

October 2014 Establishment Grant Request

Project Narrative

The NY State of Health Marketplace is pleased to submit this request to the Cooperative Agreement to Support Establishment of the Affordable Care Act's Health Insurance Exchange for Level 1 funding. New York has successfully launched its Marketplace on October 1, 2013, and by the end of the first open enrollment period, April 15, 2014 nearly 1 million New Yorkers had enrolled in affordable comprehensive health insurance coverage through NY State of Health. Overall, more than 80 percent of the people who enrolled reported that they were not insured at the time they applied. Premiums for health insurance offered through the Marketplace in 2014 were on average 50 percent lower than premiums for comparable coverage in 2013. In addition, nearly three-quarters of the 370,604 New Yorkers that enrolled in a Qualified Health Plan received tax credits to help further reduce the monthly cost of coverage purchased through the Marketplace.

Also on October 1, 2013, New York launched its on-line Small Business Marketplace giving employers with 50 or fewer employees a new option for covering their employees. In the first open enrollment period, over 3,000 small businesses enrolled through the Small Business Marketplace, or SHOP, providing coverage to nearly 10,000 employees and dependents. Over 90 percent of employers opted for an "employee choice" model offering their employees two or more health plan options to better meet their needs.

In 2014, sixteen health insurers offered coverage to individuals and ten health insurers offered plans to small business through New York's Marketplace. The number of health plans certified to offer coverage in 2015 will remain the same as in 2014, and many health plans will expand their Marketplace service areas to include a greater number of counties.

New York's website has run smoothly contributing greatly to the success of the Marketplace. During the first open enrollment period alone, the website had over 4.5 million unique visitors viewing over 131 million pages. The average system response time was 3.5 seconds per page. Overall, about 50 percent of New Yorkers enrolled directly through the website, while the remaining enrollees applied by phone through the Customer Service Center or with the help of one of over 8,900 certified assistors. The Customer Service Center answered over 1.2 million calls, performed back-room operations and posted over 1,000 responses to questions and comments on NY State of Health social media channels.

A complete summary of enrollment in the first open enrollment period, enrollment by county and enrollment by zip code can be found at <http://info.nystateofhealth.ny.gov/2014OpenEnrollmentReport>. A map showing the health plans certified for 2015 can be found at <http://info.nystateofhealth.ny.gov/PlansMap>.

In summary, NY State of Health has been a national model of success. The funding requested in this application will support the additional development that is needed to ensure compliance with new or changing federal requirements, implement upgrades to further enhance the consumers' shopping experience, and support the federal extension of the open enrollment period into 2015.

This Project Narrative provides a brief overview of the milestones that have been accomplished (Section A) and an overview of the Marketplace Activities related to this funding request (Section B).

A. Discussion of Existing Exchange Planning and Exchange Establishment Progress

1. Key Findings of Background Research

In preparation for the launch of the Marketplace, New York completed a significant amount of background research. This research informed many of the decisions related to the Marketplace and in many cases allows the Marketplace to compare its accomplishments to expected benchmarks. Throughout the planning process, research findings were presented at stakeholder meetings and a series of Regional Advisory Committee meetings across New York State. Key research findings included:

- ***The Coverage and Cost Effects of Implementation of the Affordable Care Act in New York State.*** Based on data from the Urban Institute Health Insurance Policy Simulation Model, estimated the impacts of health reform implementation in New York:
 - One million people will gain insurance, reducing the percentage of uninsured from 16 percent to 10 percent
 - Marketplace enrollment is estimated to be 1.1 million people
 - Premiums are expected to decline in the small group and non-group markets
 - Individuals and small businesses who purchase through the Marketplace will receive \$2.6 billion per year in federal tax credits and cost sharing subsidies
 - Savings of \$2.3 billion per year in state Medicaid spending due to enhanced federal support for coverage of childless adults.

This report also included analysis of the costs, benefits, and impact of the ***Basic Health Program.*** The analysis showed:

- The potential for state savings due to inclusion of immigrants who are covered at state-cost today; and the potential to improve the continuity of coverage as people's income change because many of the same plans could be in both Medicaid and the BHP.
- There would be a modest reduction in Marketplace enrollment.

This report is being updated to reflect new guidance on the Basic Health Plan and first year Marketplace operational results.

- ***Uninsured New Yorkers After Full Implementation of the Affordable Care Act: Source of Health Insurance Coverage by Individual Characteristics and Sub-State Geographic Area*** and ***Characteristics of Nonelderly New Yorkers Likely to Enroll in the Health Insurance Exchanges Under the Affordable Care Act.*** These reports build on data from the Urban Institute Health Insurance Policy Simulation Model and describe additional details about the estimated impact of the Affordable Care Act (ACA) in New York State.
 - The uninsured New Yorkers report details those estimated to gain public or private coverage, including through the Exchange, and those estimated to remain uninsured, by a number of demographic characteristics. These include age, income, race/ethnicity, health status, language, gender, and education. When possible, these data are provided at a county level; otherwise at a regional level.

- The characteristics report highlights demographic characteristics of individuals estimated to enroll in Qualified Health Plans in the Individual Marketplace and in the Small Business Health Options Program (SHOP).

This analysis has been being used to analyze enrollment from the first open enrollment period and guide implementation plans going forward.

- **Business Plan of Operations** report in June 2012 which provided an overview of the business functions that must be established, the type of work that must be undertaken by the Marketplace staff, and a relative timeline for setting up the Marketplace.
- **Essential Health Benefits** analysis, which informed New York’s selection of a benchmark plan that meets the EHB requirements:
 - NYS has selected the largest small group plan in the state as the benchmark plan
 - NYS has also indicated the coverage areas in which benefits will be supplemented to meet the ACA requirements. The areas include: (1) Pediatric Dental/Vision; (2) Habilitative Services; (3) Mental Health/Substance Abuse Parity; and (4) Removal of Annual/Lifetime Dollar Limits
- **Benefits Standardization Study**, which analyzed the existing range of benefit variation in the state’s small group market and offered insight for developing specifications for certifying QHPs in the SHOP:
 - Very broad dispersion of the types of health plans and level of cost-sharing
 - Vast majority of small group market plans are sold through brokers
 - Many different cost-sharing designs in small groups – each of some 14,500 plan designs serve less than 500 employees
 - 48% of enrollment falls within 2% of the four ACA-prescribed actuarial values (e.g., bronze, silver, etc.)
 - Recommended consideration of standardized benefits in the Marketplace around popular plans
- **The Role of Producers and Other Third Party Assistors**. This report evaluated the current role of producers within the small group market, some highlights include:
 - Producers are responsible for 88% of the small group enrollment
 - Individual market is generally not assisted by producers
 - Almost all producers act as a clearinghouse for initial and renewal enrollment applications
 - Small business tax credit usage is very low
- **Risk Adjustment and Reinsurance Under the ACA** report in June 2012. The report finds that most risk adjustment models produce similar results – there is no clear advantage to one model over another; that many insurers are familiar with the federal model used for Medicare; recommended that New York administer the reinsurance and risk adjustment programs, in part, because of the state’s experience with risk mitigation programs. Policy decision was made to defer administration of risk adjustment to the federal government in 2014 and 2015 and to re-evaluate the decision when the state’s All Payer Database is operational.

