other Insurance Systems

- Liazon Bright Choices
- HealthPass NY
- HealthCare NY Web Site

The purpose of the systems reviews was to determine the current functionality and to identify assets that may be leveraged for accomplishing New York's Exchange vision. Systems on the list above were assessed for both functional (what the user needs to do via the IT system) and technical attributes (system architecture and integration capabilities) to support all or part of New York's Health Insurance Exchange system. Systems were assessed against current Federal requirements for Exchanges.

## Identifying Foundational Assets

Based on analysis of New York's Early Innovator proposal, the two most valuable assets identified in the course of this assessment are:

- The technical architecture developed to ultimately support eMedNY and proposed as a central part of New York's Federal Early Innovator grant award. The value of this asset is its compliance with the Medicaid Information Technology Architecture (MITA) standards and its use of flexible and extendible Service Oriented Architecture (SOA) and Enterprise Service Bus (ESB) technology, all of which are required of Exchange IT systems.
- The Medicaid Data Warehouse, also proposed in the Early Innovator grant, which will provide robust toolsets and features that can be leveraged for the business intelligence (reporting and data analysis) requirements of the Exchange. While enhancements and new components will be needed to make these assets comply with federal requirements, they offer a strong foundation for the proposed State Exchange. These assets are the foundational assets against which other systems (and sub systems) were assessed.

## Identifying the Gaps

Having confirmed the two foundational assets above, the Project Team assessed those assets against the federal requirements as of March 1, 2011 to identify the remaining gaps that need to be filled in New York. At a high level, these gaps include:

- A robust consumer and eligibility worker application (or portal) that provides a "first class customer experience" that enables real-time transactions and the exchange of information seamlessly across a number of programs.
- The limitations in terms of scalability and interoperability and the absence of an automated rules engine of the current human service eligibility and enrollment system known as Welfare Management System, or WMS. From a capacity perspective, this system will not be able to support the inclusion of additional lives anticipated in 2013 and beyond and the State will need to determine how to handle the information currently in the WMS system, which will ultimately be valuable to the Exchange.
- Needed functionality on the commercial insurance side of the house: rating and managing the offerings on the Exchange, and the small employer exchange and

associated administration (i.e., Small Business Health Option Programs (SHOP) Exchange).

Drilling down on these gaps, Federal guidance specifically calls for:

- Full featured front-end web-based portal that will allow or provide for:
  - Consumers to explore the health insurance and other options available to them and to apply online for a range of benefits using a single online application
  - Community Assistors, Navigators and Brokers to help consumers apply online
  - Small businesses, self proprietors and employees to explore the options available to them, to apply for the plans they select and to manage their plans and benefits
  - Health Plans and Insurance Companies to set up their options in the Exchange based on required criteria set by the State
  - Integration with federal and state verification and eligibility systems (such as Internal Revenue Service, Social Security Administration, Department of Homeland Security, State Eligibility systems) to verify and access information about consumers in real-time
  - Eligibility determination for Medicaid (using the Modified Adjusted Gross Income rules), Subsidized Medicaid and other coverage available to consumers
  - Consumers able to provide electronic point in time verification by faxing, scanning or emailing their supporting documents
  - Notifications to consumers via e-mail, text messaging or paper notices about their coverage, renewals and more
  - Consumers to view and manage their eligibility and enrollment information
  - Electronic Recertification, Change in Circumstance and other subsequent application events
- Appeals
- Standards-based rules engine
- Document management
- Integration with other systems and services
- Accessibility and other usability standards
- Customer support
- Seamless eligibility and enrollment process with Medicaid and other State health subsidy programs and other human service programs. e.g., Supplemental Nutrition Assistance Program (SNAP – also known as Food Stamps) and Temporary Assistance to Needy Families (TANF – also known as cash assistance). Although this is not federally required by 2014, it is an objective of the ACA legislation.
- Support for consumer mediation
- SHOP Insurance Exchange offerings, employer reporting and third-party Administration
- Commercial insurance offerings
  - Certification, recertification, and decertification of qualified health plans
  - Premium tax credit and cost-sharing reduction calculator