- ***New York Insurance Markets and the Affordable Care Act*** study, which describes the current state of New York’s individual and small group insurance markets, including the market concentration of insurers, geographic distribution of enrollment, cost sharing and actuarial value of plans offered, and the distribution channels for accessing insurance in these markets.
- ***SHOP Policy Study***, which assesses the needs of employers, producers, insurers, employees and the Small Business Health Options (SHOP) Exchange to assist in planning for the design, implementation, and operation of a successful SHOP Exchange in New York State.
- ***Healthy New York and the Family Health Plus Employer Buy-In Policy Study***. This report provides an overview of the impact of health reform on the state’s Healthy New York (HNY) and Family Health Plus-Employer Buy-In (FHP-EBI) programs. Both programs were designed to provide health insurance coverage to segments of the population at risk for going uninsured—low to moderate income individuals and small businesses—and overlap significantly with populations that are eligible for subsidized coverage under federal reform.
- ***Medicaid Benchmark Benefits under the Affordable Care Act: Options for New York*** report to examine four options for New York’s Medicaid benchmark plan selection.
- ***Employer Health Insurance Preference Research Policy Study*** to inform the design and development of the Small Business Health Options Program (SHOP) Exchange through an interview of a sampling of the state’s small employers regarding health insurance coverage issues. Employers interviewed included those who do and do not currently offer coverage to their employees.
- ***Reducing Health Disparities Policy Study*** report. In September 2012, the New York Health Benefit Exchange convened a stakeholder meeting to discuss strategies to reduce health disparities through the Exchange. Following the meeting, we requested additional public comment on ways in which the Exchange might be utilized to reduce health disparities. A report prepared by the Center for Popular Democracy summarizes presentations from a panel of policy experts and public comments received at and following the meeting, and recommends strategies the Exchange can implement to reduce health disparities in New York.
- ***Health Savings Accounts Policy Study***. This study describes requirements and design features of HSAs and High Deductible Health Plans (HDHPs), and reviews current market trends for HSAs nationally, in New York State, and in currently established Exchanges. Finally, it presents options and considerations for New York State that highlight some of the potential advantages and disadvantages of offering HSAs or HSAs and HDHPs through the Exchange.

Several of these and additional Marketplace policy studies were undertaken with consultant assistance supported by the Robert Wood Johnson Foundation (RWJF) through New York’s participation in RWJF’s State Health Reform Assistance Network. The New York State Health Foundation has also supported Marketplace policy studies, including a report that examines options for designing Navigator and consumer assistance programs to help consumers access and use coverage obtained through the Marketplace. These reports are available at <http://info.nystateofhealth.ny.gov/resources>.

2. Legal Authority and Governance

On April 12, 2012, Governor Cuomo issued an executive order, which authorized the establishment of the Health Benefit Exchange (Marketplace). The Executive Order created the Marketplace within the Department of Health (DOH) and directed the DOH to work in conjunction with the Department of Financial Services (DFS) and other state agencies to take all steps necessary to effectuate the Marketplace. Further, the Executive Order required the Marketplace to:

- Facilitate enrollment in health coverage and the purchase and sale of qualified health plans
- Enable eligible individuals and small businesses to receive federal tax credits
- Convene regional advisory committees to provide advice and make recommendations
- Become financially self-sustaining by January 1, 2015 as required by the ACA

The Executive Order is available at <http://info.nystateofhealth.ny.gov/resource/governor-cuomos-executive-order-number-42>.

On July 9, 2012, Governor Cuomo submitted a declaration letter to the Centers for Medicare & Medicaid Services confirming New York's intent to establish a State-based Marketplace consistent with the Affordable Care Act. The letter indicated the State's intent to perform advance premium tax credit and cost sharing reduction eligibility determinations and designated Donna Frescatore, Executive Director of the Marketplace. On November 14, 2012, Governor Cuomo submitted an updated declaration indicating deferral to the federal government of the administration of reinsurance and risk adjustment activities. On December 14, 2012, New York received conditional approval from the U.S. Department of Health and Human Services (HHS) to operate a state-based Marketplace.

3. Consumer and Stakeholder Engagement and Support

New York was fortunate to have the support and engagement of a wide range of committed and knowledgeable stakeholders as it planned and implemented the state-based Marketplace and there is no question that this engagement has contributed to the success of the Marketplace. The need to engage consumers and stakeholders has not ended now that the Marketplace is operational. In the coming months and years, NY State of Health is committed to continuing the engagement of these groups as decisions are made that impact coverage for consumers, the health care delivery system, and the state's insurance markets, among others.

Stakeholder Meetings

Starting in 2011, the State has convened meetings with large groups of stakeholders representing all sectors – consumer advocates, health plans, small business, producers (agents and brokers), health care providers, health policy experts, members of Tribal Nations and others. Six topic-specific stakeholder meetings were convened during the planning and implementation phase on the following topics to gain further input:

- Simulation Modeling – On February 2, 2012, Urban Institute presented NYS specific modeling results showing the changes in coverage and costs assuming a standard implementation of the ACA, various policy options and the Basic Health Plan.
- Business Operations Plan – On February 16, 2012, Wakely Consulting presented a detailed plan of operation showing the major tasks and core business processes that need to be completed to implement the Marketplace.

- The Role of Third Party Assistors – On March 14, 2012, Wakely Consulting presented the results of their “landscape” study of the role that insurance agents, brokers, chambers of commerce and business associations play in today’s small group insurance markets.
- Risk Adjustment and Reinsurance Programs – On May 11, 2012, actuaries from Wakely Consulting presented their analysis of various options for implementing the risk adjustment and reinsurance provisions of the ACA in New York. (Two additional meetings were hosted by the NYS Health Foundation on this topic.)
- Essential Health Benefits – On March 22, 2012, Milliman Consulting provided a primer on the basics of Essential Health Benefits, followed by a presentation in August 2012 of the results of their analysis of the ten Essential Health Benefits benchmarks options available to New York on August 2, 2012.
- Health Disparities – On September 7, 2012, a panel of national and New York State experts presented on health disparities based on disability, sex, race and ethnicity and sexual orientation.
- DOH also convenes a workgroup with representatives from consumer groups, health plans, providers and others to examine the Basic Health Program policy option.

Numerous organizations and associations within our stakeholder community consistently meet one-on-one with state staff or ask state staff to attend their meetings to present on Marketplace issues and development. These groups represent the range of stakeholders for the Marketplace, including consumers, small business, health care providers, insurance agents and brokers and labor organizations. To the fullest extent possible, Marketplace staff attends these meetings and events as an opportunity to further engage with stakeholders and hear sometimes varying perspective on issues related to Marketplace planning and implementation. To date, staff have conducted nearly 300 presentations and will continue to meet with potential partners to expand its reach and to educate potential enrollees.

In addition, New York is fortunate to have organizations such as the NYS Health Foundation and United Hospital Fund that contribute to the stakeholder dialogue on various aspects of the Marketplace by convening stakeholders to discuss critical issues related to the Marketplace.

Regional Advisory Committees

Governor Cuomo’s Executive Order establishing the Marketplace called for the convening of Regional Advisory Committees “consisting of consumer advocates, small business consumer representatives, health care providers, agents, brokers, insurers, labor organizations and any other appropriate stakeholders, to provide advice and make recommendations on the establishment and operation of the [Marketplace], including recommendations about relevant regional factors, and shall provide opportunities for public input on such matters.”

In August 2012, approximately 200 individuals representing various constituencies from across the state were named to serve on one of the following five Regional Advisory Committees:

- Western New York
- Central New York/Finger Lakes Region
- Capital/Mid-Hudson/North Country
- New York City
- Long Island

Since their creation, Regional Advisory Committee members have provided input and advice on a wide range of issues that helped shape the Marketplace including but not limited to the following:

- Merger of New York's Individual and Small Group Markets
- Small Group Size definition for 2014 and 2015
- Risk Adjustment and Reinsurance
- The Role of Insurance Producers (brokers and agents)
- Criteria for the Navigator Program
- The Basic Health Plan Option
- The Process and Requirements for Certifying Qualified Health Plans
- Essential Health Benefits
- Provider Network and Out-of-Network Benefits
- The Enrollment Portal prototype
- Design and Operation of the Small Business Marketplace (SHOP)
- Outreach Strategies for the Individual and Small Business Marketplaces

Going forward, advice from the Regional Advisory Committees will be sought on such issues as proposed changes to small group size, Essential Health Benefits, Qualified Health Plan requirements and other policy, program and operations issues as appropriate.

Informational Website

With the support of the Robert Wood Johnson Foundation State Health Reform Network, in November 2012 New York launched a revamped informational Marketplace website to provide consumer-focused and user-friendly information. When the Marketplace launched on October 1, 2013, content from the informational website was integrated into the new enrollment website. Since that time, the informational website has continued to evolve as the Marketplace hears from consumers, assistors and others about the types of new information that would be helpful. The informational website includes the following:

- An anonymous Tax Credit and Premium Estimator where individuals can enter the number of people in their family, their estimated income, the county in which they reside, and their desired metal tier (or all metal tiers) and the calculator will return their monthly estimated premium tax credit and premiums for available health plans both before and after tax credits
- Benefit summaries for standard health plans at each metal tier
- Plan provider networks links
- County-specific list of In-Person Assistors/Navigators/Brokers
- County-specific list of Marketplace health plans and stand-alone dental plans
- Consumer educational materials including fact sheets, rack cards, and posters in English, Spanish, Haitian Creole, French, Korean, Russian, Italian, and Chinese with additional languages to be added for the upcoming open enrollment period
- Regional fact sheets
- Topic specific fact sheets, such as information about what information you need to apply

- Information about the Special Enrollment Period
- Application demonstration videos for individuals/families and small businesses
- Advertising campaign videos
- An interactive calendar of community events added in preparation for the 2015 open enrollment period

Consumers and stakeholders are also able to sign up for email updates on the website. To date, nearly 27,000 subscribers have signed up for these email updates.

Outreach to Tribal Nations

New York has eight federally recognized tribes within its borders as well as the American Indian Community House (AICH), which offers services to American Indians and Alaska Natives (AI/AN) from all areas of the country.

Since 2011, Marketplace staff has been in individual and large group discussions with health directors and other representatives from several of the tribal nations and AICH. These meetings have focused on rights afforded AI/ANs under the ACA (increased cost-sharing protections, exemption from mandate penalties, special enrollment periods) and the systems implications for the Marketplace as it seeks to ensure that these benefits are easily attainable by tribal members. Meetings have also focused on the Nations' interest and concerns regarding the establishment of a Navigator program that meets the needs of tribal members and that Essential Community Providers for QHP networks include tribal health organizations. Conversations on systems issues regarding how the Marketplace will verify membership in a federally recognized tribe have also taken place. Representatives from the nations and AICH have been named to serve as committee members in all five Regional Advisory Committees to ensure that these discussions include the perspectives of tribal members. The Marketplace has also held tribal consultation meetings and conference calls with tribal representatives. The Marketplace submitted its tribal consultation policy and plan to HHS in February 2013. The policy is available at <http://info.nystateofhealth.ny.gov/resource/tribal-consultation-policy>. The plan is available at <http://info.nystateofhealth.ny.gov/resource/tribal-consultation-plan>.

New York's RFA for In Person Assistors/Navigators specifically encouraged Federally Recognized Tribes and Urban Indian Organizations to apply for enrollment assistance funds. AICH was selected to be a Navigator and serves the AI/AN population in New York City.

Other Stakeholder Consultation and Outreach Activities

New York launched its marketing campaign on October 1, 2013 coincident with the launch of the Marketplace. Two flights of advertising during the first half of open enrollment including television, print, and on-line mediums. On October 1, 2013, launch events took place in seven cities around the state, featuring state representatives, Navigators, stakeholder partners, and consumers. Mid-open enrollment period, the advertising campaign was refreshed to reach specific populations, including Latinos and young adults.

Prior to and since the launch of the Marketplace, NY State of Health and its assistor organizations have had the opportunity to educate New Yorkers about the Marketplace through earned media opportunities. These include print media as well as national, local and ethnic television and radio. NY State of Health has also engaged with many "partner" organizations to help spread the word about the

Marketplace. These activities range from placing materials or posters in locations where consumers visit to tabling at community events to take “leads” for referrals to certified assistors.

4. Long-term operational costs

New York has prepared a detailed budget of Marketplace activities for the 2014 to 2016 period. This budget is essential as we prepare for self-sustainability beginning in January 2015.

The total State Fiscal Year 2014-2016 estimated operating budget for New York’s Marketplace is \$789 million, representing the Qualified Health Plan and Public Program share of costs. This total budget is comprised of:

- Information technology infrastructure and quality assurance costs: \$283 million
- Customer Service and Back-End Operations: \$261 million
- Other contractual costs: \$191 million
 - Outreach and Marketing
 - In Person Assistors
 - Third Party Assistor Training
 - Other Contractual Costs
- Staff and staff-related costs: \$55 million

New York State’s SFY 2014-15 Executive Budget provided \$53.4 million in state funding to sustain the operation of the Marketplace for the period January 1, 2015 through the March 31, 2015 end of the state fiscal year. In addition, Governor Cuomo’s SFY 2014-15 Executive Budget proposed \$144.8 million in State funding to support Marketplace operations during the period April 1, 2015 through March 31, 2016. Additional details regarding the Governor's budget proposal are available at <http://www.governor.ny.gov/budget2014/home>.

5. Program Integration

New York has successfully built a Marketplace that is integrated across private and public insurance programs making it a model for the nation. From the outset, New York envisioned a single application and enrollment website where all New Yorkers could apply for and enroll in coverage in “one-stop.” With the launch of NY State of Health on October 1, 2013 that became a reality. New Yorker’s regardless of income can apply for coverage on-line through a single website for coverage through Qualified Health Plans, Medicaid, or Child Health Plus.

New York’s Marketplace Customer Service Center is also fully integrated, serving both the Qualified Health Plans and public programs. Specifically, the Customer Service Center serves the MAGI Medicaid and CHIP population groups, as well as individuals and employers seeking subsidized or non-subsidized coverage through Qualified Health Plans (QHPs). The Customer Service Center responds to a wide range of inquiries, including the topics of eligibility, premium payments, partial payments, grace periods, Advance Premium Tax Credits and cost-sharing reductions (CSR). Customer Service Center staff are also available to assist with Individual and Small Business Marketplace enrollment, including but not limited to application submission and updates, plan selection and shopping, application information verification, renewal processing, exception processing, enrollment/disenrollments, screening, appeals, and case management.

Likewise, navigators and certified application counselors are trained and proficient in private and public health insurance programs allowing them to serve applicants regardless of which program they qualify for.

This successful integration we believe has been aided by the organizational structure of New York's Marketplace, which is housed within the same state agency as Medicaid and Child Health Plus, permits close collaboration of policy, program and IT initiatives. In addition, a close collaboration between the Marketplace and the NYS Department of Financial Services, which is the primary regulator of insurers in the state, has facilitated the planning and implementation of the Marketplace including certification of Qualified Health Plans and integration of the Marketplace within the state's already existing insurance markets. Finally, also contributing to the successful integration is a multi-faceted strategy for IT coordination with other state and federal agencies and other entities in administering Insurance Affordability Programs (IAPs) and the Small Business Marketplace. This coordination strategy has included direct participation of agencies in the design process, the Marketplace IT system becoming the system of record for the MAGI eligibility determination and cross agency data sharing agreements and Memorandums of Understanding (MOUs) have been established leveraging HIPAA, MITA and NIEM standards and interoperability.

A high-level summary of data-sharing entities includes:

- Health Plan(s)
- NYS Tax & Finance
- NYS Department of Financial Services
- NYS Department of Civil Service
- NYS Department of Labor
- NYS Office of Temporary Disability Assistance
- NYS Department of Corrections and Community Supervision
- Federal Data Hub (IRS, SSA, DHS, CMS)
- NYS Office of Mental Health

6. Business Operations

The placement of the Marketplace within an existing state agency has allowed it to leverage many of the usual business processes of a governmental agency such as personnel and human resource functions, accounts payable, physical plant and other functions. Notwithstanding, successful implementation of the Marketplace required that several business functions to be developed specific to the Marketplace or integrated within existing State business functions. Among these business operations are:

Customer Service

As described above, 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; the Medicaid and Family Health Plus helplines were implemented by the call center in June 2011. Prior to the implementation of the Marketplace, NY operated a statewide Enrollment Center, *New York Health Options*, which offered centralized application assistance and information on all of New York's public health insurance

programs. The Marketplace was able to leverage and expand this enrollment center to perform all customer service center applications for the Marketplace.

Plan Management

Plan Management is one of the six key business areas of the Marketplace IT solution. Plan management encompasses all of the business processes to certify, decertify, renew, manage, and administer health plans offered by the Marketplace.

A key component of the plan management solution is the System for Electronic Rate and Form Filing (SERFF) from the National Association of Insurance Commissioners (NAIC). SERFF was initially developed in the early 1990s to provide a cost-effective method for handling insurance policy rate and form filings between regulators and insurance companies. After several technology iterations, SERFF today is a feature rich Web portal through which both insurance companies and state regulators process filings for health, accident, life, and property and casualty insurance coverage. It facilitates communication, management, analysis, and electronic storage of documents and supporting information required for review and approval of regulatory filings.