- Quality rating system
- Risk adjustment and transitional reinsurance
- Navigator program
- Notices
- Administration of premium tax credits and cost-sharing reductions
- Adjudication of appeals of eligibility determinations
- Information reporting to IRS and enrollees
- Outreach and education
- Free choice vouchers
- SHOP Exchange-specific functions

Given the extent of what needs to be in place by January 2013, it is likely inevitable the state will need to build elements of the Exchange from scratch to meet these and future requirements. With this in mind, the next step in this analysis was to look at existing assets that might start to close the gap.

### **Assessing Potential Assets**

We looked at assets in addition to eMedNY and the Data Warehouse to see if they could help to fill the gaps. While we identified a number of possibilities, we did not find any asset or combination of assets that would completely fill the gaps identified above. Instead we found a variety of disconnected assets that we categorized into groups for further consideration by the state. We note that cobbling these varied assets together will be complicated and time consuming and has some level of risk. The state will therefore need to assess the value of each asset against the potential considerations of using the asset.

The assets identified as part of the analysis were placed into several different categories for the purposes of calling out their potential contribution to the future. Asset categories include:

- Functional Asset - expertise or thought leadership
- Transitional Asset - potential temporary technical assets that could serve a bridge to more permanent solutions
- Technical Asset - code or IT services that could be consumed or repurposed by the Exchange
- Assistive Asset – support analysis and insight but might not be integrated into the Exchange

Managers and “owners” of all of the systems assessed could provide valuable insights and learnings (known as functional assets) to contribute to the future and implementing the Exchange. However, it is important to reiterate that the ease of accessing and using an IT or systems asset will be more challenging and will depend upon a variety of factors, including who (what agency, organization, company) owns or has purview of a particular asset. The state is up against an almost impossible deadline to stand up the Exchange by January 2013. State leaders will need to assess each potential asset against the considerations of time and

practicality. For this reason, it is likely the State may not be able to take advantage of some of the potential assets identified in this analysis.

### **Options and Recommendations**

In light of IT assessment findings, the report calls out five options for New York to consider in moving towards the 2013 deadline.

**Option #1** - Utilize the New York assets identified in this assessment to cobble together a solution that would work for New York (note that many assets identified were functional assets.)

**Option #2** - Look at what other states or organizations might have developed that could be leveraged for re-use in New York (note this option still must address the data structure and associated issues that arise because of WMS.)

**Option #3** – Participate in the recently announced User Experience Project. This is a project funded by national philanthropies and conducted in partnership with the Centers for Medicaid and Medicare Services (CMS) and the Center for Consumer Information and Insurance Oversight (CCIIO) to help states design state of the art, consumer-mediated, Web-based front-end interfaces to Exchanges. The project involves conducting human factors research on the consumer “psychology” in accessing health coverage and will draw on the ability of an established design firm, IDEO, in creating the blueprint for the consumer-mediated front-end system envisioned through ACA. (Note: this option would still need to address considerations for supporting commercial insurance and the SHOP Exchange and dealing with the significant database issues associated with the eligibility and enrollment management.)

**Option #4** - Build everything from scratch and not leverage assets or projects supported by others.

**Option #5** - Leverage the most capable components of options #1 - #3, with the knowledge that many of these assets are functional. The report ultimately recommends Option #5, in which New York would leverage valuable functional assets (Option #1) and build its own Exchange front-end leveraging the User Experience work (Option #3). While much of the needed functionality for the Exchange will come through this effort, it will still require New York to build robust templating capabilities to be able to consume what is set forth by the User Experience effort. It will be critical for New York to be active participants in the project.

The contribution from Option #1 in this scenario is more about the rich functional assets in New York rather than the technical assets, though certain technical assets should not be ruled out, as described in Section H. The value of the functional assets is found in the significant experience and knowledge of those who have been thinking about and working for years to develop

MyBenefits, MyWorkSpace, WMS, FEEA, ACCESS NYC and learnings from the work done on the Functional Road Map. The functional expertise of these groups should be tapped as subject matter experts in the work that lies ahead while the State makes the best and most informed decisions about leveraging, building and sharing assets to meet the 2013 timeline.