Prior to the launch of the Marketplaces, NAIC worked with a collaboration of over twenty states, including New York, to enhance SERFF to support the plan management functionality required by states. New York decided to utilize the SERFF enhancements to support its plan management solution. As a result, SERFF is used by the QHP issuers, state regulators, and the Marketplace administrators to support the QHP certification/decertification, renewal, monitoring, and administration processes. This approach leverages and expands upon the existing processes that were currently in place and used by both the issuer and state regulator community.

New York leveraged the existing health plan quality rating system (QARR) to develop a quality rating system for QHPs. New York also leveraged the existing Provider Network Data System (PNDS), from which the provider network directors are drawn and displayed on the web portal. Additionally, New York has developed standards and policies regarding certification, recertification, and decertification of QHPs. The Marketplace has followed these steps in certifying health plans:

Step 1: Notice of Intent, Receipt of Proposals and Issuance of Agreement

Step 2: Rate, Benefit, Actuarial Value, Essential Health Benefit, and Market Reform Rules compliance analysis

Step 3: Provider Network Data Collection and Network Adequacy Review

Step 4: Quality Data Collection and Transparency Data Collection

Step 5: Certification (for QHPs) or Recommendation of Deeming to CMS and subsequent acceptance (for CO-Ops)

The same process was followed for QHPs offered in the individual and Small Business Marketplace, as well as for qualified dental plans. DFS announced approved rates for NY State of Health individual and small group market premiums for the 2015 plan year on September 4, 2014. The Marketplace made certification decisions in late September and began testing data on the Marketplace IT portal in October. Plan selection will be ready for consumers at the start of open enrollment on November 15.

SHOP Premium Billing and Collection

Together with the systems integrator, NY State of Health implemented a People Soft solution to ensure that accurate and timely monthly premium invoices are generated and delivered to small businesses

that purchased through the Marketplace. This required the development of processes to transfer data from the SHOP system of record to the Marketplace's financial management system which contains the billing information used to create invoices for all employer groups. Groups have the option of receiving invoices by mail or electronically. Policies and procedures were also developed to transmit payments to the issuers participating in the small business marketplace.

Financial Reporting

New business processes were developed to produce monthly financial reports for NY State of Health. Three reports are produced monthly including comparative statements of revenues, expenses and changes in net fund assets; balance sheet and cash flows.

7. IT Gap Analysis and Marketplace IT Systems

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

Options and Recommendations

The original Gap Analysis report prepared by Social Interest Solutions called out five options for New York to consider in moving towards the October 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 User Experience Project that was being 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 Marketplaces. 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.

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 recommended Option #5, in which New York would leverage valuable functional assets (Option #1) and build its own Marketplace front-end leveraging the User Experience work (Option #3).

The SIS report also found that that the State would still need to address two remaining gaps: (1) New York State's need to handle the gap created by the fact that NY's legacy system (WMS) was 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 Marketplace functionalities in the Marketplace. Options for filling these two gaps were not assessed as part of this project.

(The full gap analysis has been included in previous grant applications and is available at <http://info.nystateofhealth.ny.gov/resource/preparing-new-yorks-information-technology-infrastructure-health-reform-gap-analysis-social>.)

IT System

New York contracted with the Computer Science Corporation (CSC) as its IT systems integrator in mid-2012 to design, develop and deliver to DOH an operational ready New York Marketplace IT system based upon the requirements defined in the ACA and the requirements set forth in DOH's invitation. The Systems Integrator and the Quality Assurance vendors worked intensely along six tracks to build the Exchange IT system in time for open enrollment in October 2013. The IT activities are primarily associated with eligibility, verification, enrollment, plan management, privacy and security, monitoring and reporting.

Data security for the Marketplace is focused on the confidentiality, integrity and availability of Personally Identifiable Information (PII), Protected Health Information (PHI), and Federal Tax Information (FTI). NYSTEC serves as the security and privacy information officer for the Marketplace. NYSTEC's IT Security services include, but are not limited to, the following: business continuity & disaster recovery planning and assessments, vulnerability assessments, identity and access management, data classification, information security policy, processes, standards, and procedures, and security application and system development. New York has developed clear, transparent policies and processes for informing consumers about authorizing access to data. Authorization to access and data use intentions are provided to the consumer in a Privacy Notice, presented to all consumers accessing the Marketplace.

8. Reuse, Sharing, and Collaboration

Per our agreements with HHS, all Marketplace systems and system components financed with federal funds are non-proprietary, utilize open architecture standards, and permit re-use by other states and jurisdictions. New York, as an Early Innovator state, produces requirement specifications, analysis, design, code, and testing that can be easily shared with other interested and authorized parties and stakeholders, including other states.

Guidance is intended to enable states to promote, share, leverage and re-use technologies within and among states. We have presented our lessons learned and progress at conferences and make deliberate attempts to inform and assist other states through various means, including HHS Learning Collaboratives and User Groups.

9. Organizational Structure

Federal establishment grant support has allowed New York to establish the organizational structure needed to plan and implement a successful Marketplace. In addition to Executive Leadership, the organizational structure includes the following functional areas:

- Administration
- Counsel

- Policy and Planning
- Plan Management
- External Affairs, Outreach and Marketing
- Small Business Marketplace

As of October 1, 2014, 116 full-time staff have been hired to support the Marketplace and to support work related information systems and eligibility and enrollment which benefit both the Marketplace and public programs. Federal grant funds have been received to support 170 staff, including full-time Marketplace, Marketplace and Medicaid, All Payer Database, and Department of Financial Services.

10. Program Integrity

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

New York is committed to preventing fraud, waste, and abuse in its Marketplace. To this end, the Marketplace contracted with KPMG to assist the State in creating work plans to guide the implementation of the Financial Management, Oversight, Monitoring and Reporting, and select SHOP responsibilities of the Marketplace. The work plans are the result of identifying the requirements, key tasks and target dates for completion.

In addition, the Marketplace has prepared a comprehensive audit plan to review all aspects of the operations of the Marketplace. These audits will include a review of all departmental policy and procedures to ensure there are proper internal controls in place. The audit plan has targeted key functions in all areas where risk levels are high, sample testing will also be conducted. Finally, both NY State of Health and the Department of Financial Services have posted consumer fraud alerts to our websites ([NYSOH Consumer Fraud Alert](#)).

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 Marketplace planning activities or studies. All consultants hired by the Marketplace provide regular reports and describe how their time has been spent on each project. The quality and timeliness of all deliverables is closely monitored. 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.

11. Affordable Care Act Requirements

The NY Marketplace was successfully launched on October 1, 2013, in accordance with the requirements of the Affordable Care Act.

New York has also successfully implemented insurance market reforms required by the Affordable Care Act. This legislation conformed state law with ACA-related insurance market reforms 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, dependent coverage up to age 26 on parent's plan, direct access to OB/GYN services, disallowing discrimination based on salary, coverage of out-of-network emergency services without pre-authorization, enhanced disclosure and transparency, and enhanced 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.

New York's Department of Financial Services received a \$1 million Cycle I Rate Review Grant from HHS in August 2010 to enhance its rate review processes and a Cycle II Rate Review Grant of \$4.4 million in September 2011. 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 (SERFF); 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 two actuaries and one examiner. New York received a \$4.5 million Cycle III Rate Review Grant in September 2013. These grant funds will support incorporating health pricing data into rate review, IT and other technology based improvements and improving transparency with consumer interfaces.

This grant funding 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. As stated in the above cited September 4, 2014 press release, overall prior approval activities reduced health plan requested rates for 2015 by more than half, saving policyholders an estimated \$1 billion next year.

12. SHOP

New York has designed and implemented a Small Business Marketplace that:

- Meets the requirements of the ACA as it pertains to SHOP establishment, operations and management encourages small businesses to purchase coverage for their employees;
- Minimizes disruption to the small group health insurance market while promoting innovation;
- Provides a first class user experience for employers, employees and brokers;
- Leverages the knowledge and expertise of current market players (brokers, providers, carriers, third party administrators, Chambers of Commerce) regarding the needs of New York State's Small Business Marketplace through Regional Advisory Committees and specific outreach efforts;
- Ensures that whatever channel an employer, employee or individual comes into the Marketplace, they will be routed to the appropriate area/entity to facilitate obtaining health insurance coverage.

The Marketplace has leveraged research results from the Urban Institute, KPMG, and Wakely Consulting, including employer surveys to develop key value propositions for small business to enroll in the Marketplace. These value propositions are: choice, administrative simplicity, tax credits, and flexible contribution options.

New York utilized consultant services to meet the many design requirements for SHOP, including:

- Conducting an environmental scan of existing services available to small employers;
- Facilitating stakeholder engagement, including focus groups;
- Working with the System Integrator to identify opportunities to integrate SHOP functions with Marketplace functions (e.g., consumer assistance, marketing, etc.) and to develop processes and procedures to verify eligible employers and employees;
- Providing options of SHOP models including mandatory functions and value added functions;

- Proposing marketing strategy and associated messaging.

The Small Business Marketplace was fully launched on October 1, 2013 as a full choice model that supports enrollment via a broker distribution channel and enrollment assistors or directly by the employer groups either online or telephonically. The Small Business Marketplace also supports online enrollment for employees and an anonymous shopping experience for employers who are looking to shop and compare pricing for multiple QHPs in their service area. In addition to offering robust choice across most major insurance carriers, New York's Marketplace also provides strong stand alone dental options with dental carriers across New York.

The Small Business Marketplace has developed standard procedures for applications, updates, and redeterminations. When employers enter the Marketplace and are approved for participation, they are able to select plans for employee choice or have a producer (i.e., broker or agent) complete this process for them. After employees are entered into the system, either manually or via roster upload, they are able to begin selecting their insurance option and completing the application process. Notice is provided to employees, either in writing or via email (or both) that their employer has selected health insurance options for them within the Marketplace, and they are provided with instructions on how to proceed.

Producers can choose to be certified to assist consumers in the Individual Marketplace, Small Business Marketplace or both. In order for producers to receive compensation directly from an insurer, they must be licensed in good standing by the DFS. In addition, the NY State of Health requires that the producer complete a Marketplace training course and pass an examination. In New York, the course and examination are administered by a DFS Continuing Education Provider. The producer also receives continuing education credits for the successful completion of the course and passing the examination.

Finally, the Small Business Marketplace performs premium aggregation for enrolled small businesses. The Marketplace implemented PeopleSoft successfully to meet the accounting and reporting needs.

B. Proposal to Meet Program Requirements

1. Information Technology

A. System Integrator (Computer Science Corporation).

Funding will support IT system development needs that result from new or changed federal requirements, as well as new functionality to enhance the performance of the eligibility and enrollment system.

I. New Federal Requirements

This grant seeks funding for IT development related to the following new or changed federal requirements.

- 1) Enrollment reporting. Systems will be modified to support the new requirements for reporting enrollment transactions, tax credits, and cost sharing payments to HHS for IRS use in remitting

payment to health plans for the value of tax credits and cost sharing reductions for their enrollees;

- 2) 1095 reporting. State based marketplaces are required to send consumers and the IRS notice of the tax credits that an individual receives to purchase coverage. Individuals must receive an annual statement in late January starting in 2015, and states are required to report to the IRS on a monthly basis.
- 3) Exemption processing. Federal rules issued this summer transfer the responsibility for processing individual requests for exemption from the federal requirement to purchase health insurance from the federal marketplace to state marketplaces. This requires development of new system functionality and business processes to evaluate the request and issue a decision, adjudicate appeals of exemption decisions, and report the results to the federal government.
- 4) Cost sharing reductions. System development is needed to comply with new federal requirements for state based marketplaces to calculate the value of the cost sharing reductions due to insurers for Qualified Health Plan enrollees at or below 250 percent of the federal poverty level. This is currently done by CMS.
- 5) Annual renewals. New York must build a new interface with the new federal Reconciliation and Redetermination Verification (RRV) service for renewals in future years as described in more detail below.

II. Activities Related to Eligibility

One of the measures of a Marketplace's success is its ability to make accurate and timely program eligibility decisions. NY State of Health is seeking funding to support the development of additional IT functionality that will enhance current systems for verification of eligibility, improve the consumer experience with identity proofing, expand the number of electronic interfaces used to verify eligibility and further reduce the need to request and manually review paper documents, when appropriate.

Consume Additional Federal Services

Interfaces with recently added federal hub services need to be developed in NYSOH. In addition, as federal guidance has been issued and expanded upon, some services that were previously planned for implementation require more work than originally anticipated. This grant requests support to allow NYSOH to fully consume the following federal services in 2015:

RRV Service – Full details about the RRV service for renewals were not available in time to fully test the service for October 2014 administrative renewals. The administrative renewal guidance released by CMS in June 2014 provided new detail requiring expansion of the original scope of effort. In addition, the complexity of seamlessly handling transitions between programs at renewal increased the level of effort for implementing RRV and administrative renewals. As a result, New York submitted an alternative approach to administrative renewal processing for the 2015 plan year. HHS recently approved NY's plan for 2015 renewals. The goal of this plan, like the RRV, is to make it easy for consumers to stay enrolled in coverage from year to year. The funds requested in this grant will support the system development needed to ensure that NYSOH can consume the RRV service and build more robust auto-reenrollment functionality for the 2015/16 open enrollment. This includes building the capacity to auto-renew consumers who transition between IAP programs from year to year into health plans.

Quarterly Eligibility Verification – This new service released by HHS in June 2014 is required to verify continued eligibility, specifically to determine if enrollees have died or enrolled in Medicare since they enrolled through the Marketplace. The detailed specifications of the service and the rules for handling positive returns as released in June are more complex than those originally anticipated. Additional resources are required to complete system development to meet enhanced specifications.

TALX – One of the important lessons learned from the first open enrollment period is the importance of being able to access the most recent income data available for the applicant. This reduces the potential for inconsistencies and the need manually process paper documents. With additional grant support, NYSOH will add the Equifax TALX service in order to obtain more current income verification than is available from federal tax data or state wage reporting data. Incorporating the TALX data into the income flow in NYSOH is a complex process that will require revisions of the income verification screens and the hierarchy of rules regarding which income to apply when there are multiple returns.

VLP 33 – The NYSOH experience with the Verify Lawful Presence (VLP) service 32.1 has shown that implementation of the VLP service is far more complex than originally anticipated and the same is expected when VLP 33 is deployed. This has led to much greater manual verification of immigration status than expected. The added manual workload requires enhancements to the back office worker screens to improve the efficiency of manual processing.

Federal Web Service Connectivity Testing Service – The goal of the production Federal Web Service Connectivity Testing Service is to provide a positive test for system availability. New York seeks to develop an early warning system to detect when the federal web services are not available on a real time basis. Having this capability will allow NY State of Health to alert consumers as to what they will and will not be able to do on our site when the federal hub is not available. For example, when the federal hub is down, consumers cannot obtain an eligibility determination, but those who already have a determination, can select a plan. The ability to have this type of alert system becomes critically important as plan enrollment, open enrollment, and special enrollment period deadlines approach.

Further Develop State Interfaces

With support provided through this grant, New York will add to its already extensive list of state interfaces to ensure federal requirements are met, improve verification of eligibility, further strengthen program integrity and enhance the consumer experience. Additional interfaces to be developed with support from this grant include:

New York State Health Insurance Program (NYSHIP) – The absence of verification sources for private minimum essential coverage (MEC) through the federal hub is a challenge faced by all Marketplaces. One rich source of private MEC is the state employee health insurance program, called NYSHIP. NYSHIP provides health insurance coverage to over one million employees and retirees of state and local governments and their dependents. This interface will allow NY State of Health to identify whether an applicant is enrolled in the state's employee health insurance, which would render him/her ineligible for tax credits and CHIP.

Department of Labor New Hire Database – Adding this data base as a verification source will allow NY State of Health to identify whether an applicant has recently obtained a new job and may inform an inconsistency, thereby either eliminating the need for documents, or triggering a documentation request.