Finally, the State must still address two remaining gaps: (1) New York State's need to handle the gap created by the fact WMS is not a re-usable or leveragable asset (yet it contains data for millions of individuals known to Medicaid, SNAP, TANF and more); and (2) the need for the SHOP Exchange functionalities in the Exchange. Options for filling these two gaps were not assessed as part of this project.

#### ***D. Evaluation Plan***

This funding request will bring New York to a point of readiness to achieve certification of a state-based Exchange in January 2013 and toward operational readiness in October 2013. The overarching goals of this project are to continue the steady progress that New York has accomplished in its IT systems development, including the All Payer Claims Database, program integration, consumer assistance, marketing and outreach and the formation of the executive leadership and core organizational staff that will be responsible for Exchange implementation and operation.

We provide a brief summary of our approach to evaluating the progress and measuring success by Core Area. New York has experience in managing multiple federal funding sources and takes seriously the concern of proper oversight of which funds are being used (e.g., Innovator, Level 1, Exchange Establishment, APD) and to ensure funds are being used effectively and efficiently. We have Exchange planning staff responsible for the integrity of the distribution of funds and to ensure that the State receives the contracted deliverables as agreed upon in a timely manner. All payment invoices will be reviewed by the State's Exchange Planning Project Director, Establishment Grant Principal Investigator, and/or relevant State agency staff.

1. **Program Integration** – New York has procured the services of MAXIMUS to collaborate with the SI on the necessary eligibility interfaces between systems; develop and implement the back-end operations; develop, implement and train for the eligibility process; and many other aspects to provide a seamless service for consumers. Disciplined project management efforts will be the driving force behind meeting deadlines of the multiple agencies involved. Potential challenges include 1) potential delays in needed federal guidance that will inform policy options, and 2) potential delays in the broader Exchange IT systems.
2. **Exchange IT Systems** – New York has recently finalized the contract with Computer Sciences Corporation (CSC) as the System Integrator. This vendor will have multiple layers of accountability to the New York IT system staff, the Early Innovator (EI) Grant, HHS, all

involved state agencies, and the QA vendor. We will monitor the progress of these projects as a component of the EI gate review process. A very detailed Project Plan will be agreed to by New York and CSC that will serve as the framework to activities, milestones, deliverables and timeframe. There will be a risk identification process put in place to identify and timely resolve issues/barriers. Potential challenges include 1) potential delays in needed federal IT guidance 2) aggressive timelines with little room for delay. Additionally, the Quality Assurance (QA) vendor and the All Payer Database vendor will be held accountable for meeting the activities, milestones and deliverables as set forth by the Project Plan. We will monitor progress through regular working meetings, written status updates, and through the cross-agency integration meetings.

3. **Providing Assistance to Individuals and Small Businesses, Coverage Appeals and Complaints** - This Core Area continues the successful consumer assistance work through the Community Health Advocates (CHA) initiative and will continue already established monitoring practices (e.g., field testing training curricula; reviewing and assessing CHA database; evaluating data to ensure consumer needs are met; assessing outreach to small business community; etc.). Baseline data that is currently being used is gathered from the public regarding what types of services and assistance is required. Success is measured by CHA meeting the needs of the individuals. We will evaluate the program based on data collected and consumer feedback to identify training opportunities to improve service. In addition, we will select and oversee the vendor responsible for Third Party Assistor and Navigator training. Milestones and timelines will be closely monitored.

4. **Business Operations of the Exchange**

We will issue RFPs to contract with suitable consultants to accomplish plan rating customization and the Marketing and Outreach Plan. We will require regular status updates from the consultants, working sessions to review and refine marketing messages and media flight schedules. Potential challenges include 1) potential delays in needed federal guidance that will inform policy options, and 2) potential delays in selecting and awarding consultant contracts to carry out these studies due to state procurement requirements.