Incarceration Files – This grant seeks funding to add interfaces with three data bases to improve the verification of incarceration status when determining eligibility for QHP and public program coverage, as well as to obtain electronic notice of the release of incarcerated individuals to permit an automated transition for Medicaid enrollees from inpatient only coverage to full coverage upon their release. The three data sources include data from the NYS Department of Criminal Justice Services, Rikers Island Correctional Facilities (NYC), and the NYS Office of Mental Health for psychiatric facilities.

Department of Motor Vehicles – Our experience thus far shows that more than 12,000 applicants a month fail to successfully prove their identity through Experian. This has led to a large and unexpected manual work load to review identity documents. This application requests support to develop an interface to the Department of Motor Vehicles which will allow NY State of Health to use DMV data as another source of identity thereby reducing the manual work load.

Medicaid Legacy System Interface for ID Proofing – Similar to DMV above, CMS permits identify proofing of an applicant previously enrolled in Medicaid. Given the transitions among programs, the ability to use New York’s WMS Medicaid legacy system as another source of identity proofing will also make it easier for applicants to prove their identity online and reduce the manual work load and the burden on the consumer to provide identity documents.

Development of Additional Eligibility Rules and Notices

This grant seeks support to develop additional eligibility rules and notices as well as implement recent changes in federal rule related to the individual responsibility provisions of federal law.

Enhanced Capability to Support Special Enrollment Periods: System enhancements are required to handle two eligibility results for different time periods simultaneously. During renewal and open enrollment, an enrollee may make a change to their eligibility that affects the current coverage year while at the same time renew their health plan for the next coverage year. The system currently handles one eligibility result at a time, thus requiring manual support for special enrollment periods that occur during the open enrollment period. Resources are needed to reduce the need for manual processes and to improve the consumer experience in time for 2015 open enrollment.

Development of Exemption Process in NYSOH – Per federal regulations issued in July 2014, NYSOH is required to develop the process for evaluating exemption requests from the individual responsibility provision and reporting the results to the federal government by 2016. This application seeks funding to develop this capability.

Modifications to Online Application Screens. Modifications to the on-line application are needed to ensure that all eligible immigrants can apply on-line. Changes are needed to eliminate some questions in the application and to allow certain immigrants to move forward without an I-94 number and an alien ID number.

Ensure Notices are Available in Alternative Formats for the Visually Impaired – This grant seeks funding to develop the capability to provide an option to visually impaired consumers to request notices in large font, HTML format or audio tape. The Marketplace online application needs to be modified to capture and save the consumer preference and provide the notice in the desired format.

Update APTC Coding to conform to the Latest APTC BSD – This application seeks funding to make changes to the APTC coding in NYSOH to conform to the latest APTC BSD.

Implement Address Validation Software – NYSOH seeks funding to obtain and install software that will verify applicants' addresses as valid. The absence of address validation has resulted in higher than expected return mail and increases the potential for duplicate eligibility determinations.

Improvements to the Consumer User Experience

NYSOH offers a consumer friendly online application and enrollment experience never before available in the state. However, a year of experience with how consumers interact with the Marketplace has identified areas for improvement. With the support from this grant, NYSOH will invest in improvements in four areas: (1) the on-line application; (2) paper document processing; (3) "back-office" improvements; and (4) enhancements to health plan selection screens.

Online Application

The on-line application will be modified to:

- Ask certain questions at the household level and not at the individual level to make the application process faster for consumers;
- Allow consumers with eligibility determinations to make changes to their account without requiring them to go through their entire application again;
- Improve the application design to create a smoother process for consumers; and
- Display all the data elements to the consumer in the application summary/dashboard.

Improve Paper Processing (Applications and Verification Documents)

With grant support, NY State of Health will modify the web service between its system integrator and the customer service center to allow the Customer Service Center to better manage the work flow of documents and to prioritize the work. This will improve efficiency and customer service.

Improve Back Office Screens to Better Troubleshoot Consumer Issues

NYSOH has robust "back office" capability that provides customer service representatives and eligibility specialists with visibility into the factors that resulted in the eligibility determination as well as the plan enrollment details for enrollees. After nearly a year of responding to consumer inquiries, we have identified a number of ways to better assist consumers. Some examples include:

- Increased capability for authorized personnel to search in the back office
- Increased override capability with proper authorization
- Improved income verification by adding information from the wage reporting data
- Greater visibility into the changes consumers make to their accounts

Improve Health Plan Selection Screens

Finally, based on feedback from consumers, NY State of Health will make the following enhancements to plan selection screens:

- Build connectivity from the plan selection screens to the insurer's payment portals so consumers can immediately make their initial premium payment;
- Create a prescription drug formulary search function for all plans offered on the Marketplace;
- Add a plan selection wizard that, at the consumer's option, will help them find a plan that suits their needs through intelligent questioning (e.g., ask consumer how many times they go to their doctor; what kinds of prescription medications they usually use, etc.);
- Improve the look and feel of the screens, simplify the wording and add additional details to the consumer dashboard (e.g., insurer phone number, formulary search, primary care provider selection changes, etc.);
- Provide easier and simpler access to glossaries and information about how insurance works; and
- Collect permission from consumers to have insurer send member materials (including premium invoices, explanations of benefits, updates, and policies) by email, and transmit this permission to the insurer; provide the ability for consumers to modify this permission as needed.

Enhancements and Development of "834" Transactions with Insurers

NY State of Health has successfully implemented the 834 transaction processes needed to operationalize Marketplace enrollment. With one year of "real-life" experience, we have identified additional functionality that will improve electronic communication with insurers and, in turn, the consumers Marketplace experience. We propose to build the following functionality with support provided through this grant. These enhancements apply to both the Individual Market and the Small Business Markets, unless otherwise noted.

- Add reason codes need to the 834 transmissions to inform the insurer of the reason a consumer has been disenrolled or enrolled due to a Special Enrollment Period;
- Automate processing of transactions from insurers that change consumer account information, such as address, effective date changes, and email addresses; as well as the capability for the Marketplace to alert consumers, upon receipt of this information from the insurer, of any additional action that is needed;
- Automate processing of cancellation and termination transactions for reasons other than non-payment of premium (e.g., employee no longer eligible, termination upon request of individual);

- Add ability to specify specific dates on which modification is to be applicable (e.g., identify for the insurer that an APTC change is to be applicable on 3/1, but address change is applicable on 1/1);
- Automate changes for consumers aging out of catastrophic coverage, child only plans, and dental plans and automate noticing about Medicare for those turning 65;
- For the individual market only, automate the process for accepting an insurer's decision to reinstate a consumer when the NYSOH system has already terminated the consumer's enrollment. This would allow the insurer's transmission to override the NYSOH's transmission to make the account active again.

In addition, to ensure that Marketplace enrollment records are consistent with the enrollment transactions the insurers receive on a daily basis, the Marketplace will build the capacity for monthly reconciliations of 834 transactions with the insurers. This process will help to identify errors in processing the 834s and situations in which the insurer may have a different APTC or status for the consumer. Similar capacity will also be built to perform monthly reconciliations with CMS. Additionally, New York will build functionality to accept notices from issuers informing the Marketplace that consumers are in a grace period so that they are not administratively renewed into the same plan.

Improvements for Navigators and Other Assistors

New York has close to 10,000 certified assistors including nearly 700 Navigators and over 4,700 certified application counselors and health plan facilitated enrollers available throughout the state to assist individuals applying for health insurance. Given the large volume of assistor enrollment, there is a need for greater system functionality to support the assistors' ability to manage their application volume. This application seeks funding to further develop the assistor dashboard in order to allow them to better manage their growing case volume.

- Expand the information assistors can see in their dashboard to better assist consumers. This includes the ability to see the status of applications on the dashboard such as "pending," the ability to search for clients on their dashboard by account number, and the ability to see coverage and end dates for applications on the dashboard. This would also include an indicator next to the client's name when a new notice has been sent to a consumer or a new eligibility determination has been made and the ability to see customer service notes when an uploaded document has been reviewed.
- Ability for Assistor organizations to manage their individual assistors. This includes the creation of a supervisory role to view and manage employee dashboards. NY State of Health will also create a unique identifier for subcontractors to link them to the primary contractor so that the lead agency can assess the performance of subcontractor staff.
- Develop assistor client management system. This involves the creation of a case management system for assistors to allow them to follow-up on applications and add case notes pages for assistors.

III. Activities Related to SHOP

New York is requesting federal grant funding to support new development and enhancement of the existing enrollment portal for SHOP-specific activities including the following:

Broker dashboard enhancements and quoting tool

New York's Small Business Marketplace seeks to utilize brokers as the primary distribution channel to drive enrollment. The current enrollment portal does not provide a broker quoting tool, which brokers need to be able to present clients with a customized presentation and discuss plan options that are available through SHOP.

Employers /Employees Experience

Several areas have been identified to help improve the overall customer experience including the following:

- Enhancements to the plan and benefit displays to improve the customer's understanding of plan selection and associated provider networks.
- Functionality to allow the applicant to track the status of their enrollment as it moves through verification, 834 transmission, carrier approval and effectuation.
- Implementation of co-browsing for the SHOP to allow "super user eligibility specialists" to have real-time visibility into the portal to assist employer and employees in resolving enrollment issues.
- Connectivity to the federal tax credit calculator for employers to access as part of the enrollment application. Employers report that the ability to access a federal tax credit is a primary driver for enrolling in the SHOP.
- Translation of the Small Business components of the website into Spanish.
- Development of I-Frame connectivity to support transfer of enrollment from alternative enrollment platforms directly into NYSOH.

Improve Customer service back office functionality

Additional development is needed to support back office visibility into the NYSOH enrollment portal to support "first call" customer support and issue resolution. This development will result in improved visibility for customer service representatives.

Enhance identity proofing requirement

NYSOH would like to enhance several existing interfaces to improve and support identity proofing, multi-user account access, and eligibility determination. Additional development is necessary to comply with federal requirement for Assurance Level 3 (AL3) and multi-source authentication for brokers and employer user accounts. An Assurance Level 3 requires multi-factor authentication, providing a high level of confidence in the asserted validity of one's identity. Additional development is required to support the AL3 designation with our "NY Gov ID" interface.

Allow multi-user access

The current system restricts one user to one account. In the SHOP this is too restrictive to support the current business environment. Unlike the individual market, employers need to be able to give access to multiple users within their organization. Similarly, brokers also need to be able to delegate authority to manage clients to administrative staff within their own organization. In addition, agencies that employ multiple brokers need to have access in a hierarchical structure to manage producers' book of business.

System validation of employer group eligibility

The process for verifying employer eligibility for the SHOP relies heavily on employer attestations. NYSOH is looking to leverage the existing data that is collected quarterly by the NYS Department of Taxation to provide validation of group size and location of employers who are applying for coverage in the marketplace. Development would expand the ability of the system to automatically validate all eligibility criteria and eliminate the necessity to rely on attestations.

External Training Environment – “Simulator”

NYSOH's current production environment is not conducive to the hands-on training that brokers and employers are requesting. NYSOH is looking to develop a training environment that would simulate production without using validation criteria. This environment would allow brokers and support staff to build skills, knowledge and confidence in using an electronic environment. This will lead to increased broker adoption and confidence in placing their clients with the Small Business Marketplace.

B. Independent IT Quality Assurance Contractor (Cognosante and/or Other Independent QA).

New York requests funding to support quality assurance oversight and testing of the IT system development activities funded in this grant. Cognosante, LLC, is New York's contractor for QA oversight. Cognosante will continue to oversee the work of the Computer Sciences Corporation (CSC) and will continue to be responsible for providing an ongoing critical review and assessment of the performance of CSC. Cognosante's contract, which is in place from July 2012-June 2016, contains two main components:

- 1) Fixed price payments for quality assurance (QA) and independent verification and validation activities (IV&V)
- 2) Payments for supplemental staff

Fixed Price Payments

QA activities include:

- 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

Supplemental Staff

Supplemental staff hours are used to perform quality assurance oversight of the work performed by CSC that is the result of changes in federal or State rules, regulations or laws, or for tasks that are not included within the fixed payment that were unanticipated but necessary to implement the Marketplace.

The QA services proposed in this application include but are not limited to the review and assessment of CSC work products, including the requirements gathering, system design, system construction and testing, user acceptance testing, and the independent verification and validation (IV&V) necessary for the testing of the Marketplace IT system.

In addition, given the volume, duration and nature of the on-going IT development, NY State of Health seeks support through this grant to augment our existing system testing capacity. New York seeks to add capacity to:

- Develop and conduct additional tests of new Marketplace functionality including more complex use case and end to end tests;
- Conduct tests of enrollment eligibility to ensure that all eligibility rules are applied and working properly, ensure consumers are enrolled in correct coverage, and ensure consumers receive the financial assistance for which they are eligible;
- Incorporate knowledge gained during testing work and research to incrementally deliver a testing tool suite which is regularly updated through rapid prototyping methodology to ensure continued testing consistency.

C. Customer Relationship Management System.

To provide better service to our customers, we are seeking funding to support an end-to-end Customer Relationship Management (CRM) system providing a 360 degree view of every customer. This single system will track all aspects of a consumer's or household's account, which will include plan eligibility results, status of eligibility, changes to income and APTC, plan selection details, transactions with insurers, complaints, grievances, calls, concerns, notices sent to and from customers, eligibility appeals, APTC reconciliation for customer, APTC/Cost-Share reduction appeals by customer and resolution of appeals, as well as transactional reconciliation with insurers and CCIIO. This will require IT sources for the various aspects of account management, such as 834 reconciliation with insurers and 1095 reporting to IRS. The goal is to enable a global look at the consumer's account to resolve any issues using one system.

This will be accomplished by implementing a leading CRM package including case and policy management. Case management will provide a single view of the customer. Policy management will allow for accurate implementation of legislative and regulatory policies in customer service. This system would integrate with the New York's Marketplace and other state and federal trading partners. These integrations will leverage many live feeds already in place for NYSOH. The CRM system will enable better organizational collaboration with automated workflow, escalations, knowledge databases, analytics and

reporting. Additionally, this system will allow for multichannel customer support including email and self-service. Self-service can allow customers to view case details online.

D. DataMart.

NY State of Health is proud of its track record in meeting HHS reporting requirements and making statewide and county specific enrollment demographics from the first open enrollment publicly available. Through this application, NY State of Health seeks to further enrich its data reporting and mining capabilities and build a more robust data reporting system that will enable it to quickly and reliably response to federal and state reporting requirements and improve analytic capability, including customizable dashboards, drill down and roll up analysis, standard reports, and ad hoc reporting.

Currently the Marketplace uses a snapshot copy of its production database as the basis for all reporting. This method has limitations in large part because the database structure required to provide the highest level of efficiency for the end users of the Marketplace does not lend itself to rolling reporting. Often the queries necessary for standard reports require special “views” to be created or tying data together across many data tables. This leads to complex and sometimes inefficient processing of basic reports. Additionally, the Marketplace continues to evolve and add functionality both to better serve the end users and to meet changes in rules and requirements. These changes to the application invariably affect the data base structure, requiring constant rewriting and revalidation of reports previously developed and vetted. In addition, the current reporting environment does not allow for historical analysis beyond snapshot copies.

Investing in a data mart would address these concerns and provides additional benefits. The effort required to build a data mart would ensure that all the data loaded is consistent, correct, properly formatted, tested and verified. Historical data saved in the application since October 1, 2013 would be loaded into the data mart and then would be continuously captured in the data mart allowing trending analysis; year over year comparisons and region-specific data drill down, all of which could be used to validate outreach efforts; executive dashboards for at-a-glance status reports, and other reporting.

Investing in a data mart for the Marketplace is also necessary for in-depth analysis of the consumer experience during the application and eligibility determination phase of the process. Statistics available today provide a general idea of where consumers may be having trouble advancing in the eligibility and enrollment process; with a data mart, we can pinpoint the exact pages in the online application where consumers leave the marketplace to inform our work to address those specific areas in the application. Moreover, if we find that certain populations are struggling more than others with any part of the process, we can create highly focused marketing and educational outreach to close the gaps.

The primary users of the data mart would be executive management, business leads, and analysts who would have access to the data in a variety of ways such as standard and customizable dashboards, drill down and roll up analysis, standard reports and ad hoc reporting.

Finally, the security model envisioned by the Marketplace will leverage previously developed NYSOH back office security processes and infrastructure allowing us to quickly build on proven methods developed with earlier funding. The preference is to utilize existing infrastructure with of one of several current vendors, who have developed and implemented 24/7 support strategies, SME’s and have disaster recovery safeguards in place.

A high-level conceptual design for the Marketplace's Enterprise Data Mart (EDM) and Reporting layer has been created. Software options have been identified which include commercial-off-the-shelf (COTS) solutions to process, validate and store the data to ensure more reliable systems.

E. IT Consultants.

Funding is requested to support contractors to supplement staff for the system development activities funded in this grant. Activities which need additional contractor support include two primary areas: specialists with strong analytic, data querying and reporting experience and contractors with strong project management skills to assist existing staff in managing on-going sub-projects. Specialists will help to define the details and intricacies of requirements needed for future development work. Skilled project managers will ensure that development efforts in specialized areas move forward efficiently, on time and successfully.

2. Customer Service

This grant requests funding to: support development and testing of workflows for customer service tasks that have been transferred from federal to state responsibility, including verification of immigration status and granting exemption requests to the individual responsibility provision; sustainment of higher staffing levels during the extended open enrollment period and three months after the close of open enrollment, based on experience from last year; translation of the content of the website into six additional languages and the Small Business application into Spanish. In many instances, the tasks described below are the customer service companion to IT development proposed under the application.

A. Development of Verify Lawful Presence (VLP) Workflow

Development work is needed to improve processes to verify lawful presence status of Marketplace applicants as part of the eligibility determination process. The scope of this work involves requirements definition, development, and testing of an operations workflow required to support the Customer Service components of the VLP process. MAXIMUS will implement workflow changes required to support the VLP process through the back office operation at the NYSOH Customer Service Center. The development effort takes into account the creation of two new workflows within the MAXIMUS back office workflow system to work the VLP documentation. The system will allow for acceptance and registrations of VLP notifications from the core NYSOH Eligibility and Enrollment system and triggering of workflow and tracking of tasks related to the VLP follow up work.

B. Development of Exemption Process Workflow

As stated above, federal rules issued this summer transfer to state based marketplaces the responsibility to determine exemptions from the individual mandate requirement. The scope of this work involves the development and testing of an operations workflow required to support the Customer Service components for the process for evaluating exemption requests to the individual responsibility provision. Per federal regulations, NYSOH is required to assume this process beginning at the start of the Open Enrollment period for the 2016 plan year. The development effort takes into account the creation of workflow within the MAXIMUS back office workflow system to work any manual tasks/intervention required for the exemption process. The system will allow for acceptance and registrations of exemption

request notifications for select exemption request types from the core NYSOH Eligibility and Enrollment system and triggering of workflow and tracking of tasks related to the exemption follow up work.

C. Increased Manual Work via the NYSOH Customer Service Center

New York's experience with implementing new IT system functionality associated with meeting new federal Marketplace requirements has demonstrated that these tasks are commonly very complex and often result in the need to develop manual workarounds via the NYSOH Customer Service Center. The manual workarounds are sometimes needed as a stop gap measure until enhancements to system functionality are planned, developed, and implemented. While NYSOH plans to mitigate the need for increased manual workarounds, NYSOH also expects that there will be a level of support required via the NYSOH Customer Service Center for the new functionality that is planned to be deployed in calendar year 2015, in addition to those that will be deployed through the 2016 plan year Open Enrollment period. This grant requests funding to support staffing of manual workarounds for VLP operations, exemptions processing and other manual operations.

D. Development of Expedited Appeals Workflow

The scope of this work involves requirements definition, development, and testing of an operations workflow required to support the Customer Service components of the Expedited Appeals process.

MAXIMUS will implement workflow changes required to support the tracking of Expedited Appeals through the back office operation at the NYSOH Customer Service Center. The development effort takes into account the creation of a method to communicate to the Department of Health (DOH) that an appellant has requested an expedited appeal. Additionally, as appellants will often be required to submit medical documentation in support of a request for an expedited appeal, funding would support the creation of a method to properly classify the documents when they are received. This development effort would allow MAXIMUS to use work flow to provide the information necessary to DOH to escalate an appeal to an expedited status. Today, there is a manual workaround in place for Expedited Appeals.

E. Training for New Federal Regulations/Marketplace Processes

This application seeks funding to support the development and facilitation of a comprehensive plan of continuing education for NY State of Health customer service center representatives and in-person assistors. The scope of this training will include training on new and/or changes to federal regulations and processes that the NYSOH Marketplace will be assuming in 2015. Specific topics will include but not be limited to immigration, renewals, 1095 APTC reconciliation, and the exemption process that NYSOH is required to assume beginning the start of the Open Enrollment period for the 2016 plan year. Training will be primarily conducted in a classroom setting complemented by webinars. Assistor training will occur statewide over the period from April 1, 2015 through December 31, 2015.

F. Translation of NYSOH Individual Marketplace Website into Six Languages and SHOP Website into Spanish

The Customer Service Center contractor provides translation services for the NY State of Health website. The scope of this effort is to mirror the translation work completed for the Spanish version of the NYSOH website, which will be available for 2015 open enrollment, into six other languages. These languages will be determined based on demographic data and the input and advice of assistor organizations and consumer groups. The request includes the translation of all of the web pages associated with the Individual Marketplace application, NYSOH Homepage, Anonymous Shopping, NY GOV ID registration

pages, and miscellaneous static content into the six additional languages. This request also includes the translation of the SHOP application web pages into Spanish.

G. Customer Service Staff Increase for the Extended 2015 Open Enrollment Period

New York is requesting funding to support extension of peak staffing levels at the Customer Service Center during the extended 2015 Open Enrollment Period (OEP). Initially, funding for OEP assumed a compressed OEP from October 15 to December 7, 2014. Further, as we learned from the first OEP, peak staffing levels are needed for three months following the end of the OEP because of follow up needed to process paper documents, complete enrollments, follow-up on applications that are pended or granted temporary eligibility, and to convey information to health plans.

3. Marketing and Outreach

New York seeks funding to support advertising and outreach needed for the extended open enrollment period. We would seek to replicate our successful strategy from last year, whereby we would analyze enrollment data during the OEP to identify populations and/or geographic areas to inform the targeting of additional advertising accordingly. In addition, we learned during 2014 open enrollment the value of enrollment deadline messages and would seek to capitalize on this again with an advertising push in February 2015.

We are also seeking funding to support additional sponsorship events during the extended open enrollment period and associated collateral materials. These events and materials would focus on target populations and deadline messages, consistent with the advertising strategy outlined above.

Funding is also requested to support translation of advertisements and materials into additional languages based on demographic data and the input and advice from our assistor organizations and consumer groups.

4. In-Person Assistors

New York's successful in-person assistor program features fifty organizations, including one Urban Indian organization, and 96 subcontractors that answer questions and guide consumers through the health insurance enrollment process. These organizations represent a diverse group of organizations that provide high-quality enrollment assistance in all 62 counties of the state and provide services in a total of 48 languages. IPA/navigators provide culturally competent, linguistically appropriate, and disability accessible enrollment services in convenient, community-based locations; and they provide these services at convenient times, including evenings and weekends, at no cost to enrollees.

Funding is requested to support higher level of activities during the extended open enrollment period and three months following the close of open enrollment on February 15, 2015. Based on experience in 2014, enrollment volumes were high at the end of each month during Open Enrollment and remained high during the final weeks of open enrollment. This funding would allow in-person assistor organizations to sustain higher staffing levels during the extended open enrollment period and would allow organizations to complete the follow up work with consumers, including collecting and submitting required documents, to assist with the completion of applications and enrollment.

5. Other consulting

New York seeks funding for consultant simulation modeling analysis of policy changes, including the impact on the insurance market of an increase in small group size from 50 to 100 and an updated assessment of the impact of merging the individual and small group markets given the growth in the individual market in 2014 and the change in group size in 2016. Expansion of small group size is a federal requirement for 2016 while market merger is a state option. Analysis of these policy changes is necessary to inform on-going Marketplace planning.

6. Staff

New York seeks continued federal grant support for existing state staff based on their level of involvement in the development activities requested under this grant.